

Revenue Summit 2023

Transcript: Panel 1 – Paul Karp (Chair), Senator David Pocock, Dr Monique Ryan, Dai Le
Recorded live on 27th October 2023

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“Panel #1> Crossbench Panel”

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Senator David Pocock – *Independent Senator for the ACT*
Dr Monique Ryan – *Independent Member for Kooyong*
Dai Le – *Independent Member for Fowler*

Paul Karp: Thank you so much for coming. I'm excited to be hosting this panel with three very important politicians on the crossbench - where we so often get some interesting ideas about how much revenue we need to raise and where it should come from, some fresh thinking that you may not hear out of the major parties. So I'm joined here today by Senator David Pocock, the Member for Kooyong, Monique Ryan, and the Member for Fowler, Dai Le. Please join me in welcoming them.

The format for the panel this morning is that each Senator or MP will get 5 minutes to present their views about how we decide how much revenue we need to raise and where they think it should be coming from. And then I'll ask the panellists some questions and open it up to a general discussion for some of your questions to the panel. So please have a think about what you would like to ask them. First up, could we please have Senator David Pocock, please welcome him.

Senator David Pocock: Thank you, Paul. And thank you, Aunty Violet, for that. I'd like to acknowledge her and other Ngunnawal elders past and present. It's a hard thing to talk about tax to a bunch of people who know a lot more about tax than the politicians up here. So, I might just offer some reflections and maybe a few of the things that I've been hearing.

Just to start out, I think the need for tax reform, you don't have to look far. Look at the ACT. Often looked at as the wealthiest jurisdiction in Australia, Australia being one of the wealthiest countries in the world. And yet we here in Canberra have the highest rate of long-term homelessness in the country, as Aunty Violet, said one of the highest Indigenous incarceration rates in the country, with the second most expensive place to buy and rent. So it's no surprise that crisis in transitional accommodation is at capacity. Finding emergency accommodation is almost impossible. Yes, I met with a few dozen frontline service providers who are grappling with a sustained increase in people coming needing assistance. People in families that in the past have never been coming to food banks or looking for support.

Here in the ACT city, we've got one of the lowest bulk billing rates in the country, one of the lowest GP's per population in the country, one of the worst metropolitan places for accessing specialist medical care. And we're suffering from decades of under-investment in critical social and public infrastructure. Look at Gungahlin. 90,000 people living out there and not a single aged care bed. We know the issues with childcare, how expensive that has become and how hard it is for families to make that work.

And then you look at our Social Security system for one of the wealthiest countries in the world to have people on. Student allowance on jobseeker living below the poverty line in Australia. And for me, that is there's all of those things in a wealthy country. I think one of the things that we're not talking enough about is our investment in the transition in climate, in mitigation. And I think really importantly, adaptation, we're spending nowhere near enough. And that's everything from the pitiful response to the Inflation Reduction Act to be able to compete for capital and build this economy for the future here in Australia to adaptation and how much money is going to have to go into building resilience in communities across the country.

Clearly, it's a big challenge as you look at the Intergenerational Report. Things aren't looking great, but there's plenty of ways that we can change that. And tax should be something that we're willing to have a conversation around. Frustrating the major parties aren't the things like the petroleum resource rent tax for the government that's going for the weakest possible response. We still haven't collected a single cent of offshore LNG under the parity, and yet we're going for this weak response, not even the one that Treasury puts forward. We've got to be benefitting from our own resources and that's hopefully something that we can talk about on the panel. We've been through a mining boom, unprecedented profits from fossil fuels over the last few years. And we've what we've got to show for as a country that \$1,000,000,000,000 of debt. So there's that at this stage for tax cuts. Housing has to be on the on the table. And again, I think the response to the IRA is a way to invest in generating more revenue in the future.

Paul Karp Thanks, Senator Pocock, for really setting the context there about how much unmet need there is in the community in terms of housing, aged care and our response to

climate change. Please, if you could join me in welcoming the member for Kooyong, Monique Ryan.

Monique Ryan MP Thank you, Paul. And let me also acknowledge the fact that we're standing on, sitting on Ngunnawal land tonight. This land was never ceded to us. And I hope. All right. I retain the hope that we will at some point give our First Nations people both constitutional recognition and a voice to our parliament.

Politicians like to talk about tax reform. We have a lot more energy for that than we do for actually putting it through, and there's lots of reasons for that. We've all seen what happened to John Hewson, to Kevin Rudd, to Julia Gillard and to Bill Shorten when they talked about reform of our tax system. With the recent Intergenerational Report. Even Jim Chalmers acknowledged that our tax system as it is, can't sustainably look after the next generation of people. But he said that was a future Government's problem. I would suggest that instead of repair, restraint and relief, what we need is values and vision. We can't blame the voters for the problems that we've got in because they've been trained to expect tax cuts and to fear reform. They assume the worst, and that's pretty much what we give them most of the time. But most voters know that short electoral cycles don't incentivise poor decisions by politicians.

The 2019 Stage three tax cuts were a booby trap for our economy. Led by Malcolm Turnbull and by Scott Morrison and Josh Frydenberg, they were the wrong policy at the wrong time then and the worse now, the inequitable, then they will be inflationary, they'll suck revenue out of a tax system at a time when we need more revenue to set up, as David said, a country for the future to drive our transition to a new clean energy economy and to find the revenue that we need for aged care, childcare, disability care and medical care.

