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The Great Debate:

'Income Tax Should be Increased to Assist with Australia's Economic Recovery'

Communities in Control Conference
Melbourne, 16 June, 2009

Adjudicated by

The Honourable Joan Kirner AM

Victorian Community Ambassador, former Premier of Victoria

And featuring

Clare Martin

CEO of ACOSS (Australian Council of Social Service)

Brett de Hoedt

showman, media trainer and Mayor, Hootville Communications

Joan Hughes

CEO, Carers Australia

Lesley Hall

CEO, Australian Federation of Disability Organisations

Please Note: This was a light-hearted debate. The views expressed in this transcript do not necessarily reflect those held by the speakers

Joan Kirner:

Thank you very much, Joe. Thank you everyone for your welcome but it wasn't really loud enough. [Applause] That's better. You can say that when you're no longer in power. You can't say it when you're in power.

This is my one opportunity to exercise power for the year, real power. I've got the time and I've got some control, although having Clare over there worries me a bit. And we're going to have our usual great debate.

But I'll first acknowledge that I'm standing on the land of the Kulin Nation and thank them for their custodianship of this land and pledge to work with them, their current Elders and their communities, to get the kind of community in control that Mick was talking about.

And, you know, I can never resist interfering with a motion, so if you're going to send a letter to Jenny Macklin, I think that's a terrific idea but it's an even better to ask for a deputation of many of the organisations represented here. And, really, the buck stops with the Prime Minister – I never said that when I was Premier of course – but really, the buck does stop with the Prime Minister. So you might like to discuss amongst yourselves who the letter should really go to and who the copies should go to.

This debate is really very timely because we've had a fantastic discussion. I think this is one of the most solid Our Community conferences I've been to (most of you will know what solid means in Indigenous terms). And I think that's because we've had speeches that have got stuck in to the depth of the issues, and that have been delivered with passion. I don't know

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about yourself, but I've been thinking about what I've got out of this conference and what I can put in in the future to make the dreams of this conference come true.

The real word of this conference has been, and will be, 'hope'. We got it in the very moving story of the young woman who was feeling depressed, suicidal and was just hoping that someone would listen to her. She found a friend who was listening to her but more people needed to listen. That's the individual hope.

Then there's the hopes of all the community groups you represent, the hope that one day government will see themselves as partners with the people you are working with, and not be afraid of sharing power with the community, and of working in ways that empower the community.

So 'hope' is one of the big words for me that have come out of this conference. And I suppose it's why I keep going because I do have the hope that the community will own its future and, in many cases, does right now. But we have to build on that.

The second thing that's come out of the conference for me is the emphasis on outcomes. That's not just about how we're working, but what it is that we really want to achieve and how do we measure that over the long term.

As community groups, we really need to insist that the sort of work that has been done by Len Syme is done here. We're very good at doing community here. But we're not so good at doing the epidemiology that we need to do. And I think as community groups we need to get

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together and say to our universities and our government, “Can you help us measure our progress so that we can celebrate our successes and build on it?”

The second word that has come out of this conference is ‘partnerships’. Now, that’s a tricky word, because partnerships can be something that you have to have on that application form – you know, that application form that says, “Who are partners in this enterprise with you?” Or they can be what David Eldridge so magnificently talked about. He said something that really struck home to me – how dare we, as effective community groups and/or departments or governments, tell a disadvantaged community that we can’t work together? I reckon that’s one of the most powerful lines of the conference. Of course we can work together if we choose to work together and we choose to share power, risk and responsibility.

Another word from this conference is ‘empowerment’ or ‘control’, and that’s something I’ve been on about for years, and you are on about too. ‘Empowerment’ is the best description of power. We often see power as a cake which is finite and if you get a bit of it then the cake becomes smaller. In my view, empowerment is about enlarging the cake. Every extra piece of power, our individual collective power we put in, broadens our opportunity to have the power to change the world. And that’s the definition of power that I think has come out of this conference.

As Victorian Community Ambassador I have great fun because there’s no definition of the job. So if I want to talk to Daryl Taylor I can talk to, or listen to, Daryl Taylor. I can listen as much as I like and do as much or as little as I like. I don’t have power but I do have the ability to listen and take information back to the Ministers.

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I just want to share with you, and I pick up all this wisdom from the community groups I work with, one of those things before we start the debate. I was down at Corio-Norlane Neighbourhood Renewal. Well, I asked my usual question, “What kind of difference is neighbourhood renewal or community renewal or what you’re doing making to you?” I asked this of the residents of the area. It’s a tough area with some tough and terrific people in it.

And the answer from one woman was, “Well, we’ve learned to deal with suits like you.” I thought, “I’m a bit different from those suits.” I said, “What do you mean?” You should never ask that question. “What do you mean by suits?” She said, “Well, we treat you a bit like piñatas. If we beat you hard enough the treasure will come out.”

