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PUBLIC PERSPECTIVE

A PUBLICATION OF THE COMMUNITY & PUBLIC SECTOR UNION
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PUBLIC PERSPECTIVE

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SERVICE BOOST BUT WAGE CAP DEVIL AWAITS

MORE PS INVESTMENT AS SAVINGS FOCUS ON CONTRACTORS / CONSULTANTS

The recent state budget delivered further investment in public sector jobs with new child protection practitioners, judges, magistrates but more importantly more court staff, more skilled public land firefighters and high-tech gear, with additional beds across five new youth care units as part of a major investment in mental health services.

BP3 has the savings spelt out by dept which equate to $1.8B over the forward estimates but is back ended over the forward estimates and will concentrate on eliminating the wasteful practice of using contractors and consultants, which is applauded.

Another $1.9B in savings is set out on P142, which is the unnecessary and unwelcome reduction in the Government's wages cap, but this doesn't impact for CPSU Agreements until after March 2024.

CPSU is pleased that we've also obtained commitments for additional support dollars so any public service worker transitioning to take up new opportunities in new programs has access to training to re-skill & secure their employment.

Our Agreements have mobility (transition) defined and these provisions are enforceable in our EBAs which sets out how employee transition is to work which guarantees employment is protected for those caught between programs (re-prioritisation) and we have now secured commitments to more funding for JSE re-skilling for this workforce to build in house capability and ensure jobs are secure.

I will continue to meet with PS Employers to ensure the commitments given about protecting our jobs with with investment in the Jobs and Skills Exchange to help build in-house capabilities while wasteful practices like the use of contractors and consultants are ended.

KAREN BATT

MEDICARE CUTS NO SCARE CAMPAIGN

ONE OF THE BIGGEST OVERHAULS OF THE MEDICARE REBATE SYSTEM IN DECADES IS SET TO KICK IN THIS MONTH AFTER THE FEDERAL GOVERNMENT ANNOUNCED OVER 1,000 CHANGES FROM JULY 1 TO HOW MEDICARE PAYS FOR IMPORTANT TREATMENTS AND SURGERIES.

It's the biggest cuts to Medicare in decades.
Changes that will come into effect from 1 July include:

- General surgery
- Orthopaedic surgery
- Cardiac surgical services
- Vascular services (e.g. varicose veins)
- General Practice (GP) and Primary Care

While all details for the changes coming into effect on July 1 have not been released at the time of going to print, it appears that some changes will result in a reduced subsidy for some procedures or the end of subsidies for others, leaving doctors alarmed and calling for more time to figure out whether some patients will have additional out-of-pocket costs.
Medical experts agree patients could be left paying huge costs for some common procedures and up to $10,000 for rarer conditions.

The system will be particularly confusing for patients who have surgery booked in the next few months.

The Medicare Benefits Schedule (MBS) is a central database which is made up of a list of the health professional services that the Federal Government, through Medicare, subsidises and lays out what level of subsidy each service receives.

The MBS is a critical element of the Medicare system as it guides what treatments are available to Australian consumers through Medicare and their cost to the consumer.

Any changes to the MBS have significant flow-on impacts, requiring doctors, surgeons and private health providers to alter their fees to consumers (or rebates) for procedures to take into account the new subsidy level.

When changes were made to spinal surgery MBS items in 2018, details of the changes were delivered to doctors/insurers with only a small lead time prior to the date of effect and the AMA requested that Government introduce a mandatory 6-month warning period for changes to avoid these issues.

This has not been adhered to, with only a matter of weeks provided until the changes come into effect at this point.

This is particularly concerning to the AMA given the much larger number of changes being made in this tranche.

Funding for Medicare and other health programs have already been cut by over $10 billion by the Federal Government since 2014. What's worse is that the Federal Government froze the Medicare indexation rate, which undermines our unique bulk-billing system.

https://t.co/YjEvZir3Ba?amp=1

TAKEN FOR A RIDE | CICTAR

Dutch shell companies are at the heart of Uber's global operations.