This at a time when debt costs cost us more to service our debt than we have for a long, long time. And we're struggling more and more with the impact on that of the higher interest rates that we're seeing. So the statutory tax cuts as they slated to go through on the 1st of July of next year, will cost us \$32 billion a year in foregone income. Not to mention \$5.7 billion in increased interest on the debt that we owe. And that doesn't also include the opportunity cost that we will have from not being able to have that \$32 billion to put into hospitals, disability care or aged care. I would argue, and I have argued and many of my crossbench colleagues have argued, that really what we need is whole system tax reform.

It has to look at all of the services that we need from our government, how much they're going to cost and how we can best pay for them. And really everything should be on the table. We have to have the courage to take on those powerful external interests which have stymied efforts to put in things like rental taxes or windfall profits taxes on our minerals and our fossil fuel wealth.

We also have to look at domestic sources of revenue as well. The reality is we know that governments are afraid of tax reform, but we know that Australians are sensible and pragmatic. They know that nothing comes for free and we have to pay for what we need from our government. In particular, the issue which is most front of mind for many Australians right now is the housing crisis. And we have a housing crisis that extends from

Kununurra to Kale, where even in my community, which people think of as a wealthy community, one in four people are in housing stress and we have got rising interest rates, cost of living pressures, soaring building costs, shortage of homes, short of rental accommodation. You guys know this. More than 120,000 Australians are now homeless. Housing problem. Housing prices have doubled relative the rate of increase of household incomes over the last 25 years. We have a lot of people on the brink of homelessness because they've got this fixed rate mortgage cliffs which are creeping up on them and the renters are afraid as well that the next rental increase will force them to either have to move or push them into homelessness as well. If we talk about the intergenerational pressures that we're seeing, housing is at the front of that. It's very clear that the HAFI is grossly inadequate. It would build 30,000 new homes over five years. We need at least another 30 new housing, thousand new homes a year. So instead of tinkering around the edges, we need bold action.

And today, I'm calling on the federal government to be brave and to take on those stage three tax cuts and make them more fair and more equitable. One suggestion, and it's only one suggestion, is to retain that 37% tax bracket, which is due to be removed with the stage three tax cuts coming in next year. What that would do would provide the government with \$8 billion in additional income, which I strongly believe should be used to bolster, bolster our housing supports and our housing stock. With \$3 billion of that \$8 billion. We can establish a capital grants program for social housing, which will build 10,000 times a year combined with the have that would lift our housing, our country's social housing stock from 430,000 homes to 560,000 dwellings over the next decade alone with the remaining \$5 billion.

We should, we can double the Commonwealth rental assistance payments. This will support the most vulnerable people in our community through the toughest cost of living crisis in decades. And many, most of the 1.5 million Australians who are currently on rental assistance are living in poverty and they will remain in that poverty throughout their retirement. Doubling rental assistance, which has been supported by groups like the Grattan Institute, would be a lifeline for those individuals and those families. I feel that it is inappropriate and almost immoral for politicians to support. The stage three tax cuts, tax cuts which would give an \$8,000 tech tax cut to people like myself. Sorry, guys. And to see us while we are refusing to give enough support to raise Australians out of poverty. That's not the Australian Australia that any of us want to live in.

I feel that we need a fairer stage three, Stage three, which will benefit all Australians. A relatively modest change to the that the proposed statutory tax cuts will enable a significant increase in housing. I still maintain that we need a government to have the vision, the values and the vision to look at a whole of system tax reform. I'll continue to push for that. I think we all deserve that. But in the meantime, the government has to put its time, effort and energy into housing the people of Australia. We need a fairer Stage three, which will benefit all Australians.

Paul Karp: Thanks very much, Monique. We all know that the side story, tax cuts costing, you know, \$320 billion over ten years is the elephant in the room at a revenue summit. So good to say that we're talking about it very early. And even with a specific plan about, you

know, how you're going to take that mammoth down and how you're going to carve it up and what you would spend it on instead. So thank you very much for that. Please join me in welcoming the member for Fowler Dai Le.

Dai Le MP: Thanks, Paul. Before I begin, I, too would like to acknowledge the Ngunnawal country, standing here on Ngunnawal country, paying respect to elders, past, present and emerging.

I, I just probably like Senator David Pocock, I'm not an economist, nor have any expertise in tax nor revenue. So very humbled to be here. And I'm sure many of you who are experts in that field. But what I can provide for you, hopefully, is a little snapshot, a vignette of my community in Fowler. And to give you a perspective in terms of the issues that we're facing. And therefore, from my perspective, revenue and tax is very important because how do you look after the most in need?

So the medium, a weekly income in my electorate is about \$1,200, about 60% of our population work either as a labourer, tradies in the factories services. And so therefore the income is between about \$40,000 to about \$120,000 annually. A 62% of my electorate relies on cars still to travel, using petrol to travel to, you know, drive cars, take their kids to school, drop their elderly parents off at doctors. 75% of my population speak a language other than English and have one parent or two parents born overseas. And so I constantly, you know, go on about the cost of living for a community like Fowler. And as Senator David Pocock acknowledge you know the ACT and of course Kooyong as well are very wealthy electorates. So, it's really when I come into Parliament to really champion for my community and to talk on policies, I really, you know, talk about what the government needs to do to provide for the majority of working poor Australians.