Now we’re about to beat our panel into either submission or acclamation, one or the other. We have a fantastic panel in this debate. The topic is: “Income tax should be increased to assist with Australia’s economic recovery.” I would change it, but I’m not in charge of this debate, to ‘economic, social, environmental and political recovery’ but that’s a bit long for a debating topic.

Brett de Hoedt:

Joan, I’m just writing this down.

Joan Kirner:

Thank you very much, Brett, and don’t think that will curry favour with me either.

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Brett de Hoedt:

I just want to be on message and I want to address the topic.

Joan Kirner:

Of course you do. You're always on message but you do interrupt sometimes. And so that's the topic and we have two speakers for the affirmative – Clare Martin, who I'll introduce further in a moment, who is the new CEO of ACOSS. Please welcome Clare. Joan Hughes is the CEO of Care Australia. Please welcome Joan. Brett de Hoedt is the Mayor of Hootville Communications, the leader of his group. And the wonderful Lesley Hall, who is the CEO of the Australian Federation of Disability Organisations.

Each speaker gets 10 minutes and the rebuttal from the team leaders is three minutes. The rules are Kirner Rules, which are, of course, community rules. And I would like to start off by introducing Clare Martin. I can actually introduce her without the notes but I'd better have my notes.

In 1995 Clare was elected to the Northern Territory Legislative Assembly for the seat of Fanny Bay. I had pleasure of having dinner at an Emily's List fundraiser with her in 1995. She doesn't believe that what I'm about to say is true but it is. I sat there listening to her speak and I thought, "If any woman can become the leader of the Northern Territory, the first Labor leader for the Northern Territory, it's this woman." She had the determination, she had the charm, she had the will, she had the knowledge, and she had the communication.

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She became Opposition Leader in 1999 and after a victory that most people did not predict – and I suspect even Clare didn't, but we'll hear about that I'm sure – then Chief Minister in 2001. She was the first Labor Chief Minister and the first woman Chief Minister of the Northern Territory. She joined the wonderful COAG group.

There were a number of reforms under Clare's leadership, and I think one of these reforms means that Clare will go down in history, or be written up in history as being really important and gutsy. Most people in the Northern Territory and in Australia thought that Clare, or the new leader, would not have the guts to repeal the controversial mandatory sentencing laws. Have you ever seen discrimination? That was it. In fact, she said she would and she did, very shortly into being elected. Well done, Clare.

Clare led her team to another election victory in 2005 before resigning as Chief Minister in 2007 after a very difficult time in the Intervention era, one might call it, that we've talked about this morning.

But she's not wasting her skills. She now heads up the Australian Council of Social Services. Please welcome Clare Martin to lead off the debate in the affirmative.

Clare Martin:

Thank you, Joan, and good afternoon all. Just before I go to tax, Joan, if it's all right, when you mentioned the repeal of mandatory sentencing in the Northern Territory it took me back to that first piece of legislation that we actually took in. I was pretty delighted when we got it through the Parliament. I was seen in the corner doing kind of cheering and got actually

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almost thrown out by the Speaker who was independent. It just reminded me of that special moment when you said that.

But we're talking about tax this afternoon. And can I pay my respects to the traditional owners; and traditional owners, let's win this afternoon.

The topic is that "Income tax should be increased to assist with Australia's economic recovery", and I thought the first thing I should do is actually check what income tax is. You know there are words that you use that kind of get into common usage and you think you know what they mean, but I thought I'd check, so I Googled.

The simplest definition of income tax I could find was, "The annual tax levied by federal government, most states and some local governments on an individual or corporation's net profits." Pretty simple. It means everything. It means your earned income, whether you've got wages, salaries or commissions, it means your unearned income, whether you've got dividends, interests, rents, whatever. Income tax embraces the lot. So we're all in it, high income earners, middle income earners, low income earners, big multi-national corporations, little single-person operations. It all falls within income tax. So when we're talking about this we really are talking about everything.

I had a first thought, and that was that it's an unusual topic, really, considering the environment of the last decade. The last decade has seen taxes go down. Each year, each federal election, each state, territory election, taxes go down. So that's kind of the

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environment we're in. I think John Howard and Peter Costello are still fighting about who was the one who led with the tax cuts federally.

My second thought was about equity in the tax system and about the distortions that we currently have in our tax system which means more often than not if you're a high income earner you pay proportionately less tax than a low income earner. We all know of the work that is done constantly on creative ways to pay less tax, whether that's minimising your tax, whether it's deferring your tax, the myriad of accountants who try and find loopholes in almost everything.

But one of the most stark ones is the difference that has been there for a long time for superannuation; the situation is much more favourable if you're a high income earner.

