

Community Tax Summit 2025

Summary

Meaningful tax and transfer system reform



NET ZERO
ECONOMY



REDUCE
INEQUALITY



ESSENTIAL
SERVICES



LIFT
PRODUCTIVITY

Australia's tax and transfer system needs structural reform

There is broad agreement among economists, social security experts, business leaders and the community sector that Australia's tax and transfer system needs structural reform: to lift productivity, realise the benefits of a net zero economy, fund the essential social services and infrastructure upon which we all rely, and reduce inequality within and between generations.

Yet we are told repeatedly that the restructure needed is "too politically difficult" to be attempted.

It wasn't always like this, and it shouldn't be. Governments are elected by the people to undertake the policy reforms needed to provide us with security and opportunity, and to ensure we all share fairly in Australia's common wealth.

Shortly before handing down his first budget in October 2022, Treasurer Jim Chalmers acknowledged that we need a "big conversation" about what kind of country we want to be, and how we can pay for it, but in the years since, attempts at even minor tax reform have been frustrated by vested interests.

We cannot continue this way. Our children and grandchildren deserve better.

In February 2025, Per Capita and partners hosted the Community Tax Summit 2025, demonstrating that the community has the appetite for this "big conversation", and show that a genuine, everything-on-the-table approach to tax and transfer reform is both needed and wanted in the next term of Parliament.

This document summarises the conversations at the Community Tax Summit 2025, held 20-21 February 2025.

KEYNOTE ADDRESS

Dr Ken Henry AC

"You won't be surprised to hear me say that the structure of our tax system offends intergenerational equity."



- Young workers are being robbed by a tax system that relies upon fiscal drag, forcing them to pay higher and higher average tax rates, even if their real incomes are falling. Young workers are also being denied a reasonable prospect of home ownership. They are burdened by the punishing costs of securing a tertiary education. It is they who will have to deal with the increasing costs of climate change adaptation. And it is they who will have to bear the multiple burdens of catastrophic environmental destruction.
- The Australian mining and logging industries collectively employ only about 2% of the Australian labour force. Their business models rely on the destruction of natural capital. The boom in resources prices off the back of strong Asian growth over the past two decades has depressed rates of capital deepening right across the economy through mechanisms well known to those who have studied undergraduate economics. Yet we have political leaders who insist that mining and forestry underwrite Australian prosperity. I will state it plainly: **those who believe this nonsense cannot be trusted with the wellbeing of future generations of Australians.**
- Remarkably the consensus among leaders of Australia's major political parties appears to be that tax reform should be avoided. They want to kick the can down the road. And if tax policy can't be ignored then it should be approached bit by tiny bit. This is nuts.
- In the absence of an Emissions Trading Scheme or economy wide carbon price, a comprehensive road user charge should obviously include a carbon tax. A carbon tax on internal combustion engine vehicle road usage would obviate the case for all of the schemes across the country designed to encourage the uptake of electric vehicles.
- Nibbling at just one part of our complex tax system is a bit like tugging at a loose thread on a garish tapestry — you might improve it, or you might lose a big chunk of the whole thing.
- Even modest tax reform proposals are probably going to have to involve the Commonwealth cooperating with the states. Probably also with local government.
- The budget places a heavy reliance upon fiscal drag that punishes innovation, enterprise and effort. It rewards tax avoidance. Our company tax system retards investment and discourages business with foreign shareholders from setting up in Australia.
- We've been talking about these things since 2002, but it's been all talk and no action.
- The package of reforms outlined here would have implications for the distribution of the national tax collection across the federation. That exposes the opportunity to consider a reallocation of responsibilities between the Commonwealth and the states. Perhaps we could start with a rigorous, consultative review of the allocation of roles and responsibilities, and then settle the elements of tax system design that would best support that allocation.

SUGGESTIONS FOR REFORM:

- Broaden the base of the GST, reform payroll tax, remove various exemptions, remove taxes on insurance. Replace these with a uniform business cashflow tax.
- Apply a discounted but uniform rate of tax to the normal return on capital attributable to individuals (interest, rent) with symmetric treatment of expenses. The same for capital gains on property.
- Tax economic rents more highly than the rate applicable to normal capital income and capital gains.
- Reduce personal marginal income tax rates, reduce the number of tax brackets and index tax thresholds for inflation.
- We should also levy a carbon tax on Australia's fossil fuel exports, before importing countries do it to us. The carbon embodied in these exports is about three-times our net domestic emissions. So, even a very low-rate carbon tax would raise tens of billions of dollars annually.

Watch the full address here

PANEL ONE

Inequality of wealth, income and opportunity

THE SYSTEM MAKES IT WORSE

"Fewer than one in five people [who responded to Per Capita's 2024 Tax Survey] think that our tax and transfer system reduces inequality of wealth or income. More than 60% think it does nothing or makes it worse."

*Emma Dawson
Per Capita*



THE ECONOMIST SAID...

"As a card-carrying economist, it's ingrained in me to worry about incentive effects of taxes... with a strong eye on not adversely impacting our growth potential. But what's so infuriating is how much our tax system is making things worse. We have all these exemptions which do nothing to promote the economic outcomes that we value... We could actually generate quite a bit more revenue and at the same time improve the efficiency of the system and get a growth dividend."

*Professor Roger Wilkins
Melbourne Institute of Applied
Economic & Social Research*



CHILDREN MISSING OUT

"The scarring effects of poverty start in childhood... Children talk about opportunities that are missed. They talk about things they can't do because of a lack of money but also because of exclusion, discrimination and disconnection."

*Professor Sharon Bessell
Australian National University*



PEOPLE ARE GOOD

"Most people deeply care [about those in poverty], but they're genuinely confused because they keep being told we're an overly taxed country when in fact Australia collects the ninth lowest taxation of all the 30 OECD countries and is the sixth lowest spender on critical services like education, health care and child care... Good people say 'I want to change that picture and I am prepared to pay my fair share...'"