And so, this is a revenue summit. So, revenue we're talking about the money that the government collects from taxpayers and the majority of them are working Australian. That's where the revenue comes from. And this year I know that at the start of the election, at the start of the Government, the Labor Party announced spending such as \$20 billion in rewiring the nation, \$368 billion in the AUKUS submarines. So, all of this money that is being spent, those are the things that you don't actually see immediately that will help working Australians and the working poor, as I would call them.

And I have been on the bandwagon talking about the need to really extend the fuel excise cut which the previous government introduced during the COVID period to assist to alleviate a lot of our families or working individuals in electorates like Fowler, where, you know, we use cars to travel to do our things. And that would cost \$3 billion to, you know, put to the government if they do extend that excise fuel cut, the government have not because they said that there was not enough money in the budget and yet in 2020 to 2021-22 the government received \$18.2 billion in revenue from fuel excise. And the year before they raked in \$20 billion in revenue in excise. So, I think it's critical that at this point I know it's short term and I probably am different. My perspective is very different to my colleagues that we need to do something to tackle the cost-of-living crisis for many families and majority of Australian working families. So, I'll leave it at that because I'm open to answering questions and for Paul to facilitate. Thank you.

Paul Karp: Thank you very much Dai Le for your advocacy, for your community and how they are affected by rising petrol prices that was a great perspective to get. Thank you so much.

Before we get on to raising revenue, I want to talk about, you know, how we decide how much revenue the government needs to raise. And, you know, in your contribution, David, you talked about, you know, several areas of unmet needs. You spoke about the rental crisis as well. And, you know, both of those seem to tend towards bigger government, you know, needing to do more to meet the demands of its citizens. I wonder if I could ask all three of you, please. Perhaps starting with Monique, how do we get a societal consensus about how much revenue we need?

Monique Ryan MP: Yeah, it's a great question, Paul. I think we have to look at sort of on a sectoral basis and it would be helpful for us to understand what people's expectations are. You know, are we happy for people who are, you know, single mums to live in poverty and not to be able to send their kids to school camps or to give their kids what they need to get to school. In my own electorate, I'm hearing from schools telling me that kids are showing up at the teacher's room at lunchtime saying they haven't had breakfast and they haven't had lunch. And can they be helped? I mean, I think that's not okay. And I think it's up to the government to provide the sort of support that is necessary in what is essentially a time of crisis for us economically. So we have to look at lots of different challenges there.

I'm very much involved in disability care. I'm on the parliamentary and NDIS committee and there's this whole push back about the cost of the NDIS. But people aren't talking about the benefits that you accrue from investment in Australians with the disability. One in six Australians has a disability. This is not a minor concern for us as a country. So as a doctor, when I had a difficult problem, we probably went back to first principles and thought, What matters here? What are we trying to do? You know, if you've got a patient who's dying, are you trying to elongate their life or are you trying to make sure that they're comfortable and you know that they have quality of life for the time that they have left? You talked about what matters to you as a country and you took it from there. And that's what we need to do with our economy. What do we want from our government? It's sort of big picture stuff, but without being airy fairy, it does define what we need to then provide, and we have to do it in a sectoral way and we have to have conversations about what is reasonable and what's not reasonable to expect from the government in terms of what it can provide for the citizenry.

Paul Karp: David, how do we decide how much we need?

Senator David Pocock: It comes down to values and expectations. What do we value as a society? There's lots of countries that decide not to have a social security system that means that people aren't living in poverty. But that's up to us and the people that we elect based on the ideas that they commit to. And, you know, I think we're facing some huge challenges, clearly. Socially and economically. But I think when it comes to climate and the environment, we're just not seeing that talked about enough and committed to enough. And we don't we don't have an awareness of just how reliant we are on the natural world.

We've got an environment department that's spruiking that they've never spent more on the environment ever in Australia in the last Budget. Of, I think what was a budget 620 something billion, 1.2 billion on the environment and yet 50% of GDP comes directly from the environment. And so I think we're heading towards a cliff if we don't start to think longer term when it comes to climate mitigation and adaptation and ecosystem services and threatened species that we all rely on. So I think there's the social stuff that comes down to values and what we want as a community. Then I think there's the bigger. Discussion, understanding that we're actually part of nature and we can't just keep taking and taking and taking because it's not going to end well.

Paul Karp: And you mentioned one way that government is a cost on your constituents in terms of the petrol excise. But what is the quality of services like in Fowler? And do you do you agree with the general thrust of making David's contributions that, you know, the housing crisis, aged care, that that there is more that needs that there's more need for government spending on services?

Dai Le MP: Look, I think I'll go to just in terms of when you ask, you know, how do we know, you know, what we need to do? I'm not I'm not a tax person, but I think we need to go down to the numbers. I think we need to do some kind of analysis in terms of, you know, how, you know, our population, where we're needed most. I think in order for us to really understand, you know, how do we divide the resources rather than just doing it out of, you know, a political expediency for election kind of time to really understand the numbers, the people, the industry, the sectors, who's doing what. If we actually have the numbers? That way we will understand, you know, government spending. How do we spend our money wisely? I think at the end of the day, tax payers contribute to, you know taxpayers pay for all of us. And I just imagine in my head all, you know, 67% of my population who work in factories and they pay their taxes and I just imagine them paying their taxes towards my pay. And I feel really guilty because you know what? What do we do in return to provide for them to have a better life and so that they can grow and aspire and contribute back to this country? So I constantly imagine that. So therefore, I think it's very important for us to understand the numbers. And that way we know as a government, how do we spend our money wisely?