So I thought about equity. And I was having these thoughts tackling the topic before us today. And then I had a reality check. And I thought if we're talking about tax and we're talking about taxes going up and taxes coming down, who makes those decisions? And again, with due respect to Joan and to my past career, politicians make those decisions.

Tax, whether it's going up or whether it's coming down, makes politicians very nervous. It makes them nervous because putting them up can get constituencies off-side. Putting them down means you lose revenue. So it's a very nervous topic to be dealing with.

Just a quick anecdote from me as a former politician. When we first got into office in 2001 we thought we had a very small deficit, in terms of the Territory's budget, very small. That was in the budget papers. And the first thing that the Treasurer came and told us was that it wasn't

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that it all. In fact it was 12 times higher than we thought. We, as a brand new Cabinet, nearly had a collective heart attack.

Anyway, we decided we had to do something about it so we put on a tax. We decided to call it a levy and put it on everyone's car registration. It seemed like a good idea at the time. But if you all think about every time you go and register your car, and on that bit of paper it says, "Here's your rego and here's the extra levy you're paying," everyone was reminded every 12 months when they did it.

And boy did they resent it! It was one of those things that you just remembered, the resentment. You tried to give the rationale when people came to see you but they'd go, "Rubbish! I don't care. I hate this tax!" It was a good lesson to learn early in government about how taxes sit in the general framework.

But just going back to that first thought I had about the environment of tax cuts, the environment of whether we should pay more tax or less tax, really, the last decade has been one of us paying less tax. We did the GST. We all got over the GST. But we've been in a situation where we've all been paying less tax over the last decade. That's in a federal context. We've had parties bidding for our votes with, "I'll give more tax cuts than you."

At a state level, the state governments are doing the same thing – cutting payroll taxes, cutting stamp duties, cutting stamp duties for first home owners particularly, there's a whole raft of taxes that state governments have reduced. Then there's local government, although really, I don't know about you, but my rates never went down.

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It was really as though the only way to win votes was through tax cuts. But it's interesting, you know. If you do a bit of a look at polling over the last couple of decades you'll see that when there was the issue of a federal surplus there was quite a bit of discussion and polling about whether that surplus should go to increasing dollars for services or whether it should go to tax cuts. There was a general view in the political arena that it should go to tax cuts and it eventually did.

But if you looked at what our community was saying, our community was actually saying that 75% of us, and this was pretty consistent polling, 75% of us wanted to see those surpluses go to increased services.

Now, we were very specific about what kind of services they were. They tended to be health or assistance in aged care. But the preference was not for a tax cut, it was actually to use the surplus on services.

That was a very big change from the 1980s and 1990s, where it was very much about, "Give it back to me. I want tax cuts." Maybe we were growing a little older. Maybe we were growing a bit wiser. But it was certainly a swing away from wanting only tax cuts to wanting services to be properly funded.

But that's a different issue when you're talking about spending surpluses to the one we've got in front of us today, which is about raising taxes so that we can knock off a deficit. That's what it's really about. We've got a big deficit and we have to work out ways that we're going to be able to continue to spend on services while we meet the repayments.

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It's interesting to kind of do a bit of a straw poll about how people feel about actually having taxes raised. I did a bit with some people I knew. They're really nice people. They're generous people, community-minded people.

But when I said, "Would you pay more taxes?" there was this kind of blanket look that starts. You can see the eyes thinking about the mortgage, the holidays, the children, the teeth, the new appliances. And there's very little support when you actually test whether people individually would like to see their taxes go up.

So here we are with the kind of issue that I'm supposed to be arguing to you, that we need to increase taxes, and I've really not got there and Joan's called time on me. So what do we do? Do we increase taxes for high income earners? Do we put the GST up from 10%? Do we increase company tax, although the Business Council says we can't. Do we increase capital gains? Is it temporary? What do we do with increased taxes?

And I've got the solution. It's a real ACOSS solution. Because what I'm going to recommend to you today is that to increase taxes, what we need to do is grow our economy and create more jobs. There are 650,000 Australians who are unemployed and they want to have a job. And if they've got a job they'll pay taxes. And this is a much better option in terms of increasing our tax take and getting people out of the unemployment queues, which sadly are going to grow, and back into the workforce, and therefore paying taxes.

I think my time is up. Thank you.

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Joan Kirner:

You see, they have no time limits in the Parliament. Did you have time limits Clare?

Clare Martin:

Absolutely. And extensions.

Joan Kirner:

And what's more you only had one house. That's a fantastic system – no upper house. Brilliant. Thank you, Clare. You'll have the right of reply later on.

I'd now like to introduce Brett de Hoedt. Brett's the founder of Hootville Communications. He runs a PR agency that serves not-for-profit clients. His staff and Brett spend their days creating media coverage, editing magazines, developing websites, newsletters, e-newsletters and designing campaigns for clients including Seeing Eye Dogs, Mental Illness Fellowship Australia, Yooralla, Hepatitis C Vic, Oxfam, the Australian Conservation Foundation and the Laverton Community Renewal, of which I'm patron.