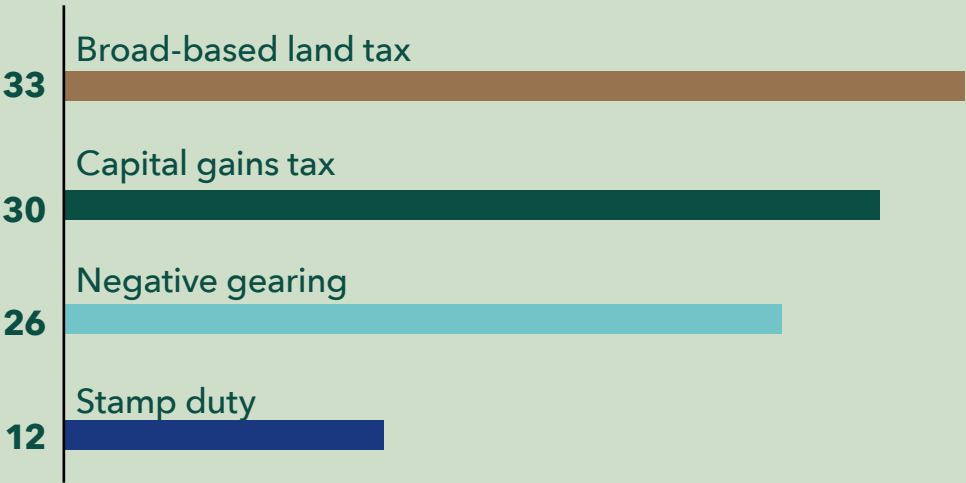
*Dr Cassandra Goldie, AO
ACOSS*



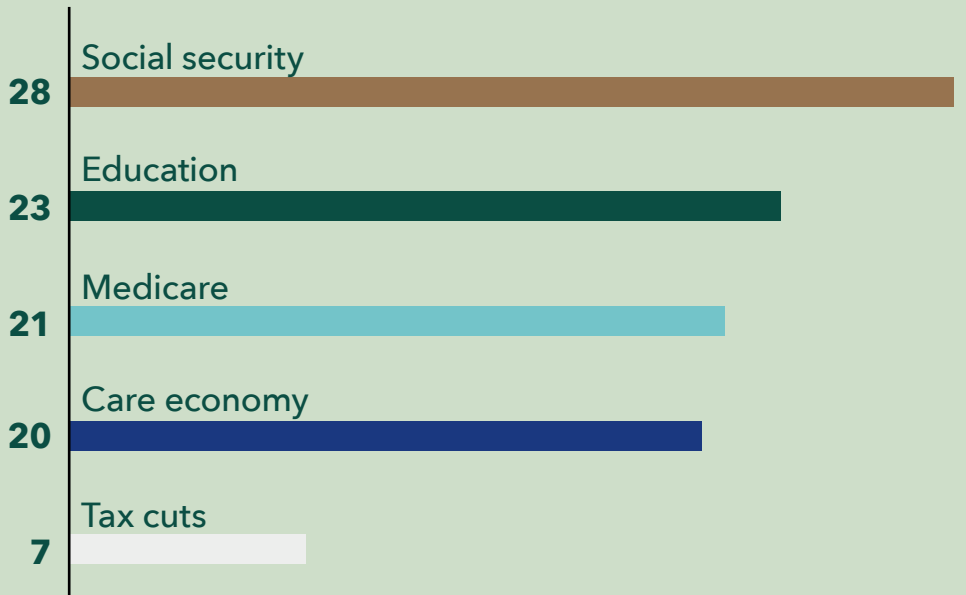
Watch this panel here

COMMUNITY SENTIMENT

Attendees were asked “What tax reform would you prioritise?”



Attendees were asked how they would spend the next budget surplus:



Housing: The great Australian divide

POLICIES THAT PUSH PRICES UP

"We've got 60 years of evidence showing that anything that allows Australians to pay more for housing than they would be able to otherwise, results in more expensive housing and a smaller proportion of the population owning it than if governments didn't pursue those policies."

*Saul Eslake,
Economist*



HOUSE PRICES RISING FASTER THAN INCOMES

"House prices since 2000 have been increasing at roughly 6-7% per annum, while incomes have been rising at 3-4% per annum. A 6-7% compound over 25 years has resulted in the average house price to income ratio rising from 3-4 times to 9 times. Which means now that it is virtually impossible for the average family to buy the average home."

Alan Kohler, Finance Journalist



TAXING PRODUCTIVITY VS SPECULATION

"We're looking for all politicians to be looking at tax reform proposals through the lens of 'Is this shifting tax off productive activity, like building construction, investment, work, employment, entrepreneurship, and is it shifting taxation onto incomes derived from passive asset-holding, predominantly owning land and watching it rise in value? Are we shifting taxes from earned incomes onto unearned incomes?' If we can stop the tax system prioritising speculative income, over income from productive activity, we can actually generate more private sector housing supply."

*Tim Helm
Prosper, Australia*



RENTS & SOCIAL HOUSING

"Since 2000, we've regularly seen asking rents increase by 5-10% every year... Landlords used to be positively geared, but many more landlords now are negatively geared and very highly leveraged. These are the kinds of people that we've basically lured in to become our main suppliers of housing in Australia, when the government used to be a major supplier... A big part of the solution is stopping housing from being the investment vehicle it has become. But it's also about turning back to government as a supplier of housing... When we look at countries that have avoided the housing crisis or managed to turn them around... they are countries where the government is a major supplier of housing."

*Maiy Azize
Anglicare Australia*



Watch this panel here

Housing: The great Australian divide

Questions for the panel

"When the Capital Gains Tax Discount was introduced, was housing even mentioned?"

"When Peter Costello introduced the capital gains tax discount in 1999 he didn't mention housing at all. Costello said the more favourable treatment of capital gains would turn Australia into a nation of shareholders and entrepreneurs... What it did instead was to turn us into a nation of property speculators."

Saul Eslake

"The policy debate largely focuses on home ownership. Should we be refocusing on redesigning the rental market so that it is less dependent on mum & dad investors?"

"That would require, and should require, getting rid of negative gearing - the main thing that encourages individuals to own property. That's not available to institutional investors. The government has now introduced a Build-to-Rent policy to try to encourage institutions to own housing, increasing the Depreciation Allowance to 4% but they need to do more than that I think."

Alan Kohler

"Institutional investors are part of the picture, but we really need to build up social housing and make that an option for more people, more working people, not just a highly targeted safety net."

Maiy Azize

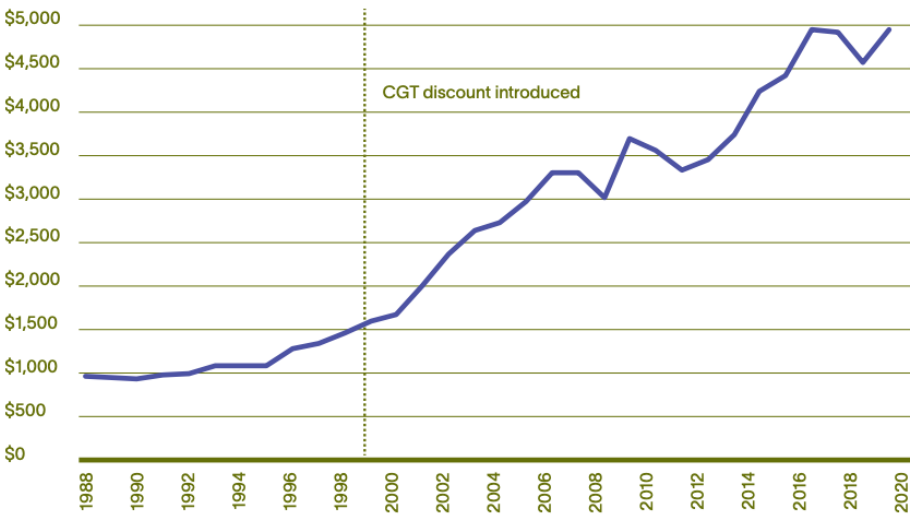
"Australia is very much an outlier in that our rental housing stock is overwhelmingly owned by 'mums and dads trying to get ahead'. In other advanced economies, rental housing stock is owned by governments, not-for-profits or companies set up for that explicit purpose. That has two profound implications. One: The motive for owning and renting housing stock is either a social mission to provide housing or to generate income from rents – it is not capital gains because they don't ever intend to sell it. Two: None of those entities who own housing stock overseas are on the electoral role. Whereas in Australia you have owners who will vote against any proposals to reduce the generous tax treatment they get, but also vote against any proposals to give tenants more security or rights."

Saul Eslake

HOUSING TAXES

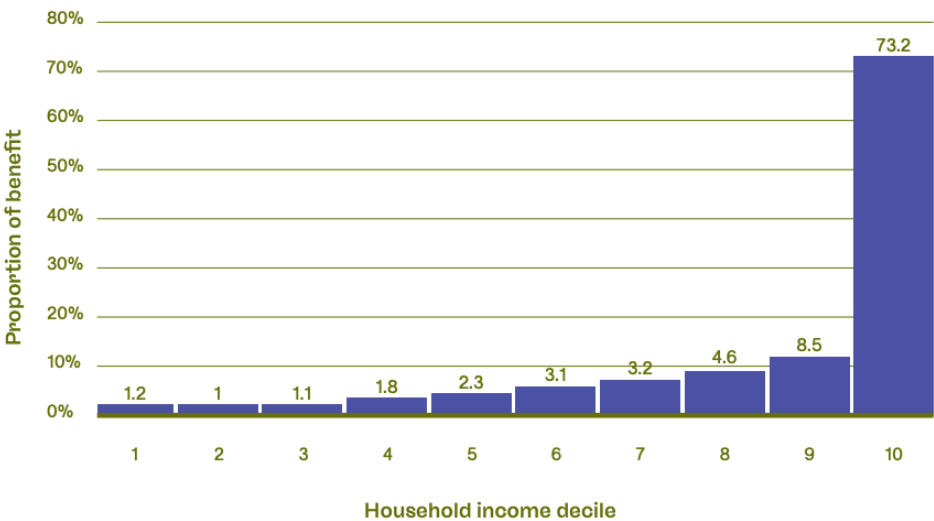
Residential land value, \$ billions, constant values (\$=2020)