Paul Karp: And we've already had from Monique one specific idea about how to raise more revenue by carving up the statutory tax cuts differently, retaining that 37 cent rate and giving back more in terms of rent assistance. But I wonder if I could get first, David and then Dai, to give us a revenue idea in terms of raising more revenue. It could be something that has the biggest impact on the budget or something you think would be a quick and easy win. Or maybe it's something out of left field, a tax idea we've never heard before. But starting with you, David.

Senator David Pockock: Sure. Well, I mean, let's start from what we're good at as a country. We are a petro state. We dig stuff up and ship it offshore. And a lot of that is fossil fuels. And we've got to ask ourselves as a country, is it okay for the teacher at the local public school to pay more tax than a multinational company that is making billions of dollars, not a lot of profit because they're not paying tax, but they're making billions of dollars. They're not doing this out of the goodness of their heart. Why do we have a tax system that allows

that? Why do we have a way of collecting a resource rent tax on our gas that doesn't collect any petroleum resource rent tax on offshore LNG? We have to start getting a return for our resources. We've largely missed out on the fossil fuel export, but it's not too late to put some good measures in place to get a return for that from that. But we've got to look at things like critical minerals. That's our wealth. That's Australian and that belongs to Australians. Once it's gone, it's gone. We should be getting a return. And you just have to contrast, and I know this has been talked about a lot is a difference between Australia and Norway. They took a totally different approach and at the time when they put that in, it was a Labor government, at the time the resources industry went straight to the conservatives to try and kill this plan to actually tax Norway's oil and gas. And the conservatives said, well, actually, that is our resources. And we agree. And it was dead in the water. And since then, we've seen what it's done. So to me, that's a starting point - it belongs to Australians - let's benefit from it, because we've got some big problems to solve and invest into the future. And should people in the electorate, people across the country who are earning sort of average incomes be contributing more and more? Or do we get money or fell off our resource wealth?

Paul Karp: And if you were treasurer for a day, how would you fund the excise cut? Where would you be looking for revenue?

Dai Le MP: It's from the fuel excise that we receive. You know, that's the \$18 billion. And if we are to spend, you know, \$3 billion to a short-term measure, but that's a short term measure. It's not a long-term address in terms of our tax system. And I think, you know, going to what Senator Pocock said, it's basically, obviously, all these multinationals, you know, the tax there, but then also the loopholes, because if you get taxed that they find other loopholes that they can avoid paying that tax. So they end up paying really nothing. And yet again, going back to my workers and my community, where they have to pay \$0.30 in a dollar and they're earning, you know, you know, 50,000 up to 120,000. So it's just really just that the burden on the small, middle working class Australians that have to carry the burden off the tax system and offer the revenue for our country. So we really need to, you know, bring a collective group together and be bold about it. And we've had, I think, Allegra Spender who held a held a tax roundtable to look at various ways to really, you know, including GST. Do we look at GST in a way that would apparently, from my understanding, will pull in corporates like the big companies that are currently, you know, not part of that. So had to look at that. So only the tax and the tax expert can explain that to us.

Paul Karp: And the Assistant Treasury Minister, Andrew Leigh, will be speaking later today about multinational tax crackdown and the efforts to get a global minimum tax rate of 15% so that goes to some of that. It's a place to stick around.

Dai Le MP: Yeah, but I think we need to be, you know, we also need to address the loopholes because it's no point talking about taxing the multinationals and it's all great to say it. And yet there are loopholes in the tax system whereby these multinationals will find a way and big corporations and people with wealth will find a way around the loopholes and then they end up not paying anything. So it's great to make all this big statement, but we need to go into the system and really fix the system as well.

Paul Karp: Yes, maybe in addition to a global minimum corporate tax rate, there should be like a Buffett rule where for income earners, for that there should be a minimum as well. So you can't just, you know, deduct it all the way. I want to go back to Monique. In your presentation, you spoke about the difficult history of tax reform under Hewson, Rudd and Gillard. And, you know, a lot of the potential ways that we could get revenue have been tried over the years carbon pricing, mining, super profits tax, Labor's very ambitious 2019 election package involving reforms to negative gearing and capital gains tax. I want to ask, does that mean that those ideas don't have a mandate and it's wrong way go back, think of doing it a different way? Or do you think that on those ideas and also on stage three, which was the main idea in your presentation, that the economic times have changed and that that, you know, demands that those things are revisited and that they might be viable now.

Monique Ryan MP: I think everything has to be on the table still. It should all be on the table. I completely agree with David that we have some unique gifts in terms of our finite resources, whether we're talking about minerals or fossil fuels, and we have wasted massive opportunities to benefit from that. And that's been to all of our cost. And that is the most obvious source of significant income that's not going to impact us all in terms of personal costs in the short term.

The government has been incredibly disappointing in the extent to which it's been which has been willing to take that on. The increase in the petroleum rentals tax is \$500 million a year, which is absolutely nothing. When you look at the other revenue sources that we could have if the government had the courage to take on those the industries and the players involved there. So that should be on the table, but so should a carbon tax, so should a change or all the other things that people have talked about. And I won't name them all because then the Liberals get a clip of me saying them and then they'll use that against me at some stage. But, you know, all of the all of the above should be on the table.