Brett de Hoedt:

We love those Kirner dollars.

Joan Kirner:

You love those Kirner dollars. We like that Hootville confidence.

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Brett de Hoedt:

It's a perfect relationship.

Joan Kirner:

Absolutely. Don't spoil it.

Before Hootville, Brett worked as a print journalist, talkback radio host, and publicist with media organisations including *The Truth* (which it never was of course), the *No Idea*, Channel 7, ABC TV of course, Radio 3AK, the *Sunday Age*, *Melbourne Weekly* and the ABC. What's left out of that? The *Herald Sun*. The man has taste.

At various times he has also made documentaries, reviewed restaurants and written game show questions. But the thing I really like about Brett is he is working for not-for-profit communities. The question he asks of the people who come to see him is not, "How much money have you got?" It is, "What do we want to achieve?" He's very good at giving you the ideas or picking out your ideas and working with you to make that work.

So please welcome as the first speaker for the negative, Brett de Hoedt.

Brett de Hoedt:

Thank you Joan. That was very generous of you. A lot of people here are from outside Victoria I presume. Joan is very well known to all Victorians as the former Premier. She's simply known as "The Ex" around here.

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Welcome to Victoria, the swine flu capital of the world and leading scene of violence aimed towards Indian students. But that's not the whole story. We also have the highest per capita usage of the drug ice. So welcome and feel comfortable as you walk our streets at night.

Now who'd have think there would have to be a debate to argue the case for not raising tax? Surely it's obvious. We don't need any more tax. It's a *slam dunk*, as the Americans would say, a *fait accompli*, as the French would parlais, or *Whatever*, as Generation Y would text.

However, this room might be one of the few rooms in this country where people might be willing to consider paying more tax. A quick pop quiz. Who here is willing to consider paying more tax? Now, you see that's interesting to me because it goes to show how many of you are wrong.

It's very difficult to argue against taxes in a suit. I'm a flat-white-drinking, inner-city-living, Dachshund-owning, small business person, so you can come across as a smarmy neo-con free marketeer. Oh well!

I'm not sure if you've heard about this, but there's a whole swag of money shenanigans that we've described as the GFC. Have you heard about this? Oh good. I have no idea what GFC stands for. I really haven't got the curiosity to investigate. But apparently it's rather awkward economically right now.

It is more awkward economically in places like Barcelona. A beautiful place. Has anyone been to Barcelona? I hear it's delightful. Everyone loves it. California, very sunny. London, very smoggy (a wonderful place, though, if you happen to be a lump of coal). These are places that

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all have reacted to the global financial crisis through increased taxes and charges. And when we say taxes, we're not talking just about income tax. We're talking about all the other taxes and charges on everything we do, from GST to levies to duties to alcohol excise and so on and so forth.

They have increased their taxes and paid the price. Here in Australia we're doing relatively better. The other countries are pretty much having the economic equivalent of a zombie-led apocalypse. Now if that sounds a little sensationalist, let me just say it again: *The economic equivalent of a zombie-led apocalypse*. Do you want that for your families? No, I didn't think so.

Here we haven't lowered taxes. We have refunded taxes in the form of \$900 cheques to consumers, which is the way we now describe people. We have refunded and given loans to companies, which we continue to call companies. One would have thought that General Motors Holden might have socked away a bit during the good years, but we've refunded money to them and they have done with it what they will.

I'm not arguing to lower taxes. I think tax is fine, tax is good. Tax is something like alcohol, which is beneficial. It lubricates interactions of all varieties. It's part of our culture. But too much alcohol is bad. It leads to violence, ill health and poor grooming. Tax is the same. We need tax to keep the wheels turning. Most of my clients are paying me tax dollars.

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Too much tax, though leads, to – this is where I go very deeply neo-con – less entrepreneurial activity. Less profits, less revenues. Joan, you talked about cakes or pies. As George Bush said, “We need to make the pie higher.”

We also see in higher-tax places, like Europe for instance, less social mobility. Social mobility is taken for granted in Australia, but those of you who have migrated here from countries where there is no social mobility will appreciate the social mobility of Australia. I took the train here today and I was begged at by a girl who was going carriage to carriage asking passengers for loose change. How very Continental, how very New York. Would increased taxes help that girl? I’m not sure.

What I would like to see first, before we go to the extreme of raising taxes, is to spend our current tax revenue differently. Instead of anti-domestic violence television commercials, wouldn’t we like to see recurrent funding for people working in the sector? You can hire a lot of staff for the cost of a *60 Minutes* timeslot.