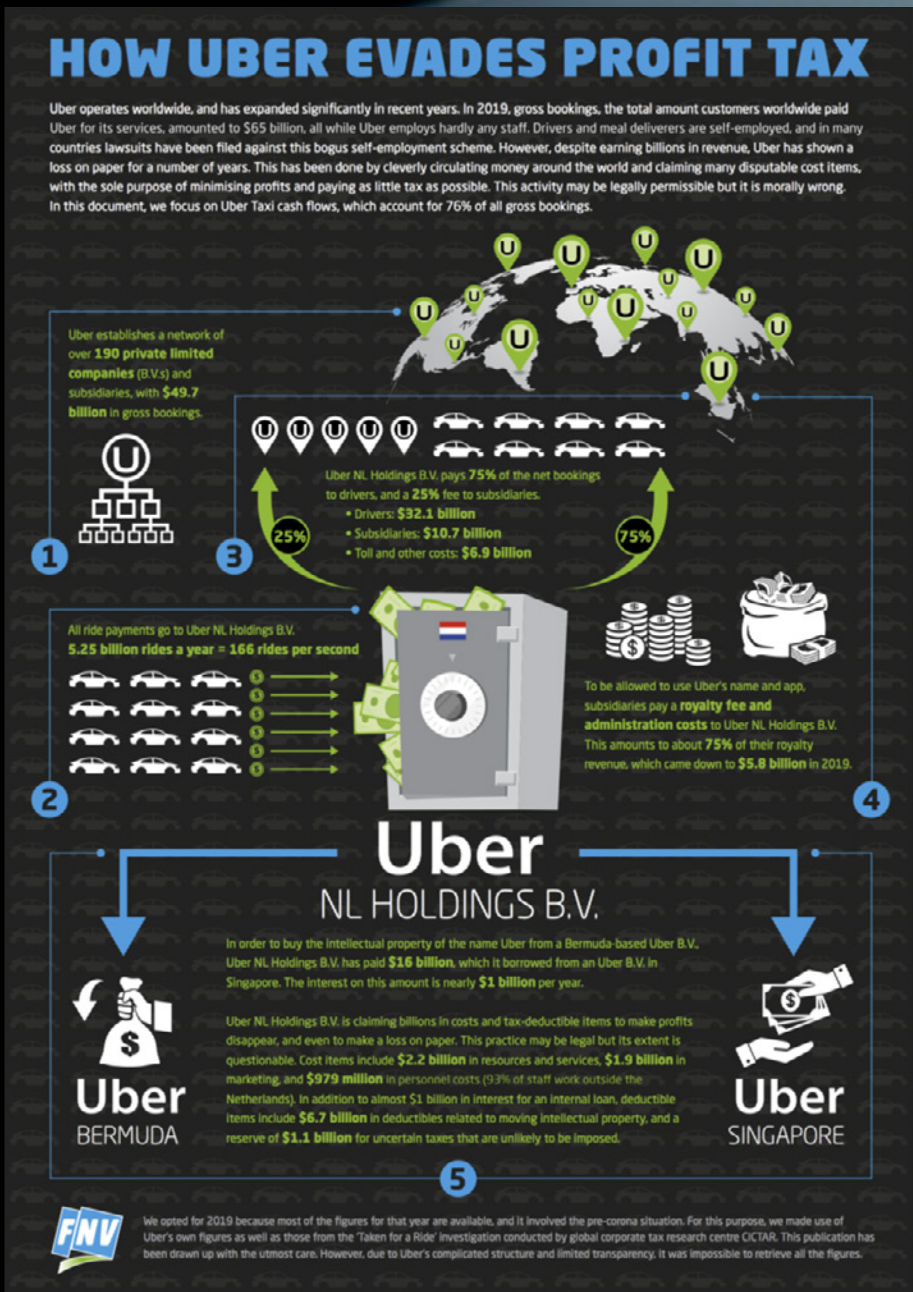
The $8 billion Dutch tax shelter was created in 2019 when Uber transferred its intellectual property rights from Bermuda to the Netherlands.

The "sale" was financed with a $16 billion loan from an Uber subsidiary in Singapore.

The Singapore subsidiary is the immediate parent company of the Dutch shell company that controls Uber's global empire.

Uber's business model is being challenged in many jurisdictions. However, it has largely been able to avoid being classified as a transport company, avoid acknowledging workers as employees and avoid regulation for banking operations.

Uber's top Dutch shell company, controlling more than 50 other Dutch subsidiaries, pulled in over $5.8 Billion US dollars in operating revenue in 2019, from countries around the world, excluding the US and China.



The direct transfer of revenue from around the world to the Netherlands leaves little, if any, taxable profits behind.