But we have to go back. Back to the beginning, which is saying, what are we hoping to achieve with all this? RATHER And I think people are really sick of politicians tinkering around the edges of this. What they really want is clarity about what we're hoping to achieve, why we need to change things. And those things are pretty obvious to us. We have to pay for the change to a clean energy economy. We have to pay for all those services that we're going to need to provide with an ageing economy. It's all there. All that information is there. But first off, people have to have Australian people have to be brought along with it. They have to understand why we need to do it. And I have to trust the government in the process. And you know, trust in government is at an all time low. There's no transparency, there's opacity about a whole lot of stuff. Every day in the news. There's stuff about lobbying, the stuff about, you know, what the government's been outsourcing so it doesn't have to have clear lines of oversight for lots of its decision making.

The people don't trust the government with good reason. And so it really does sort of take a rebuilding process in which the government has to demonstrate to the Australian people why it's going to be making some of these tough decisions, why it might be taking on Japan or others or, you know, the mineral companies and the like to try to increase the tax. It charges them why it's worth us having that battle and why people need to trust the government to do that appropriately. That's not an easy thing because you can be you

know, obviously we can all be very, very assured that the opposition we're just missing the saying, no, no, no, no, no, no, no, because that's what they do best. And it will take courage and determination for the government to take that on. But I hope that they will, because if they don't, we will continue to slide into increasing intergenerational inequity.

Paul Karp: I wanted to come back to stage three, particularly for you, Di, because you mentioned the average earnings of \$1,200 a week. Someone earning \$60,000 a year is not the main beneficiary of the stage three tax cuts, I think it's fair to say. Yeah. So I wanted to get your reflections please on how do stage three tax cuts play in your area. Do people think that they're going to get a lot out of that? Is it important to them that the government keeps a promise or that it looks to do more for them?

Dai Le MP: Look, my electorate are very focused on just working. You know, they put their heads down and do just work. They are not very connected to or they, they, they, they've got too many priorities. The cost of living, trying to work two jobs in order to bring food, you know, feed their kids, their families, pay their rent. Of course, rent has increase. So for me, I don't think and you know, thank you Monique, we're all prepared to not have this stage three tax cut in order for, you know, that money can go towards programs or initiatives that we support electorates like Fowler. So so I think that. For the government. They really can't go ahead with it, shouldn't go ahead with it. And think about especially for a Labor government, by the way, Labor is supposed to be for the working Australians. Right? So I call on the Labor Party, the Labor government, to really consider their roots and look at how they can actually provide some relief now for working Australians.

Paul Karp: David, I wanted to ask you, in balance of power in the Senate, you've obviously got a very influential role. And Labor so far has supplemented their election policies slightly by, you know, earlier this year announcing that they were going to tax earnings on super balances above \$3 million. They're going to halve the tax concession for that. What did you make of that development and do you think that that opened the government up to doing more? What's it like being in the room negotiating with them? Are they open to changes that raise more revenue?

Senator David Pockock: Hum. Well. You know, I think the way that they are in government is no surprise given their election platform. They were a small target, sort of opposition with what they brought to the election. And I would say in government they've maintained that we haven't seen much courage or ambition despite the huge challenges that we're facing. And again, like I go back to the Inflation Reduction Act response. This is the biggest climate and energy investment in the world's history in the US. And whilst there are benefits for us there are also huge risks of capital going and investing in the US rather than Australia, at a time when we're hearing Labor talk about wanting to invest in an economy for the future, value out of critical minerals, all these things that are great and we should be investing in, we're basically saying that backed up with next to next to nothing absolute pocket change.

To your point a bit about the superannuation changes. I think again, politicians have to be better at explaining what this is about. What is super for? Is super to have \$100 million in the bank at retirement. Most Australians would say no. And so we do have to make it make it fairer. It doesn't help when you have the kind of scare mongering and quite cynical politics

that we see from Peter Dutton. I think he's going to use anything to whip up fear. But I think when you when you can actually sit down with most Australians and talk through what's being proposed and who it's going to affect, if you've got two or \$3 million in your super, you're doing pretty well. And so I think there is that whole fairness element in the in the tax system that we have to have more of a conversation about. And I think this a lot of this rests on the way that politicians talk about this. You hear politicians say stage 3 tax cuts are about middle Australia. Like, come on, come on. Middle Australia is not earning \$120,000 a year. We've got to be more honest about where we actually are as a as a country and whether or not we're willing to take from the wealthiest of Australians to actually ensure that we're not entrenching inequality. And yeah, I think most Australians would probably be pretty keen on that.

Dai Le MP: Can I jump in? Look, I suppose, you know, there would be arguments or people will say, "Well, I've worked so hard for that and I have the right to have that money in in my superannuation or I have the right to, you know, that's the wealth that I've built and I've worked hard to build that wealth" and absolutely. And I think I think that the government, be it Labor or any government, should look at how we can actually, you know, use the superannuation funds to, to come up with initiatives or invest in, in innovation or find a way to use those, those funds, you know, to, to assist those that are in need. And I think that I don't know about taking the wealth or the money from those who make those wealth and then, you know, give it to those that are in need. Because can you imagine, you know, people would say, you know, I work with this, it's mine, so how do we create and get those that have got those wealth to think, to be more generous and therefore to say how can they actually contribute to making sure that those, you know, those in need can be provided with that bridge to step up and to step up and not to be and take it a lift, a helping hand. So it's very important that we don't also, you know, create a society where people think, well, I can't do it. So if I'm you're supposed to help me, this entitlement mentality. So I think it has to be done in such a way that there's that dignity.