We’ve got the biggest military spending since WWII – how about we try some diplomacy first? We’re building sports stadia (and I want you to note the correct use of the plural *stadia*), but how much are we putting into spending that money to increase, heaven forbid, amateur participation for unelite athletes on the weekends?

I think we can get more value for our dollars. Or are you happy with the way government’s spending your taxes? Would you rather them review it before they ask for more?

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Look, call me psychic but I've detected a bit of a theme through this Communities in Control conference. It's about putting the communities in control. Are you with me so far? All right.

Have you noticed something about money? Those who have it, have control. Are you with me? If the government gets more money who has more control? You, the community, or the government? Them, the government.

Do you trust the way they're spending it? No. Do you really, genuinely, honestly have faith in everyday Joe and Jane Public out there? Or do you not? Quick pop quiz: Are you willing to trust them with the way they spend their money? Aha! There's a disconnect, a big fat disconnect. But I'm hoping you're going to vote for me so I'm not going to harp on it.

Anyone here dependent on philanthropy or foundations or donations? Anyone? Or is that everyone? What is going to happen the day people realise they're paying more in taxes? How will that affect the donations you get? We like the Pratt dollars don't we? We like the Smorgon dough, do we not? We like the Westpac sponsorship, do we not? We can expect to see a direct correlation between increased taxes and dropping of philanthropy, fundraising and donations.

Increasing taxes is a bit like public transport. Nine out of 10 people recommend it – *for someone else*. I have some bad news for you all (and this is frightening because everyone thinks they're the exception) – you folk are the mainstream! You folk are living large. You people are rolling in it.

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There is a finite group of high income earners – we can't give anymore! So when the government goes looking for people with a big stick to hit over the head for more taxes, they're not going to be looking behind the very big fences in Toorak and Double Bay. They'll be looking for people a lot like yourselves. I hope that's enough to keep you awake at night.

Now, I'm not going to run overtime. I have too much respect for my fellow debaters. Clare, as Joan pointed out, had some fantastic political achievements in that realm. I just hope your defeat here today doesn't counterbalance it entirely.

Thank you for your time and we'll talk to you a little bit later in the rebuttal.

Joan Kirner:

Thank you very much Brett for that very sober presentation. It was fantastic.

But they're very polite aren't they? Why aren't they getting stuck into the bankers who are earning \$300 million a year or whatever it is? Why aren't they getting stuck into the people who call it 'taxation' rather than 'investment'? I don't know. They're a bit quiet.

But we'll see what Joan Hughes does. Joan has had a lot of experience in one of the most neglected areas, perhaps until recently, the area of carers. She's now the CEO of Carers Australia, appointed in July 2006. She's an Honorary Associate in the Department of Nursing Research in the University of Sydney. She took on a Churchill Fellowship in 2004. Her research was about ageing parents of people with disabilities, and many of us know how important that is.

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Then from 1993 to 2006 she was CEO of Carers NSW. That organisation has won many state and national awards, including one of the three international caregiving awards in Washington.

In 2008, she was selected to attend Australia's 2020 Summit. At that summit, with Joan and other people's support, one of the great ideas that was put forward, which Rhonda Galbally mentioned yesterday, was the idea of a national disability insurance scheme. That's a bit like a national Medicare scheme for disability. I think of all the ideas around disability support that I've heard over the last 45 years, this is one of the greatest of them.

And that would be a very interesting topic for discussion – whether that's a new tax or whether it's an investment in not only the future of people with disabilities but in Australia. And at the same time, Joan and Rhonda and others, in fact I think Lesley too, have hooked up this other great concept – not that an alliance is a new concept – but an alliance of Carers Australia and the Australian Federation of Disability Organisations and national disability services, to work together, as David Eldridge said, on a common agenda for carers and people with disabilities.

So I reckon Joan's going to have lots of ammunition to chuck into this debate. Please welcome Joan Hughes.

Joan Hughes:

Good afternoon, everyone. Instant engagement. To my fellow debaters and to one of the best moderators in the world, mediators in the world, Joan Kirner, I'm going to make you believe

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that increasing taxes is going to be of benefit to you, to the people you look after and to your communities.

So to follow Brett's idea I'm going to come down into the audience and do a quick poll. And the question to you is, do you think we should have a new tax level to tax the rich people in our society? I want you to put your hands up as I come down the middle.

Joan Kirner:

Is that tax them more or tax them less?

Joan Hughes:

Madam Moderator! Tax them more.

Brett de Hoedt:

I thought you might have been swayed by my argument.

[Joan in audience counting votes]

Joan Hughes:

The other poll that I want to do with you is, how many people in the room know of family carers – family members who look after someone, a friend or a relative who have had to give up paid work or reduce hours of work in order to care for their family member or friend? Put

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your hand up. How many people know of people that have had to either give up work or reduce hours of work? Excellent.