With a series of global restructures, Uber created an $8 billion Dutch tax shelter that, if unchecked, may eliminate tax liability on profits shifted to the Netherlands for decades to come.

It is widely understood that Uber's business model represents a direct attack on working conditions and workers' rights.

What is less well understood is how Uber's business model undermines global funding for public services.

> **"Uber has supercharged their tax avoidance approach"**
>
> **Jason Ward**
> CICTAR principle analyst

Accrued interest on this 'loan' that transferred Uber's intellectual property rights from Bermuda to the Netherlands will further reduce taxable income in the Netherlands by $1 billion a year for the next 20 years.

Revenue generated from Uber's global ridesharing and meal delivery services, excluding the US and China, accumulates in Dutch subsidiaries with limited financial reporting.

These Dutch subsidiaries own the technology – or intellectual property rights – behind the Uber apps.

In Uber's business model, profits generated through the apps are earned in the Netherlands.

This is either a direct transfer of revenue or under contractual arrangements with Uber entities in individual countries to collect and disburse payments.

Uber's Dutch subsidiaries manage large global payments from consumers and remittance flows to Uber workers.

These global financial flows allow Uber to exert significant controls over Uber workers and may earn significant additional revenues from interest, fees and other banking transactions.

Along with Uber's undermining of worker rights, Uber's global tax avoidance mainly through Dutch shell companies must be urgently addressed.

Domestic and global rules must be changed, so that tax revenue from Uber – and other multinationals – begins to fund recovery from the global pandemic rather than continuing to undermine existing taxpaying businesses and driving workers further into poverty.

The CICTAR report on Uber's global tax avoidance was submitted to an Australian Senate Inquiry on Job Security through this link: **https://www.aph.gov.au/DocumentStore.ashx?id=ba6dc46e-b31e-4a32-b3a8-c84fa0e51964&subId=706633**

CPSU is a foundation member and along with other Public Service Unions globally, support CICTAR's work. www.cictar.org

IT'S TRANSITION TIME WITH A CAPABILITY UPLIFT

It has been a long time since a Government agreed with the need to think outside their budget square and look at its own staff as an asset and not merely something that's costed and counted.

The previous Baillieu/Napthine Government unilaterally announced their SGI, which apart from 4,200 redundancies and 2,000 fixed term positions being cut, and a freeze on appointments, offered no workforce plan to assist in transitioning the displaced workforce and just wasted hundreds of millions in redundancy payments.

People were made redundant, workloads expanded, and Departments saved no money as they reached out to consultants, labour hire and contractors to undertake the work.

CPSU set about with the Government to find an alternative to the boom and bust nightmare that SGI imposed on the VPS and entered discussions for a Workforce Transition Plan.

This year 'savings' have been identified by a unilateral reduction in the state government wages policy applicable to public sector bargaining from 2022, and other savings have been identified arising from the 2019 base reviews, conducted before the bushfires and the pandemic, which have, through reprioritisation of budget allocations from lapsing programs to new and emerging priorities, identified the need for a workforce transition plan for VPS staff to re-utilise existing skills.

To this end the union and Government (as employer) representatives have worked towards a plan that places ongoing jobs at the heart of any transition by offering affected staff a range of supports to reskill, be job matched within an internal labour market as well as providing an incentive for staff at a certain time in their working life to consider enhanced retirement.

The reskilling plan will utilise the accredited courses developed by CPSU over recent years and will enable members to enhance their skills or develop them in new areas.

Just transition arrangements are often discussed by Governments, industry, unions for private sector business, who need to change or refocus operations.

Hazelwood is an example of a Just Transition Package that gives options to staff affected by a decision at a board room.