Source: ABS 5204.0 Table 61. Value of Land, by Land use by State/Territory, adjusted to 2020 prices



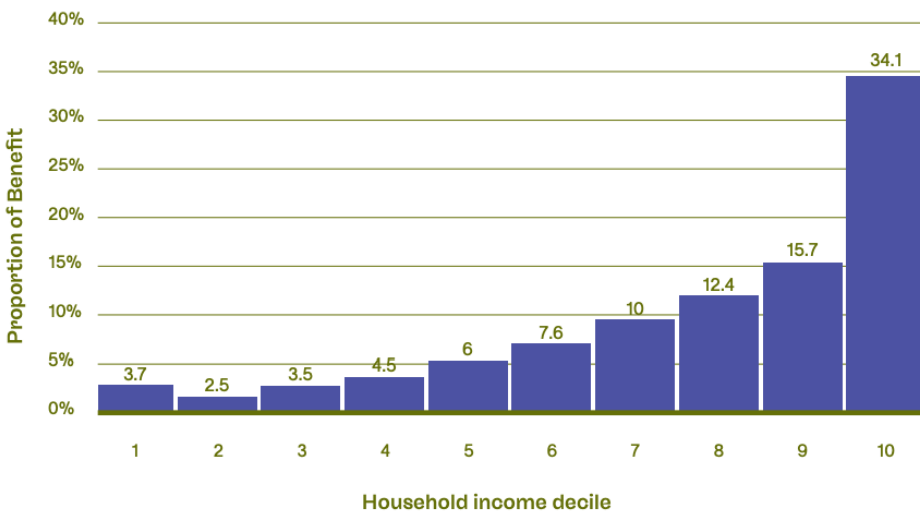
Distribution of CGT discount effects by household income

Source: NATSEM, ATO (2014) Taxation Statistics 2011-12, updated to 2014-15



Distribution of negative gearing benefits by household income

Source: NATSEM, ATO (2014) Taxation Statistics 2011-12, updated to 2014-15



PANEL THREE

Social Infrastructure, Care and Services

AN INVESTMENT IN PRODUCTIVITY

"Social infrastructure is an investment. It is an investment in our community, our people, and our future productive capacity. We can see that across the board. Investing in child care not only lifts productive capacity today - more women can work - it's also an investment in our next generation... Investing in health care - you can't work if you're not healthy... Mental health, one of the biggest costs in terms of productivity loss in our economy. You invest more in mental health services, in prevention services, that drives productive efficiency. It's across the board."

*Dr Angela Jackson
Impact Economics and Policy*



MORE THAN GOOD HEALTH

"One of the best things any country can do for health is to become an equitable country. There's lots of evidence that if we're equitable that's good for everybody - we have higher trust levels, better mental health, people feel safer, there's lower crime rates... Early childhood education is probably the best investment you can make to have a healthy population."

*Professor Fran Buam AO
University of Adelaide*



PUBLIC SERVICES

"Lots of the debates around the public sector workforce understand efficiency and effectiveness as what's cheapest in terms of how you provide public services. We know there are increasingly complicated public policy challenges – an aging population, increasing demand for public services – and we know that to deliver on those we need a strong and effective public sector workforce that is there to deliver...There is still very strong support for quality public services and people are willing to engage with how we actually fund them."

*Melissa Donnelly
Community and Public Sector Union*



Watch this panel here

Social Infrastructure, Care and Services

Questions for the panel

"What about a user pays model?"

"There is lots of evidence that the most efficient and effective health system is a publicly funded one. In Australia of course with Medicare public hospitals are free... but in the last decade co-payments have crept up – people have to pay more to see specialists or GPs. That in itself will increase inequity."

Professor Fran Baum

"The belief that the private sector is going to be more efficient has clearly proved to be somewhat unfounded in terms of what the outcomes are. Child care fees have grown at one of the fastest rates in the CPI basket once you take out the subsidies, and we have a large private child care sector making big profits... Aged care we've seen huge issues with private sector for-profit providers. We're seeing it in the NDIS where the quality issues are profound and the costs have profoundly increased. We need to have a discussion about how we design these markets. I am someone who believes in markets - they can be well designed and you can provide good outcomes that provide users with choice... But we seem to have assumed that providers will do the right thing even though the incentives aren't for them to do the right thing."

Dr Angela Jackson

"To properly assess these medical systems, don't we need to measure healthcare outcomes in aggregate and at minimum? What does that data show about the different health systems?"

"We know that the life expectancy gap between the US and Australia is now about 8 years... And generally we know that countries with good health systems actually have healthier populations, which makes sense when there aren't big cost barriers to healthcare."

Professor Fran Baum

"Obviously with Closing the Gap we know that between Aboriginal and non-Aboriginal people that gap remains profound. That should be the national priority."

Dr Angela Jackson

"Medicare is held up as this amazing universal system, but it does have a lot of flaws. It allows for an over-supply of doctors in high socio-economic areas where they're not needed.. and an under-supply in lower socio-economic areas where we need more doctors. And that is a design of the system."

Dr Angela Jackson

"Peter Dutton is accusing Labor of adding 36,000 jobs to the public sector. What are we getting for that investment?"

"In the Department of Veterans Affairs, at the end of the Morrison Government, the backlog of claims was 41,000. That backlog has now been addressed and claims are now sent to an officer within two weeks. In the Services Australia space, the claims waiting to be assessed have halved because of the investment in public sector jobs. Call wait times have come down. [Under Morrison] it got so bad that if a pensioner's claim was not assessed within 50 days you had Buckley's chance of ever getting it assessed because of perverse incentive structures. In the space of veterans, in the space of pensioners, families who use child care support, students, youth support, etc, there are real implications in terms of the services people are receiving."