I'm going to persuade you that there are four really good reasons why we have to increase income tax, not only to get us out of this hard time but also to lead us into a time where we all want to belong within home and community.

I want to raise the current tax rate of 45 cents to 50 cents in the dollar for incomes over \$1 million per year. Put up your hand if you think that's a good idea. Aha!

Number two. I want to look at increasing GST for items that wealthier people consume. How many people think that's a good idea? Put your hand up if you think that's a good idea. OK, keep your hand up. What sorts of things do you think there should be an increased GST for – which are the items that wealthier people use? What sorts of things? Boats, yachts, caviar. Down the back there, what do you think? Jaguars, flash cars. Not champagne, no, no. We have to get the basic things right. No extra tax on champagne or wine.

I'll tell you a story. Just recently I had the great fortune of being up at Parliament House when the Budget was handed down. Once you start to live in Canberra the thrills in your life are really pretty minimal. But anyway. If you get invited to celebrate things at Parliament House you can't really say no because if you say no there's a long list of people who actually want to go. So I figured I should be up there the night of the Federal Budget.

Anyway, after the Treasurer did all the bits he had to do, I went up to do the right thing and congratulate him on issues to do with increasing the pension and also a payment for family

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carers. And as I was standing there this woman came up to me and she said to me, “Mrs Swan?” And I said, “No, my name is...” And I thought, “I don’t even look like Wayne Swan’s wife.” And then I started to get worried and I thought, “Oh God. There’s probably the press behind me taking photos.”

So then I thought, if you were the Treasurer’s wife, and we do know of politicians who very much listen to what their wives and partners have to say, then what sorts of things would I say to the Treasurer in getting ready for the next budget?

The first thing I would say would be, “Mate...” Sorry, “Darling husband Wayne, there are three types of people in our community. Those people who have been family carers, those people who will be family carers, and those people who need support because of illness and disability. If you get society and budgets built around that, we’ll have a much better idea of what’s right and what’s good.”

And I’d also say to dear Wayne, my husband and partner, “There is something wrong at the moment with the amount of money that some CEOs are getting,” not CEOs in this room, I would have to say, but the CEOs whose names I won’t mention. You can guess who they are.

There is a CEO of a bank who earns \$33 million a year – that equates to \$130,000 a day. The average income for people across this nation is around \$60,000 but the federal minimum wage is around \$28,600 a year. Many of the people that I represent are on pensions of \$12,000 to \$15,000 a year. So you can see we’ve got to do something about taxing the rich.

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I came into this debate thinking, “Well, let’s think about increasing the tax for the rich”. There are 5605 people in this country who earn in excess of \$1 million. If you tax 50 cents in the dollar we’ll get a few extra billion into services for you guys. And if we can look at a social care insurance scheme we’ll have a much better sense of who we are, what our communities are about.

And that’s the end of my bit! Thank you.

Joan Kirner:

I wonder if Wayne’s grateful. Thanks Joan. Now I know why you’re on so many committees etc., because you’d be a most worthy opponent being outside the square so they’re much happier to have you inside the square. Well done.

The next speaker for the negative side, well they’re all wonderful people on the panel, but Lesley Hall has been someone I’ve admired for a long time. In many ways her history is partnered to Rhonda’s history, not that they do the same thing. But they’ve worked in one of the toughest areas, disability advocacy, for a long time. I think Lesley has been in that area since about 1980.

In 1986, Lesley was engaged as a consultant with the United Nations in Bangkok. She had a pretty high public profile in Victoria. She has an extensive background in the arts, having worked with Melbourne Worker’s Theatre, Little Big Tops and as an arts and cultural development officer within the City of Darebin.

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I might say that the practice on advocacy in the City of Darebin has become world's best practice under the leadership of Lesley and the team she's worked with, because she always works with a team. Thank you for that Lesley. I think it's really set the pattern for local government.

Currently, Lesley is employed as the CEO of the Australian Federation of Disability Organisations. She is a member of many committees, including chair of the Art of Difference, vice-chair of Arts Access and a member of the Victorian Ministerial Disability Advisory Council, which Rhonda chairs.

So please welcome Lesley as the last debater for the negative.

Lesley Hall:

Thanks Joan. When Rhonda rang and asked me if I'd be part of this debate, after I said yes, I hung up and thought, "Now what did she say? She said income tax and she said funny." I took those two things away and I thought, "How on earth can you be funny about income tax?"

So anyway, basically I did a little bit of research on this. The first people I asked were two people who I knew who actually worked in the tax department. I told them that I needed to be funny. I told them the topic that we're looking at.

Ten minutes later, after they'd finished, I hadn't really understood a word they'd said, mostly because I'd fallen asleep. But the worst thing of all was that they actually thought they'd been funny.