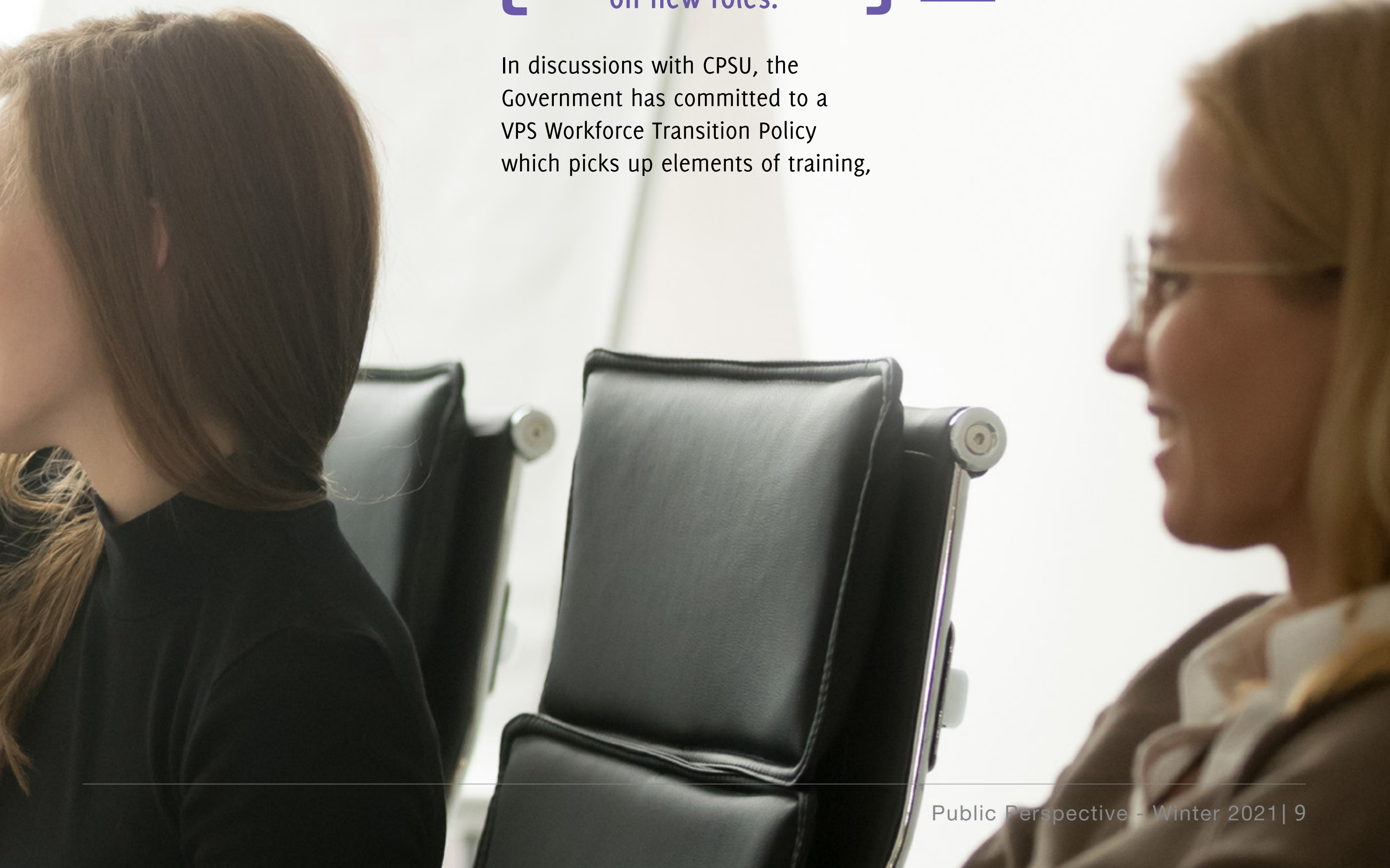
> Usually Governments as an employer just move to retrench people to get to a preferred budget bottom line, rather than work at reskilling, retraining staff, to take on new roles.

In discussions with CPSU, the Government has committed to a VPS Workforce Transition Policy which picks up elements of training, job matching, restricted external advertising for job vacancies in the first instance, cutting the use of consultants and labour hire and strengthening the role of the JSE in job placements.
In addition, the Government has agreed to make available an Enhanced Retirement Incentive to give those staff considering retiring over the next few years real financial options to consider going earlier than planned.

The policy was first used at Goulburn Murray Water, and its successful application obviated the need for wholesale redundancies.

Over the coming months the union and the Government will continue to work through these challenging issues all within the obligations of our VPS EA and a stated commitment to ongoing jobs, a highly trained and adaptable workforce as we work to overcome the impact of Covid on the State.

KAREN BATT



WATCH WHAT'S DONE, NOT WHAT'S SAID

Emma Dawson

The state budget has been largely well-received on the spending front, with much-needed injections of funding into child protection, mental health services, and schools added to last year's welcome boost for social housing.