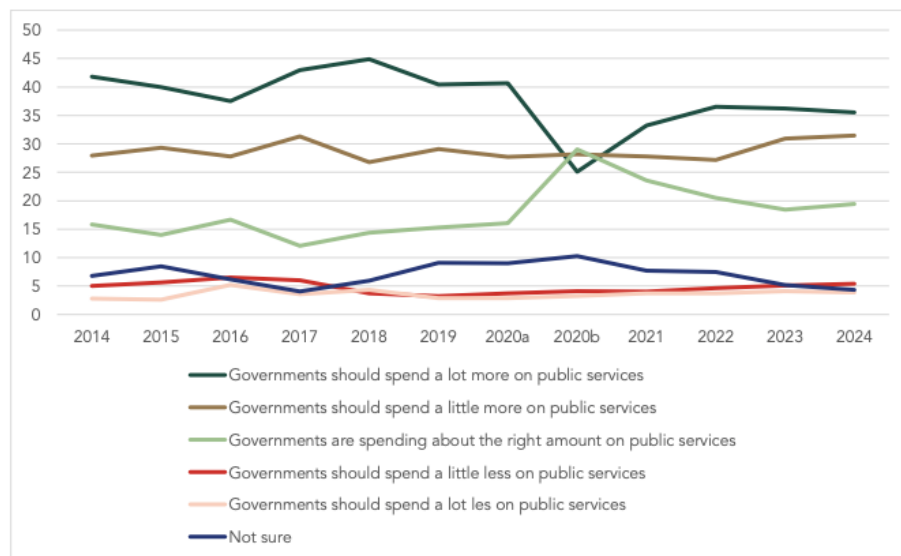
Melissa Donnelly

AUSTRALIAN'S VIEWS ON PUBLIC SERVICE SPENDING

Source (all graphs): Per Capita Tax Survey 2024

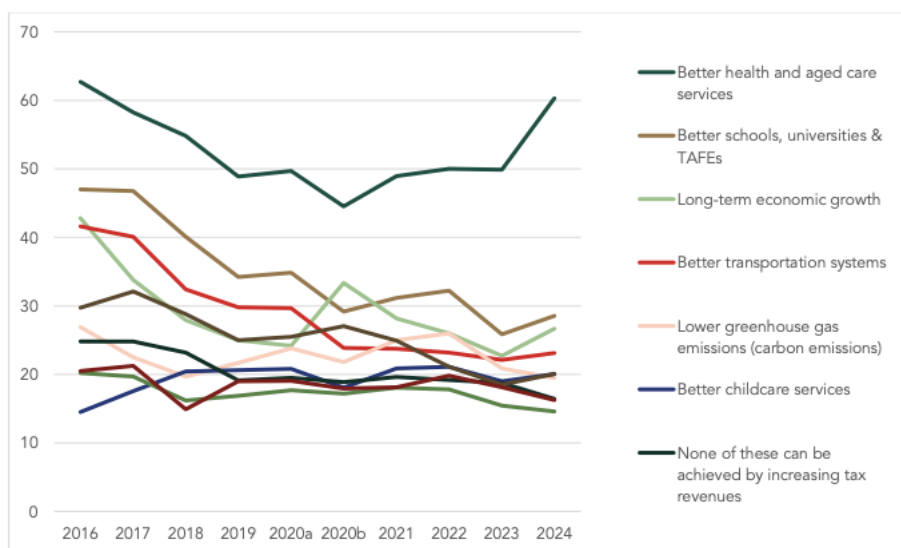
Overall views on public spending.

Respondents were asked "Which of the following statements best describes your views?"



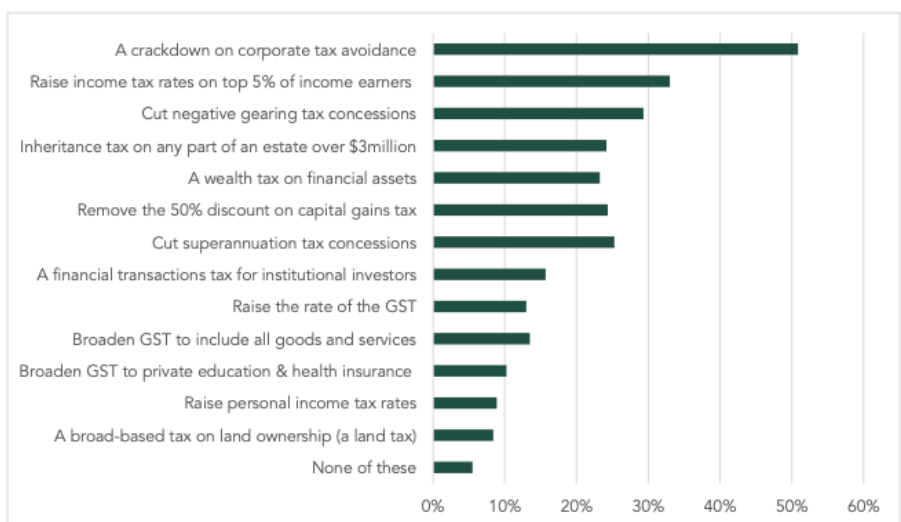
"Which of these outcomes would you be prepared to pay higher taxes to achieve?"

(Respondents could choose multiple options)



"If you wanted to raise more tax in Australia to pay for quality public services, which of the following approaches would you support?"

(Respondents could choose more than one option)



ATTENDEE INPUT

"Tax should be based on the affordability of a particular individual. A coding system should be applied so the person will be taxed according to the financial circumstances/life events."

"We need better framing of our issues. Too much gets boiled down by the media into the *haves vs have nots* and pits the wealthy against poorer families or generations against each other, making change seem insurmountable."

"Broad-based tax will increase the fiscal inequalities for vulnerable people (see land tax in Victoria). Tax policies and fiscal laws are totally inadequate in protecting low- and middle-class citizens."

"It is going to be up to us in a civil society to move the politics."

"Comprehensive tax reform is more complex than an incrementalist strategy. But it reduces the risk of single-issue reforms being picked off and creates space for a holistic conversation with the electorate."

"I appreciate the market allocation angle. Given cost cutting in Australia, outcome-based incentives like Japan's, where provider rewards tie to measurable patient outcomes could improve quality care."

"We need to use the Teals and local councils for place-based community level conversations about tax reform that resonate with the average punter. Can't do this from Canberra."

"What about introducing an Office for Tax Simplification like the UK had? Drive a move towards a broader base, with fewer exemptions."

"GDP is a poor measure of economic activity as it does not distinguish between beneficial and destructive elements. What is a better measure of economic health?"

KEYNOTE ADDRESS

Prof Miranda Stewart

Melbourne Law School

"The tax system protects and maintains the elite at the top, while the bottom 5-20% are struggling to get access to the middle [class]."



- Three quarters of the Commonwealth tax base comes from income taxes (from individuals and companies).
- Australia's national debt is not high compared to other countries.
- We do need more revenue to resolve wealth inequality, care for our aging population, cover rising fiscal costs and manage the energy transition.
- When we talk about tax reform with the public, we must clarify the social goal, the *why*. We need to justify and renew the role of government and the role of the public sector in delivering public goods for all of us.
- We actually could not fund the state that we want just by taxing the rich. There's not enough money there.
- We should maintain a progressive rate structure. There's plenty of evidence that high wage earners will continue to work even if you tax them a little bit more.
- 25% of working age women with child care costs face effective marginal tax rates about 60% on increasing their days of work.
- HECS was successful in bringing more people into the higher education system, but that system has come to its limits. Our tertiary educated workers now experience a period of 10-20 years of really high tax rates while repaying their HECS.
- A systemic reform package is better than incremental reform, but that doesn't mean doing everything at once. We need to restore that fiscal compact. Tax capital more. Carbon tax to support the energy transition.
- Tax reform has to restore the fiscal compact. You need to bring everyone with you in a tax debate. Relieving poverty is important but you have to bring the middle with you.

SUGGESTIONS FOR REFORM:

- Retain individual and clearly progressive tax rates
- Enhance enforcement of PAYG, gig economy, etc
- Reform the taxation of trusts: tax trust distributions and prevent income splitting
- We are over-taxing medium sized businesses, inhibiting entrepreneurship, growth and innovation
- Increase the GST slightly
- Inheritance tax
- Increase superannuation taxes
- Housing: Ken Henry's proposed scheduler system — reduce the discount on the capital gain and reduce the deduction for negative gearing

[Watch the full address here](#)

[Podcast with Miranda Stewart](#)

Broadening the tax base: What's possible, sustainable and fair?

THE SOCIAL COMPACT

"This idea of the social compact, that hard work and effort results in a level of economic security... today our tax system doesn't support this. It rewards wealth accumulation and speculation over hard work and effort... How can we tax wealth better? We're not proposing

a new wealth tax, we think there's a lot of ways we can do it better with our existing settings: taxing inheritances and gifts, large super balances, trusts, land, resources, carbon consumption."

*Thomas Walker
Think Forward*



REVENUE LOSSES

"Out of the six top expenditures listed in the Tax Expenditures and Insights Statement, five relate to wealth: two superannuation, three capital gains. The sixth is deductions on rental properties. I think that says an awful lot about some of the imbalances in our system... It is primarily people in the top two quintiles, and primarily men, that benefit from these tax expenditures."

*Professor Helen Hodgson
Curtin University*



PUBLIC SERVICES

"Compared with other OECD countries, we're a low-taxing nation... If you look at the distributional impact of a shift from taxing income to consumption, just lowering all the rates of income tax and lift the GST to raise the same revenue, the top 20% gain substantially, and the lowest 40% gain the least. It's true that many wealthy retirees would then at least be taxed on their consumption, but it's a very blunt instrument because it's then equally affecting the full pensioner."

*Dr Peter Davidson
ACOSS*



Watch this panel here

Broadening the tax base:

Questions for the panel

"How would we compensate if we were to increase the GST or broaden that base?"

"At the bottom we already know we need to increase income support, and one could use that to compensate further for any consumption tax increase. You have to bring the middle with you in tax reform - the mass of workers. You need to think about the tax rates on labour income. The advantage of a consumption tax is that it does the consumption of those who are not earning labour income. I think you can compensate appropriately."