I go back to my story, and Mon and I had this conversation yesterday about, you know, when we first arrived in Australia as refugees, my mother was working, you know, in a kitchen and she couldn't speak English, but she was able to still feed the three of us. My late mother, by the way, three of us. Because, you know, we talk about how some of our local schools, the kids are coming to school and not being fed. And I'm just thinking, how could that be? When we first arrived in the seventies, we were poor. We did not have all the services that were available that are available today to help many refugees and migrants settled and those who are struggling. And yet my mother made sure that we were, even if it was just rice and fish sauce, we were able to actually have three meals a day.

So what is it? Why is it that back in those days where there were less resources and less services that my mother was able to do that? And today, where we are becoming a richer country, more resources and more services, parents can't do that. So where did it all go wrong? So that's what makes me reflect on is that is it government's responsibility or is it also us individuals' responsibility as well? So I don't believe that governments have solution to solve all our problems in this country or in the world, by the way. So it's really how do we as a community, as a collective, come together to find solutions to some of the problems that we all experiencing.

Paul Karp: Thanks very much. Last one from me, I think, before we open it up to questions from the floor. I wanted to come back to something you said, David, about Peter Dutton whipping up fear. I think it's definitely true that he has set stage three as a test for Anthony Albanese. And you know, if they touch it, you know the Coalition are going to maximise the political pain on Labor. But we have seen something interesting with the Coalition in Opposition that a thousand blossoms have bloomed in that there are some interesting ideas about tax reform coming out. So Maria Cave assets, the new Liberal senator in her first speech called for to consider capping the number of properties that can be negatively geared, which I thought was a sort of borderline heretical thought from a liberal. But, you know, good, good that she was getting the ball rolling on that.

And another interesting one, in recent weeks, the high court has struck down Victoria's electric vehicle tax. And the shadow transport Minister, Bridget McKenzie, has a very interesting view on road user charging. She's suggested that, you know, that that is inevitable, that we're going to need to charge everyone for using the roads because at the moment, you know, my dad who drives a Tesla, doesn't pay any petrol excise for the upkeep of the roads, and I drive a Yaris and I do. So I just want to get each of your reflection on whether there's any potential for bipartisanship in raising revenue. Are there any ideas the coalition could go along with? And, you know, if you have views on capping negative gearing and road user charging, perhaps starting with you?

Monique Ryan MP: Well, as I've said, I keep saying it. You know, we've learnt in politics you have to say something a thousand times till people hear you. Everything should be on the table. So all, all potential sources of revenue for our government should be on the table and should be looked at critically if it comes to road usage. What's the first principle? The first principle is that transport is responsible for 20% of our emissions and we need to decarbonise that because we need to reduce our emissions. So the first thing is we need to decarbonise our transport fleet. So putting in an excise as the Victorian State Government tried to do, was regressive. What is the point of taxing people who are trying to do the right thing in terms of our carbon emissions and our environment?

Having said that, sure, the government needs a source of income to pay for roads. I think one of the concerns is the fuel excise goes into consolidated revenue. We don't even have that much clarity about whether or not that money is actually used for. Right. Okay. But we can take it on spec, perhaps on trust that it does. But wouldn't it make more sense to say, okay, we need to transition to a decarbonised economy? All road users should use a tax, should, contribute to the cost of road upkeep. Now, it's not true to say that drivers don't do that already because they're paying a significant amount of tax. When they buy the car, they're paying that luxury car tax, they're paying registration, they're doing all those things. But what you can put in place is a road user charge that applies to all road users, which reflects the nature of the vehicle that they're driving, the weight per axle, the emissions that it is producing, where they're driving it, and what sort of roads that driving it, whether they're driving in cities where there should be perhaps a congestion component to it.

All of those things can be taken into account and then everyone pays a road usage charge contingent on the usage of the roads and how they're doing it and the other costs that are

inherent to our economy related to that, whether that be emissions or additional congestion, which has an impact on productivity. So for mine, that would make more sense and that should be done at a Commonwealth level because people see taxes and it doesn't make sense for states and territories to be doing that individually.

Dai Le MP: So I think my understanding is that the fuel excise, which is supposed to go towards roads maintenance, actually doesn't go to road maintenance anymore, it goes into general revenue. So that's one. So therefore, you know, I mean, I don't know how where the money comes in in terms of upkeep and spending on not fixing our roads. In Fowler, I managed to get some stats. We've got about 36 electric vehicles registered as opposed to, say, the electorate of SW1 apparently in Western Australia, they're about 833 EVs are registered in an electorate of Swan and different electorates. I've got a breakdown of how many electric vehicles are registered for use, so obviously the majority are still very much cars.