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So the next thing I did was I asked my mother. She said, “I’ve got just the book for you,” which worried me a bit because the last time I asked her a really probing question she came back with *Sexual Managers for Teenagers*. Anyway she did actually come back with a book which I’m holding up here for people to see. It was printed in 1922. It didn’t even have an entry for income tax! So I think this is a bit indicative of just how recent this topic is.

So the only thing that was obviously left to me was to do a Google. So as a result the presentation that I’m doing is very well researched and is a very well constructed argument for whatever it is that I’m supposed to be talking about now. I have to tell you that, because 10 minutes before we actually came up here I thought I was on the Yes side. So I quickly had to adapt my paper.

Anyway, basically my proposition is that the less money we pay in income tax, the more we get back. Now how do you work that out? Basically the less money we pay if we’re rich, the more money we’ll get back for economic stimulus plans and bonuses. I think we should get at least get one of these once every week.

Now what do we need? We actually need less houses than we’ve got. We need less jobs. We need less roads. We need less junk food. We need less cars and less drugs. We need less gambling and we need less alcohol, less sex, less furniture, less mobile phones, less TVs and of course less Nicole Kidman films.

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All of these things are not helping to rebuild our economy. All of these things are not consolidating our values or making this country one of the best places in the world to live. In fact, this country is so good that we want to keep people out.

Well, I say let them in, because the more people who live here, the more income tax payers we'll have. That's the crunch of this argument, because it's not about paying less income tax. It's about creating more income tax payers.

In fact, I think we should make everyone pay income tax. I think we should put eight year olds back into carpet factories. Think about how much we'd save not having to provide schools! And then think about all that money that's now being spent on school infrastructure. Think of all the bonuses that we could have. And think about the things that we could spend on that really matter, like gambling, drugs, sex and junk food.

Now, it's also not about raising income tax but about what gets taxed. So, basically, I think all incomes should be taxed. There should be no more capital gains tax. You sell your house, you make a profit, it gets added to your income. You win a bet with a mate, it gets added to your income. You pinch your children's pocket money, it gets added to your income. So let's also get rid of the GST while we're at it.

Think of countries that don't have income tax. Take Vanuatu for example. Now really who wants to live there?

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And what about the great Australian pastime of cheating on your income tax? Or let's call it minimalisation. It follows that if you pay more income tax, the more you have to cheat. Isn't it better to lower income tax so we don't have to cheat?

Of course, cheating on your income tax keeps our brains ticking over. If our brains keep ticking over that will mean that there are fewer people in the country with Alzheimer's disease. And then what will happen to all you people out there who are working with people with Alzheimer's? You'll lose your jobs.

Now, this is the most crucial question. I'm glad Joan started polling the audience because I'm going to poll the audience too. How many people out there salary package? Oh, it's got to be more than that. We're a conference of community workers and health workers. Come on, own up.

OK. Now, basically as the co-member of my team said, everyone else thinks that someone else should pay the tax, not you. So everyone else thinks that someone else should pay tax. So I also want to know how many people here think that Eddie McGuire should pay more tax? Well, I think we've got a room full of Collingwood supporters because not many people put their hand up.

Basically, one of the reasons for the economic recession is because it all started in America, as we know, but there were a lot of Americans who actually don't pay income tax. So because Americans haven't paid income tax we've ended up with this recession.

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For example, and this is where I come to my Google research, the average tax rate paid by the richest 400 Americans fell by a third to 17.7% for the first six years of the Bush Administration. The average income doubled to \$263 million. And nearly two-thirds of US companies and 68% of foreign corporations do not pay federal income tax.

OK, let's be serious. The economic crisis is no laughing matter. There are a lot of people hurting out there. People have lost jobs. People are struggling to pay their mortgages. Emergency food services can't keep up with the demand. So to all of you who say, "I pay enough tax," I say, "Think of people on pensions. Think of neglected government schools and hospitals." And then I say, "Give us more economic stimulus packages so that we can go out and buy more plasma TVs."

Joan Kirner:

Thanks Lesley. That was terrific. You can see she's been in the world of the arts as well as the world of the argument.

And now, because remember we're running by Kirner Rules, I'm going to reverse the order of the final speakers. So the speaker for the Affirmative, which is Clare Martin, will sum up and do rebuttal for three minutes. Thank you, Clare.

Clare Martin:

Thank you, Joan. Now it's always important to be incredibly respectful of the other side of an argument, and I'm going to be. But I'm reminded of the fact that I had to ring my daughter this

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morning at 6.00 am because she had an economics exam at 8.00. She was a bit apprehensive about it. She's in second year economics. She had been studying and trying to put coherency into economic arguments for all of this semester. She was tested this morning at 8.00.