Professor Miranda Stewart

"Any thoughts on taxing billionaires, with safeguards to stop those who send their wealth offshore from evading it?"

"Australian billionaires don't hold their assets directly, they have shareholder equity in companies. So really what we're talking about is a tax on accrued shareholder value. It is possible to do that. The likely response to that is to sell down a bit of your equity, which is not necessarily a bad thing - maybe monopolies become slightly less substantial over time. I think it's perfectly possible. The other thing to remember is that... the scale of taxing so few people is not enough to fund government, but it's still important from an equity perspective."

Professor Miranda Stewart

"I've paid tax my entire life. Why should taxes on superannuation be equivalent to people who haven't yet paid their dues?"

"Once you're not paying tax [from working] you're not paying the Medicare levy. Who is it that's most using health services through the Medicare system? During your working life your super was funded by government concessions and now that you're taking it out it is still funded by government concessions. I do think we need to rethink the fact that all income coming out of super is tax free. I'm not saying it should be at the standard marginal rate - there has to be some adjustment made for the fact that tax was paid on the way through."

Professor Helen Hodgson

"This idea completely ignores the influence of tax concessions on that wealth growing over your working life."

Thomas Walker

"Even among superannuation owners, we're talking about increasing taxes on [only] the top 10% or 5% or 1%. The number of people with a \$3 million superannuation balance is a tiny fraction of Australian workers."

Professor Miranda Stewart

"Given the cultural normalisation of the removal of inheritance tax, how would it ever be feasible to re-introduce one? Are there back doors into taxing wealth that would be more politically palatable?"

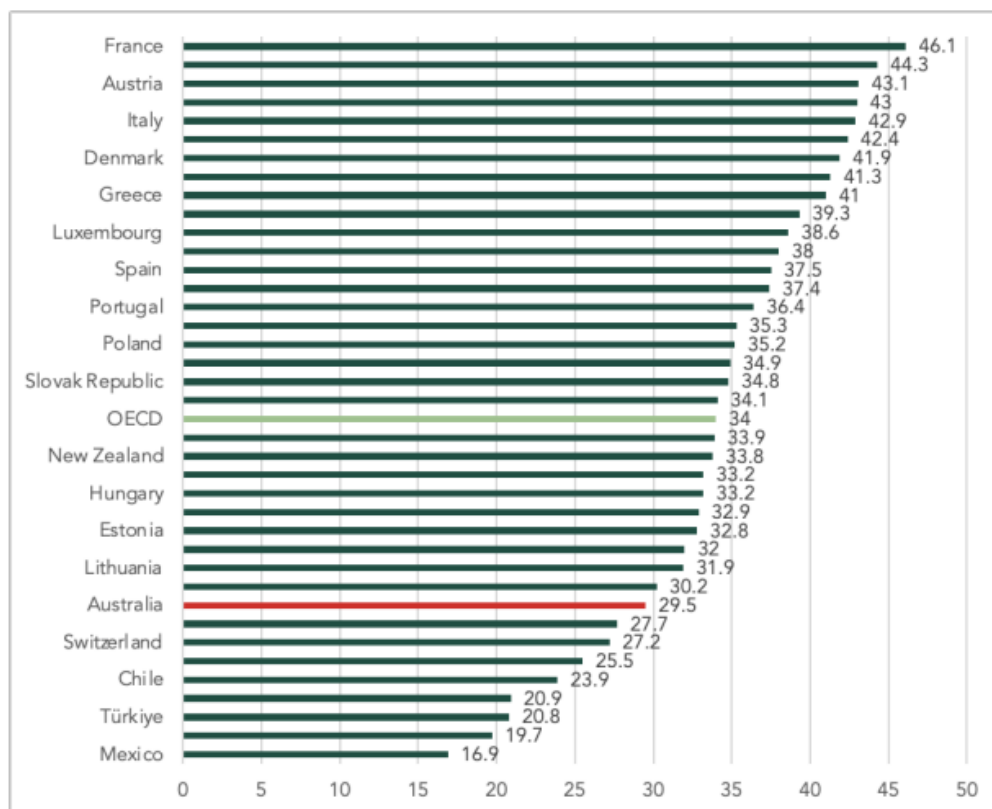
"One is appropriately taxing superannuation, another is appropriately taxing land. The challenge with land tax on the primary residence is that people don't always have cash flow, so one possibility is to build up that obligation over time and have that on the transfer of the property. Inheritance taxes are complex but one can have a pretty high threshold."

Professor Miranda Stewart

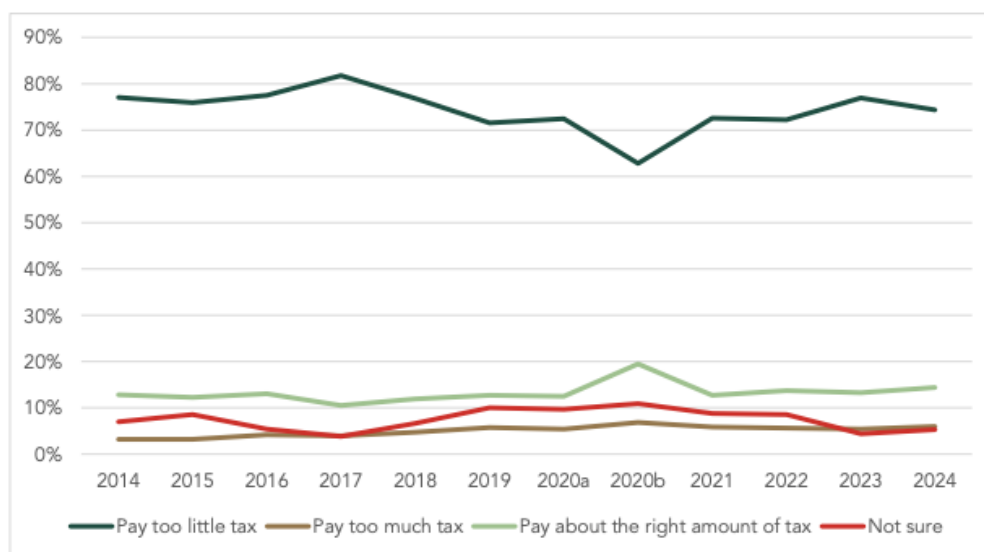
AUSTRALIA'S TAX BASE

Source (all graphs): Per Capita Tax Survey 2024

OECD Countries Total Tax Revenue as Share of GDP (%)

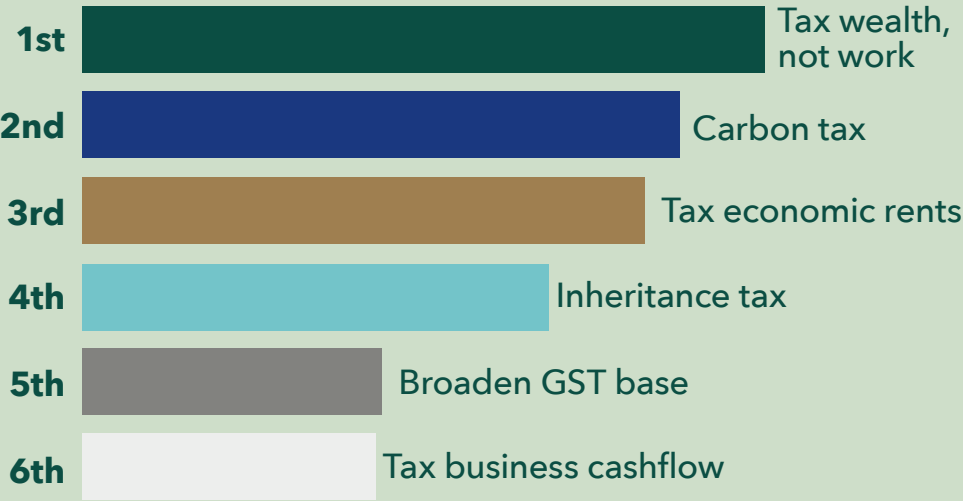


Survey respondents were asked "In your opinion, do big businesses and corporations pay...?"