I think that, you know, you know, I don't know how much it costs to buy an EV. I mean, your Tesla, so maybe your dad might think I've paid enough, so therefore I have to pay towards something. But I think maybe there has to be a system in place because if they actually the stats show that there's an increase in electric vehicle purchase of electric vehicles. However, that's still a long way off where the majority of drivers are still using petrol driven cars across Australia. And so how do we put in place a system now whereby there is, you know, people who use the roads and can still, you know, contribute to the decarbonisation or emission, but also towards road upkeep and all that stuff. There has to be a system, but then again everything has to be on the table to look at what it is. How can we prepare our car fossil fuel reliant economy to transition out, but how do we start talking about it now in order so that, you know, 36 vehicles in 2021? So I don't know what it's going to be like in, you know, the next few years.

Paul Karp: David.

Senator David Pocock: I mean, when it comes to housing, I think there'd be a lot more people in the coalition concerned about housing. But there's people like Senator Kavcic who are courageous enough to actually say it out loud. And you don't have to be a genius to look at our housing system and say, this is not working for us, particularly if you think that housing is something that should be affordable and accessible to everyone in our community.

We've got to look at capital gains tax discounts and negative gearing and how we turn that ship around. So that to me, that's urgent work. And I really think we need the crossbench to be pushing hard on that because what I'm hearing, even people who've done really well out of property over decades are now going well, what does this mean for my kids, my grandkids? It's not it's not looking good.

The road user of charges. I think we have to come up with a system that does have a uniform right to charge, is looking at things like weight, because that is what damages roads. We've got to be incentivising more efficient, smaller vehicles unless you have a really good reason to have to tow other things. And I think when it comes to the transition, there's ways

to actually do that, to introduce a really low-level road user charge and use all of that revenue for the next decade to put it into charging stations and infrastructure, which we desperately need. And I think most EV drivers would probably be okay with that if they were paying, you know, a couple of cents kilometre or whatever it might be. But it meant that there were more charges when they wanted to go and see family in Wogga wherever it is. So there's solutions to all these things we just need politicians have a bit more, a bit more imagination and vision and courage.

Paul Karp: I'll tell Dad he's still off scot free. So I've been going on for quite a bit, so I think it's time to open it to the floor for questions. Hopefully we've answered some of your topics already, but do we have any volunteers that want to step up to the mark on this side of the auditorium to ask the panellists any questions? And please feel free to direct your question to any of the panellists. Here we go. All right.

Question from audience: Just a question on the road user charge. Most Australians are already paying an effective road user charge to Transurban in the form of the toll that they pay. And I think Transurban made 2.4 billion and a bit during a 30% increase in the last year. Any thoughts on nationalising Transurban and retaining some of the surplus toll revenue to look after roads?

Senator David Pocock: Because it's up to the voters of New South Wales, is it not? Yeah, I mean.

Monique Ryan MP: Everything's on the table. Yeah.

Paul Karp: Yeah.

Dai Le MP: I use that line.

Paul Karp: Oh, we got both sides going. Oh, you're way ahead of me. All right, let's hear from the side. Thanks.

Question from Audience: Jack Peard from the Australian Democrats. First, I just wanted to say thank you for being independent. All right. It's pretty hard when there's big, vested interests out there with big carrots to incentivise you, big sticks to threaten you with. So a lot of respect for all of you for being independent in the current system. The question is around the state. Stage three tax cuts. Reading the neat little summary from the Australia Institute, if I'm reading it properly, about 80% of the benefits of the tax cuts go to the top 10% of income earners. So it seems to me that for about 80 or 90% of people, if they understand the numbers, it should be pretty clear to them that they're getting a pretty raw deal out of this, out of the tax cuts. It's really just a matter of getting them to understand that and engage with them. So my view is that it's a lack of engagement that's sort of the issue and a lack of being able to effectively politically message. So I'm curious if you as independents have advice on how do you be effective in political messaging and communication in the current media landscape.

Dai Le MP: To in terms of the stage three tax cuts towards the government or towards the public? In terms of messaging, you're talking about, how do we message that to our community or?

Question from above, continued. (Jack Pead): Exactly how do you effectively engage with community members to get them to understand the facts of what the numbers actually are suggesting? Because it seems that there's a perception that the stage three tax cuts will benefit 80 or 90% of people, which may be true if you look at there is some, you know, very slim scraping that you can get by going, you know, for the for the lower income earners. But really the bulk of the benefit goes to the top income earners. How do you get people to engage with that?

Monique Ryan MP: It's a really it's a it's a great question, Jack. And I think we've seen in recent weeks and months the extent to which communication affects the minds and behaviours of Australian voters and the extent to which that can be a problem and as much as it can be a positive. It is difficult. Most people don't understand, my 22 year old daughter the other day I said, Why is my tax so much more this year? And I said, Oh, you lost your tax offset. So most people don't understand that the lower and middle income tax earners had this offset temporarily. But now the high income earners are about to get essentially a tax break permanently. Does that seem fair? No. Is it fair that of the stage three tax cuts, if they go through in their current form, men will get \$2 for every dollar that a woman gets? No, that's not right. 50% of it's going to go to more people on more than \$180,000 a year, which is not most of us, you know. Well, it actually is us. But sorry for the moment. Everything's on the table. You know, those things are really challenging to talk about and they get lost in the static. And I think I can speak for the others as as new independents. Communication is a challenge for us with our communities and with the country in general. And the clarity of communication is so important, especially in this era of soundbites and tik-tok videos. But how to get that across is something I think we all struggle with.