Giving due respect to the negative, they would have failed any test of economics. I want to pay respect to their lateral thoughts, to their out-of-left-field approach to the topic. And to think that we could range from an attack on elite sports through to Nicole Kidman being too much in the public eye, through to lack or more sex related to increase or not increasing tax. I have to pay tribute to the other side of this argument. I think they have done a fantastic job. It's not coherent, but I think they've done a fantastic job.

And on a cold Tuesday afternoon here in Melbourne I think we should congratulate them. Well done.

But it wasn't convincing, it wasn't convincing. It was interesting as I watched hands go up or not when the issue of who wanted to pay more tax was actually raised. There's a real ambivalence in our community about paying more tax. I noticed that Brett kind of wound that one up. Why would you want to pay more tax when you can't trust them governments to spend it properly?

He picked on the old chestnut, you're not old enough to pick on the chestnut Brett. Back in the sixties and seventies we argued about too much money going on military warfare and not enough going on the community. I thought we'd moved past that. No, but he was back there winding you up on, "Don't spend money on defence."

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And don't spend money – which I think is an absolute tragedy – on places that we can watch elite sport, which I love with a passion and I'm sure other people do love with a passion.

So there were some interesting arguments. Don't increase taxes because you can't trust governments to spend them. It kind of goes with the polling I talked about before. We have seen a change in our community, thinking the taxes we pay are justified but wanting to be careful about where they go. When tested everyone said, "I'm prepared to pay a little bit more tax but I'd like to know where those dollars are going."

So maybe the new rule is, "I'll pay \$50 more tax a week but I'd like it to go to my local hospital into the orthopaedic area because I know that my knees are going to go bung in a few years and I want them done."

Maybe this could be a new model of how we pay taxes, that we actually indicate on our tax returns where we would like that money to go. I mean, software is fantastic, software is so good that you could actually find that there could be a correlation between your taxes and where they go.

So we all know it's a very serious issue. We know that we've got to support services into the future. We've got an ageing population. But I certainly think we heard some interesting arguments this afternoon, tiptoeing around, much to Joan's distress, about this very sensitive and very controversial issue of whether we should pay more tax or not.

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Joan Kirner:

Just before I introduce Brett to sum up for the negative, might I just remind you that there are other ways than via the taxation system that we can change the world. And one would be to put a 5:1 ratio on what people can earn, and to make sure the work that volunteers do has a monetary repayment on it for their named association.

So there are lots of things we can do but it's a really important debate. And I now reintroduce Brett to sum up for the negative.

Brett de Hoedt:

Thank you, Joan, and fellow debaters. Those of you who still think it's a good idea to increase taxes put your hand up again. All right. Here's an alternative. You could set up a regular giving from your salary directly to the charity of your choice. It would take the form of tax, give you a tax benefit and you'd get the moral high ground.

But you're not choosing to do that. Something about human nature doesn't like tax. Now, Major General Clare, thank you for your pro-military statement there. Clare not only trusts the military, she trusts the government to spend the money wisely, and software to facilitate the giving.

Here's some alternatives to greater tax. We spend more wisely, as I've mentioned. Perhaps if we want to increase tax it should be on gambling and/or smoking.

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But this idea, Joan, of taxes against the rich and what the rich people buy, that harks back to a different era. Anyone here travelled overseas lately? Rich bastards. You're all going to be taxed.

Anyone bought a CD or music online in the last 12 months? Rich bastards. Luxury goods. You must be punished.

Over the counter medications, the Voltarins that keep us motoring along each and every day. They will suddenly be classified as luxuries of the rich and taxed accordingly.

Not to mention the rest of us. We'll have pay more taxes to keep up with the bureaucracy required to identify what's a budget brand of caviar and what's a really posh one.

And, look, I have to apologise on behalf of all of us. This is something of a charade. Lesley and I met with our competitors, our combatants here before the show. We went through our arguments. They acknowledged that ours were superior and that they were willing to change long-held opinions. But we had a commitment to you and we've kept it.

Finally, Johnny Cochrane was the lawyer of OJ Simpson. He made much of OJ trying to wear a glove that he was alleged to have worn during the double murder. He made a big fuss because, guess what, the glove wasn't fitting. And OJ was all, "This is hard, this is difficult." He kept looking at the jury.

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Johnny Cochrane, now dead, famously said, “If the glove does not fit, you must acquit.” And that has inspired my preferred slogan on this issue. “Before we tax to the max, let’s amend the spend.”

Thank you ladies and gentlemen.

Joan Kirner:

Well, that brings us to the end of this great debate in this room. But it’s certainly a great debate out there. And it’s one as activists that we all have to participate in because when we want to change the world, we do need to shape where the money’s coming from and how much it is.

So I hope you’ve enjoyed the debate. I have, and I could see plenty of chuckles going on.

Please thank our panel for me: Clare, Joan, Brett and Lesley.

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