COMMUNITY SENTIMENT

Attendees were asked "Which option is the most compelling way to expand the tax base?"



Attendees were asked "What is the best way to alleviate poverty?"



Welfare and social assistance

THEY DON'T GO SURFING IN BALI

"When we increased [welfare payments] during COVID, or when people come off those welfare benefits due to a windfall gain or something like that, the sky doesn't fall in, they don't go on surfing holidays in Bali, they engage in lots of future focused kinds of things like training, spending time looking for work and getting a job."

*Kasy Chambers,
Anglicare Australia*



LIVES TO ASPIRE TO

"Ben Chifley quite famously said that 'The modern ideal of our social security system is to protect every citizen in his or her emergencies from the cradle to the grave.' The tax and transfer system and our social services system should combine to empower the people in Australia to live the lives they aspire to. Lives that they have reason to value."

*Travers McLeod,
Brotherhood of St. Laurence*



PEOPLE WANT SPECIFIC OUTCOMES

"If you can connect a tax increase to an actual outcome, to people's lives, you can get the Australian people to support it. The Australian people want to see people lifted out of poverty. But I think they don't trust that that will happen if we just generally increase taxes - they want to see it specifically targeted."

*Elly Desmarchieler,
Disability Rights Advocate*



THE CYCLE OF POVERTY

"The reality is that single mother headed families, among others that rely on the social security system, are in dire poverty and precarity. This seeds intergenerational poverty which then reduces participating in paying income tax for the next generation, as well as having their opportunities burnt before them."

*Dr Jenny Davidson,
Council of Single Mothers and their Children*

Watch this panel here

Lived experience of community services

THE VALUE OF GOVERNMENT SERVICES

"We have not done a very good job at talking about the value of government and the value of government service provision. In fact, the necessity of government service provision and the way in which we all benefit from that."

*Dr Nicole Bieske,
Brotherhood of
St. Laurence*



IT'S A MORAL ISSUE

"I'm so sick of people telling me that 'you have to meet politics where politics is at'. It's just not acceptable anymore. It's a moral issue."

Juanita McLaren



TREATED AS A NUMBER

"Services Australia and the Department of Human Services are misnamed because they don't offer services to their clients. You're treated as a number, not as an individual.

How do we improve the situation?

A good start would be to increase all income support payments. And there are good economic reasons to do so."

Peter Sutton



TAXING PRODUCTIVITY VS SPECULATION

"My experience of government services has been a mixed bag. Coming to Centrelink for transition to work felt like being tossed around between different service providers... then being pushed into study and work that didn't interest me. Then when I found a service provider that was actually helping me, not just serving their own interests, I found work... And now I'm enjoying the benefits of free TAFE, so, like I said, a mixed bag."

Nathan Carolus



Watch this panel here

Lived experience of community services

Questions for the panel

"What do you think it is that stops politicians and economists seeing that prevention saves lives and invests in the future?"

"They are able to pay other people to enable their careers."

Juanita McLaren

"A lack of political will and it comes down to vested interests."

Peter Sutton

"Are there any other recommendations that you would want to make to ministers, politicians and bureaucrats about how the system needs to change?"

"De-linking the family tax benefit from child support. If you want to take family violence and the protection of women seriously in this country, you should enable women to have autonomy with their money and you would continue to support them to separate from their partners."

Juanita McLaren

"To have people who have experience of the service system involved in co-developing reforms of said existing systems. And in terms of mutual obligations, to shift away from punitive measures towards incentivising people to become genuine participants."

Nathan Carolus

"Better functionality and interoperability between the Departments. Government departments should be able to communicate with each other and look at applications in tandem (for example applying for NDIS and the DSP). Another is put people back into Centrelink, personalise things so that everyone is an individual, not a number."

Peter Sutton

ATTENDEE INPUT

"Structural reform is needed. A complete review of the welfare system so it is a safety net based on right, not around protecting the white male breadwinner and charities."

"My biggest takeaway so far is Elly [Desmarchelier]'s point that we in the audience are not the people who need to lead this critical conversation with community about tax reform. We need 'real people' with real stories."

"The Community needs to directly decide how we spend our tax dollars. We are the people with the lived experience, pay the tax, and who the division of the taxes will affect. Participatory budgeting is needed."

"Elly's insights at the Tax Summit challenged my perspective as an economist. She's right – narratives matter, people matter. Lived experiences reveal the real impact of tax policy beyond the numbers."

"Life can throw you a curveball. Many people are one or two pay checks away from homelessness. The system needs to be more responsive and treat clients with dignity and respect."

"It's important for us to recognise that 'support' is not a full solution. It's the minimum to find a way. Nothing more."

"There is such a rich understanding of services and payments on this [lived experience] panel, including how they interact with our tax system. It is so important more of the experiences shape tax reforms."

"Raising the rate is NOT in conflict with universal services. Por que no los dos?"

ONLINE ATTENDEE INPUT

"Conventional economics likes to assume the natural environment is a 'free good' in calculating GDP. We also know this is not valid, so why do we keep ignoring the cost of environmental destruction?"

"Older people are weary of being framed as the problem (it's not their fault). Many older people want a better outcome for their grandkids. How do we have an inclusive not divisive debate?"

"Why isn't some kind of tax on inheritances on this agenda, given the enormous transfer of wealth, much of which has never been taxed, which will occur as the baby boom generation passes away?"

"Is it time to start talking seriously about a universal basic income? Set above the poverty line. Wouldn't this address the compliance problems, and actually save govt money on compliance programs?"

"What tax reform is needed to advance migration justice? Migrants hold 26% of jobs in Australia and significant income tax burden yet are increasingly excluded from public services and representation."

"Does tax policy consider horizontal equity? Singles often face disadvantages in retirement savings, housing, and benefits. Is inequality mainly addressed through vertical redistribution?"

"Can something be done about what super funds can and can't invest in? Why can't they invest in local projects like affordable housing developments?"

KEYNOTE ADDRESS

Dr Katherine Trebeck

The Next Economy

"This recognition that we need to fundamentally transform our economy is starting to move outside halls like this into very very mainstream institutions."



- The blind obsession with growing the economy big, measuring it by GDP, thinking that will automatically create good lives for people - we have tried that recipe, and it didn't work. The wellbeing economy is about saying 'What do we need more of in our economic ecosystem because it's good for people and planet?'
- It's not just climate, carbon, and methane that we need to worry about. We need to worry about an economy with its tendency, habit, and obsession with externalising is almost automatically a throwaway economy.
- We have to design an economic system that deliberately, purposefully, meets the needs of people and planet. Imagine an economy which is much better at preventing harm, rather than spending a shedload of money after the fact, repairing things after the damage is done.
- It's also about pre-distributing – designing market outcomes so that they deliver a better balance of resources in the first place.
- In addition to Per Capita's Tax Survey, research shows that across 17 G20 countries, 68% of adults support wealthy people paying a higher tax on their wealth. People also generally support carbon taxes, progressive income tax and higher taxes for large businesses.
- People get it, but governments are still really shy about making the changes that are needed. What is needed now is to turn the statistics and opinion poll support into heat that the politicians feel so that they are ready to stare down those vested interests, so they feel there's a sufficient countervailing force.

EXAMPLES FROM AROUND THE WORLD:

Tax what we want less of and reducing tax on what we need more of:

- Sweden has reduced their VAT (their goods and services tax) on repairing goods
- Canada have increased taxes on luxury cars, boats and private jets
- Portland has a Pay Ratio Surtax for companies where CEO-to-median-worker compensation ration exceeds certain limits and uses the funds to invest in homelessness services
- Spain has a Solidarity Tax on extremely wealthy citizens
- Italy has lowered tax and VAT for cooperatives, implemented national insurance exemptions for disadvantaged workers, no taxes on trading surpluses if they are placed in capital reserves
- The UK has increased taxes, or reduced tax breaks, on inherited pensions, capital gains, private jet travel and private school fees
- Wales and Scotlands have raised council tax on second homes, which are largely empty

Watch the keynote address here

Climate transition, regional development and community wellbeing

CARBON PRICING

"We need to get away from this myth that carbon pricing is unpopular with Australians. Coal and gas companies make extraordinary profits in Australia. The Carbon Solution Levy (CSL) would represent a transfer of these profits from these companies to Australians. The vast majority of these companies will continue to be profitable but would now face pressure from cleaner sources of energy."