Senator David Pocock: I think one of the things I've tried to talk about with the stage 3 tax cuts. If you look at that pool of money and what that could be reshaped to do you look at electrification in Australia and what that could be saving households. You know if every household in the country was saving \$3 - \$5000 every single year going forward and we weren't shipping billions of dollars to foreign oil companies, what would that mean for households and for our economy, not to mention the reduction in emissions? The money's there. And I think this is this is one of the frustrating things when we talk about the budget deficit, the debt tax, we forget that we're actually one of the wealthiest countries in the world. It's up to us how we set this whole system up. And I think most Australians at the moment who, like Dai said, are just at their wit's end trying to stay afloat and pay their mortgage or rent or whatever, saying this isn't this isn't working for me. So I think it's really on politicians to be looking ahead and saying, okay, well this is how we can start to turn this ship around a bit.

Paul Karp: I think we've got time for one more from up this end please.

Question from Audience: Hi. My name's Chris Shaw. I work with the New South Wales Public Sector. I'm an economic analyst. There's a narrative in our country that, you know,

government budgets effectively work like household budgets where, you know, you've got a set amount of income that you earn that you don't get to control that comes from your employer, and then that puts a constraint on what you can spend.

I'm fairly new to the economic space, but my understanding from what I've gathered from the experts is that government budgets when they're working effectively are almost the opposite narrative where, you know, there's a number of basic services that we all expect our government to provide. But then the government does have a lot more control over how much revenue it raises. And so the constraint is actually on the expenditure side and not on the revenue side. So my question is, you know, it seems that this narrative is really what is constraining any sort of tax reform in our society. So what can politicians do to kind of flip this narrative in and help people to understand, you know, the different constraints and how government budgets work differently to household budgets.

Paul Karp: So do we still care about debt and deficit? Or can you change the narrative on that?

Dai Le MP: Everything's on the table, according to Monique.

Senator David Pockock: Yeah. I mean, you know, I'm not too sure how you do that. I think one of the things I do know how you try and change this, is have better regulations, better laws when it comes to lobbying in this place, because I think that is one of the elephant in the room. Whenever we talk about the things that we want as a country, the vested interests, the revolving door of staff and politicians going into all of these industries that surprisingly don't seem to be taxed that much and always seem to find a way to squirm out of tax reform. I think you've got to deal with that as the answer to your question.

Dai Le MP: In the election cycle every three years. I mean, it's as well that's going to be a challenge to change any narratives, really. But I think for me, I think comes down to the numbers. You know, expenditure, spending it, understanding how much government spend and if we know the revenue, how it how much we spend and where we spend, I think understanding numbers would help.

Monique Ryan MP: I'd flip it actually I'd say that the Australian people have to tell the government what they want and what they expect from it. And because politicians respond to that. And so if people are coming to us and saying, I really need you to do this, you need to sort this out for me, then politicians will respond to that. So but they have to be given the courage by the people, I think, because it doesn't seem to be intrinsic to them.

Paul Karp: I got a one minute warning 5 minutes ago, so I'll take the hint before they bring out the big gong on me. But please.

Monique Ryan MP: Oh.

Paul Karp: Okay. Okay. Fire away. Sorry, sorry, sorry. We didn't get to you earlier. Please go ahead.

Question from Audience: I want to raise the tax that's never seen as a tax. The super guarantee charge. It has been, thank you, Paul Keating, one of the most successful taxes ever. It's raised huge amounts of money for retirement. Although along came Peter Costello and John Howard. Not tax reform, what I would call tax deform in abolishing any tax on retirement incomes. I'd like to hear what the panel would say to the idea of instituting a levy, not a tax. A Levy - levies are popular, a levy on the earnings of super funds to go towards paying for aged care. Aged care is a huge part of retirement. Super is meant to provide for our retirement. A very modest levy would pay for at least a third of aged care and relieve the rest of the budget of that amount. That could go into all those other areas. If we see super as a tax, Australia's tax rate comes up to about equal with most of the OECD countries. So why don't we recognise this tax and treat it as a tax in revenue and in expenditure? Thank you. You can just say yes. Yes

Monique Ryan MP: I would say I agree. I would also add that everything is on the table.

Audience Question: Everything's fine. But you need some priorities to start.

Dai Le MP: I think it makes sense. I mean, a levy, I mean, it's about to go towards aged care, and we've got an ageing population. Absolutely. I mean, I again, do the numbers from my perspective. If that can, can work and that's what the government think, that is a good initiative and that's one of the ways to address aged care. Then why not?

Paul Karp: And not a hypothetical either. Anika Wells is working on this at the moment and looks like they're going to be doing more user pay to pay for aged care. Maybe, maybe not a levy.

Comment from audience: Very old women cannot pay.

Paul Karp: It, but it could force people with the higher balances to spend down their super rather than to use it as estate planning and to pass on to people rather than a levy that would hit everyone. But it's a very live question.

Senator David Pocock: And I think it comes down to Australians deciding what is super for. Is super to see people through retirement and take the pressure of the aged pension and and taxpayers essentially forcing people to save for their. But the last that I heard was most Australians die with 80% of the super.

Paul Karp: Thank you for your question and contribution. I now have got the gong so please join me in thanking Monique Ryan, David Pocock and Dai Le.