

TAXATION PRINCIPLE

“The CFMEU fundamentally believes that our taxation system must be based on the principles of fairness and equity and that tax must be collected on a progressive basis from all citizens and corporations, without loopholes that allow the wealthy in society to pay less than their fair share.

We believe that the purpose of tax collection is to provide the nation with a public revenue base to fund vital physical and social infrastructure, including health, education, social security, public utilities, transport infrastructure, the justice system and public safety.

We note that Australia is not a high taxing country and is currently ranked the eighth lowest taxing country out of the 30 countries in the OECD group. On this basis we reject arguments that portray Australia as a highly taxed country with no scope for further raising of tax revenue. We do not support further tax cuts in general and particularly not for medium and high income earners.

Conference urges our National Secretary to campaign against blatant distortions and inequities including;

- i. the wholly inadequate Alienation of Personal Service Income rules which see vast numbers of workers, particularly in the construction industry, misclassified as self employed when they are actually employees at law;*
- ii. phoenix company rorting under which employers who are serial offenders in not remitting workers' tax instalments continue to be given kid glove treatment by the ATO;*
- iii. poorly directed negative gearing and capital gains tax concessions which do nothing to target housing construction at those in need and denude the public purse without good reason;*
- iv. the inappropriate use of trusts and company structures by the wealthy to avoid paying tax at the levels paid by ordinary wage and salary earners;*
- v. the discrepancy between the top marginal rate of tax for wage earners and the corporate tax rate which acts as an incentive for some employees to seek out corporate structures;*
- vi. Conference urges our National Officers to advance these proposals both through the ACTU and to the new Federal Government directly.*

Where research and expertise is necessary to further develop these issues the National Secretary should seek to access such expertise.”