*Baethan Mullen,
The Superpower
Institute*



MAPPING ABORIGINAL CULTURAL HERITAGE

"If we had a look at the planning process and did a massive project to map our country based on a cultural landscape, what we then do is identify upfront where the sensitive areas are if anyone wants to undertake a development. And we can say to people then 'If you want to go and build there, you're going to have a fight. How about you go over here.' And we could all be happy... At the moment we're treated as an inconvenience."

*Jason Field,
GetUp*



NET ZERO NEEDS INVESTMENT

"The requests we get are from towns or regions developed out of big industrial developments - coal, other mining, agriculture. They're starting to realise that they need a lot of investment because the changes required to get to net zero are impacting every sector of their economy. We're getting local governments coming to us because they feel abandoned by other levels of government, they're struggling to hold industry to account."

*Dr Amanda Cahill,
The Next Economy*



LOCAL GOVERNMENT

"Local government is the closest to the people and understands the needs of the community, but it's the least resourced to meet those needs. Perhaps we should have a centralised rating system, built on land value not improved value, that redistributes more fairly based on need. Regional councils are more spread out so providing the same services costs more."

*Warwick Smith,
Centre for Policy Development*



COMMUNITY KNOWS BEST

"We already have [local governments] across the country that are connected to the community. We need to start thinking of them as the delivery arm for these environmental or First Nations outcomes... One of the things that we [the community] are feeling is that in these big decisions of where money goes or how it's taxed does not include the people on the ground who know best where it could best be utilised. Community benefit comes from having community there from the get-go."

*Louise Crawford,
Labor Environment Action Network*



Watch this panel here

COMMUNITY SENTIMENT

Attendees were asked what they would focus on in terms of climate transition, regional development and community wellbeing:



Attendees were asked "Where should the Australian Government put its effort"?



International taxation

INTENTIONAL JARGON

"The complexity that keeps ordering people out of the discussion - this is like the Wizard of Oz arrangement. We end up with terms like Stapled Securities, Patent Boxes, Hybrid Mismatches, Transfer Pricing, Thin Capitalisation. If you know what those terms mean you probably are a tax nerd. But for the majority of the population, you're locked out [of the discussion]."

*Dr Mark Zirnsak,
Tax Justice Network
Australia*

THE PROBLEM IS GREED

"We need to think less about poverty and more about greed. The problem in the world we have is corporate and personal greed. Poverty is a symptom of that greed."

*Jason Ward,
Centre for International Corporate
Tax Accountability and Research*

AUSTRALIAN SUCCESSES

"Chevron is a huge success story. Chevron now pays more tax in Australia than they do in any country in the world. They are the fourth largest tax payer in Australia now and that's due to campaigning by unions, by civil society and by reform. Last year Australia published public country-by-country reporting - this is the best tax transparency legislation for multinationals in the world. And Australia did it first, and it sets the stage for global multinational tax transparency."

*Jason Ward,
Centre for International
Corporate Tax Accountability
and Research*

TAX AVOIDANCE

"Tax avoidance has continued and a lot of this is related to digital financing which has provided instruments for firms to obfuscate the flow of transactions, hiding the source and destination of capital flow, and also facilitating the allocation of income to lower tax jurisdictions.

And in turn the whole process generates intangible assets like Intellectual Property which is itself hard to value and can easily be transferred as some nebulous amount to generate an inflated figure."

Professor Grantley Taylor, Curtin University

A HUGE OPPORTUNITY

"What the UN Tax Convention could achieve is what people are calling the 'democratisation of tax globally.' It's a huge opportunity to shift the power balance globally on tax and who sets tax rules. It could shift the power away from multinational corporations and wealthy people towards low income countries and people in low income communities if done correctly... They've got a couple of protocols underway which will look at cross-border taxation, which will mean [companies] have to pay taxes where the profit is actually generated."

Josie Lee, Oxfam

Watch this panel here

Lived experience of climate change and the regions

TOP DOWN APPROACH VS COMMUNITY-LED

"There is no 'they' in a community. You are the 'they'. And if you wait for 'them' to come in, you'll get the top-down approach. Do not underestimate your power. Do not underestimate your networks."

Peter Williams



LET THE COMMUNITY LEAD THE WORK

"Building community resilience is about building community connections and letting the community lead the work."

Shweta Kawatra Dakin



PARTICIPATORY BUDGETING

"People know best, they know what they need. Having democracy in our communities so we can decide what we need for our housing, for our resilience, for our adaptation and essentially our taxes. Because where does the money come from to fund all of these initiatives? It's the money we put into our Commonwealth. So, I think participatory budgeting is at the heart of what we are talking about here. Asking the Australian people where do you want your taxes to go? What do you need? What would help you to ensure that you'd have a safe, livable future and comfortable life in a wealthy country like Australia?"

Chels Hood-Withey



WE UNDERSTAND COUNTRY

"We are from country. We understand country. So, when we are talking about the recovery process [after floods] and rebuilding our communities, it's so sad that we had to fight to have our voices heard around the redesign of our community spaces."

Marissa Nona



Watch this panel here

Lived experience of climate change and the regions

Questions for the panel

"How can we build better resilience into our recovery plans from disasters?"

"Instead of going top down, it's about getting people from the community and giving them the power and resources to work with the rest of the community. It is a bi-cultural, cultural safe approach. Giving agency back to the community is the most effective way."

Shweta Kawatra Dakin

"We need to own our resilience. We need to shape it. And then advocate to government where there is funding and say 'spend it the way we know it's gonna be better' not the way you [the government] think it is."

Peter Williams

"We're intelligent beings. We know how our land needs to be designed to meet our needs. We are from land; we are from country. I think there is a need to hear from the people from the land around how these investments happen. In particular, how our people need to live and breathe in connection to country."

Marissa Nona

"What would you like see happen (after this summit)?"

"We need our citizens who have the lived experience, who are on the ground and connected to that community, understanding what they need and want, participating in the democracy system of 'where are my taxes going?'"

Chels Hood-Withey

"Nothing is siloed. Its's all interconnected. And if you invest in one, you're investing in other."

Shweta Kawatra Dakin

"In terms of indigenous land practices, there is so much to learn, but we just ignore it. So, start with the environment, start with nature, and let's understand that we are a species equal to everything else, and think about how we make our environment resilient."

The next thing is we must take a community centred approach. Every community is different. And then we have to educate. Educate, safety, dignity, organise, solidarity. Flip the perspective. Empower communities. If you actually use the money given and streamline the access to the people who know what to do or help educate them to do it, we could probably do a lot more with what we already have."

Peter Williams

ATTENDEE INPUT

"Imagine getting politicians to sit down with Juanita [McLaren] to go through the weekly budget and then ask them whether they support an increase to [JobSeeker]!"

"Better and fairer international taxation of multinationals not broadening the tax base system. The low and middle class cannot defend themselves whilst the wealthy get protection from legal and lobby groups."

"The more we monetise welfare the more society judges people as a cost/benefit calculation. Services must be free at the point of access."

"What is it that stops politicians and even economists seeing that prevention a) saves money and b) invests in the future?"

"Just increasing rent assistances etc just puts more \$ in the hands of landlords and investors. It must go in hand with comprehensive reform of taxation and transfer system."

"Public housing in the right numbers in the right places, would be a bedrock for tackling a lot of other social security issues."

"Stop privatising the welfare sector. This is harming people. Government has to stop transferring the government responsibilities and liabilities onto vulnerable citizens."

How to achieve the change we need

GOOD FAITH

"Most people go into politics because they want to make a difference for their country. They may have different ideas of what the outcome should be and how to get there but the vast majority of people that go into politics are, at heart, good people that want to make a difference and we must meet them with good faith..."

We need more voices.

We need more diverse voices in the debate.

Ultimately, we will make the change we need only through the Parliamentary process."

*Emma Dawson,
Per Capita*



START WITH WHAT WE HAVE IN COMMON

"I think we've got to change the way we build civic infrastructure. We need a process where we start with the point of connection, not the point of conflict... Start with what we agree on. Then work with organisations to see if our assumptions are right... Then find a way of deliberating - how do we create feedback loops that are simple and easy to access? Then once we've reached a position where there's effectively a social license within a community, that's when we try to build support for our proposition. I think that's a better theory of change than just getting everyone angry about how shit everything is."

Peter Lewis, Essential Media



CITIZENS JURIES

"Can we start the tax conversation with a jury of citizens simply asking 'how can our tax system be fairer and more efficient?' Let's give them six or seven months, and that will empower whoever is in government afterwards to say 'the range of options that people like is bigger than we thought.'"

Iain Walker, newDemocracy Foundation



DATA, STORIES, PLATFORM

"[The restoration of the single parenting payment until the youngest child turns 14, and also ending the ParentsNext program] looks like it was an overnight success but it wasn't. It took years and years and years and years. It was about allies, validity and framing... You need the data, the stories and the platform... We had data coming out our ears but it didn't make a difference. We had the personal stories and the advocates who knocked on doors with us, and that made a world of difference."

*Terese Edwards,
Single Mother Families Australia*



Watch this panel here

How to achieve the change we need

Questions for the panel

“Is joining a political party still a viable way to make change?”

“Joining things is about how you rebuild countervailing power. The party structures are sclerotic because people don’t join and there is a death spiral there i.e it’s a shitty experience and only the people who want a career out of it turn up to the party. But I think it the volunteer networks the Teals are building around compelling independent candidates are interesting. I think if the major parties survive, they’ll look for more candidates that can do that rather than outsourcing all their community, institutions, and head office.”

Peter Lewis

“Constitutional conferences have been like citizens assemblies but they still resulted in referendums failing. Why would citizens assemblies be any different?”

“The core element behind this is lottery selection. So anytime you have a constitutional convention you put the great and the good in the room. It comes down to who do you trust. You are most likely to trust people with a job like you, people with a background like you, something we’ve got an affinity with. With a citizens assembly format that runs across months you get to meet the people. So it’s not mandatory but about 80-90% of people are happy to be in the media. I am not saying ignore expertise. I’m saying expertise should be on tap but not on top and that’s why it’s persuasive. If those people with expertise, like we’ve heard all yesterday, make their case to people you can connect with, it becomes more persuasive.”

Iain Walker

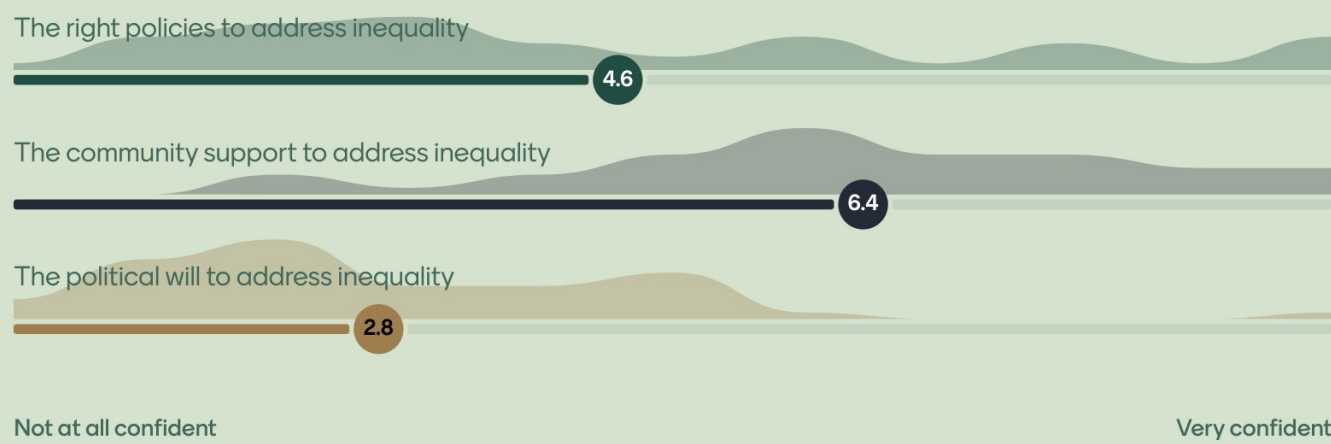
“Deliberative direct democracy starts in your community. Build power locally and take it national.”

“The reason we’re doing this summit and the work that will follow it is to try to build that movement for change. And that should include a citizens assembly, the hard work of people like Terese Edwards and her colleagues that pound the blue carpets, it should include joining a political party or a civics organisation - all of the above.”

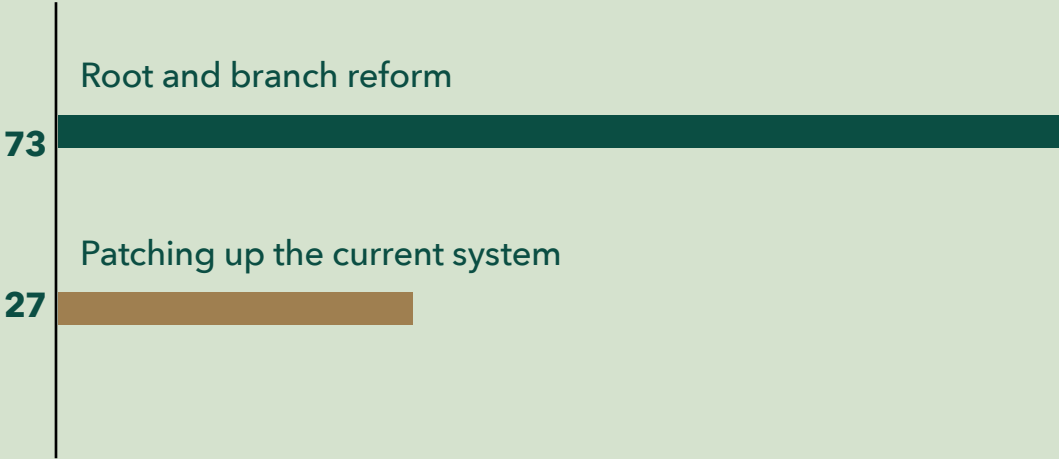
Emma Dawson

COMMUNITY SENTIMENT

Attendees were asked (ranking out of ten) how confident they were that Australia has:



Attendees were asked "What do you think our priorities should be for the next term of Government?"



CONCLUDING THOUGHTS FROM ATTENDEES

"It's wonderful the access the community had to this event. Hearing and seeing different voices provided a wonderful experience."

"People are apathetic and disenfranchised with the current system. The Government has privatised everything and given little back to the common people. We need to democratise and empower the people to make decisions for themselves."

"Root and branch reform is needed but challenging to bring the public with you on complex issues. We need to build the narrative about the public good of tax and demonstrate the benefits of specific reforms."

"Broad tax system will hit the poor and the struggling middle class. Instead focus on tax avoidance of child benefits, multinationals, NDIS reforms and welfare policies."

"It took a PM raised by a single mother to provide the final platforms to reverse the punitive Parenting Payment Single legislation after decades of work. Diversity in elected representatives is vital."

"Tax is another word for sharing. Australians believe in a fair go economy. Our communications strategy needs to be values based because it works. An unfair tax system costs us more. People get that."

"More voices and expertise of people with lived experience."

"Provide a platform for the voiceless people, where they can tell their stories."

PARTNER ORGANISATIONS



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WHAT NEXT?

Per Capita is developing a *Green Paper* for the incoming federal government, building on the outcomes of the Community Tax Summit. Drawing on input from community organisations and the lived experiences of everyday Australians, this paper will further public discussion and ensure that the policy ideas raised at the Summit help shape national debate and policymaking. The paper is expected to be released later in 2025. To stay updated on its progress, [subscribe to Per Capita's newsletter](#).