On the revenue side, business is predictably cranky about increased payroll taxes and stamp duty to fund the investment in social services but, given the limited options available to state governments to raise revenue under our creaking federal taxation system, Treasurer Tim Pallas has likely struck a bargain that most Victorians will readily accept.
Where the budget goes wrong is in its approach to wages, and in this Pallas is not alone.

Despite a widespread understanding that Australia's economic recovery will be even more reliant than usual on household consumption until the international borders reopen, recent decisions by various state administrations and the federal government will actively work against the need for strong wage growth to underpin consumer spending in the years ahead.

Well over half of Australia's economic activity comes from consumer spending, which is driven not by employment growth, but by income growth.

The federal budget of 11 May relies on an assumption that such spending will grow by a massive 5.5% in the 2021-2022 financial year, but at the same time predicts real wages will fall compared to cost of living increases over the same period.

Something doesn't add up.

> **If wages do not grow sufficiently to meet the growing cost of essential goods and services like housing, healthcare, transport, food and utilities, most people won't have sufficient power to drive growth.**

Small businesses in retail, hospitality and entertainment, which were hit hardest by the extended lock-down last year, will be the first to suffer if households have less money left over each month to spend on recreational activities once the essential bills are paid.

So, the decision taken by the Victorian Government to limit the future growth in public sector jobs and wages to 2 per cent annually threatens to weaken consumption and undermine the otherwise worthy investments in restoring economic activity across the state.

This is not a problem limited to Victoria, and Pallas is right to say that his wages policy is not as harsh as the public sector salary caps in place in Queensland and NSW and for federal employees.

But now is not the time to impose austerity measures of any kind on the wages paid to essential public sector workers.

Governments should be using their fiscal firepower to drive their wages up, putting pressure on the private sector to follow suit.

CONTINUED NEXT PAGE

This would be the logical extension of the recent shift in federal fiscal policy away from a focus on balancing the budget and towards the pursuit of full employment to drive growth.

Yet, perversely, government treasury departments at all levels seem intent on keeping wages down in the pursuit of 'cost savings' to bolster their bottom lines.

The fundamental dichotomy between the stated aims of fiscal policy makers to grow the domestic economy and their latent commitment to wage suppression was gently called out in the minutes of the Reserve Bank Board meeting on 4 May, which noted that "public sector wage policies were likely to restrain aggregate wage outcomes".

It's also worth noting that, while implementing a new policy on wages for federal public sector workers that relies on the private sector to set the pace of wage growth – a move guaranteed to hold wages down, given the anaemic growth in incomes across the economy for years prior to the pandemic – the Morrison Government is simultaneously urging 'caution' in relation to any increase in the mandated minimum wage set through the Fair Work Commission's annual wage review, which is currently underway.

With up to 25 per cent of the Australian workforce reliant on the minimum wage decision to set their own pay increases, and a further one in five workers employed by the Commonwealth or state public service, policy makers are actively working against their own expectations for consumer spending and economic growth by insisting on wage restraint for low and middle-income workers.

Worse, the implementation of wage suppression policies by governments who are ostensibly focussed on job creation demonstrates a fundamental misconception of the relationship between employment and economic growth: that is, it matters not just how many jobs are created in the pursuit of full employment, but that those jobs are reliable, secure and well-paid.

Finally, it's worth bearing in mind just who are the public sector workers now being asked to accept lower wage growth and, consequently, falling living conditions in the years ahead in the name of restoring our economy after COVID-19.

Because despite oft-repeated concerns from politicians about "'unnecessary bureaucracy' and an 'explosion' in the number of government agencies and executive roles, the vast majority of public sector workers are not so-called 'fat cats' on six figure salaries working in ivory towers: they are the disability and health care workers, early childhood educators and aged care attendants, emergency services officers, teachers, child protection workers, nurses and paramedics who were on the front-lines of our response to the worst health crisis in living memory.

If these workers and their families, and the standard of living they can expect to achieve through their dedicated service, aren't at the heart of our strategy to restore the economy in the wake of COVID-19, we are entitled to ask: who is?

Emma Dawson is the Executive Director of Per Capita.

Per Capita is an independent, progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community, and social justice.

United Nations Association of Australia

ABOUT UNAA

The United Nations Association of Australia (UNAA) works to increase awareness of the UN and its work and to engage Australians in key UN programs such as the Sustainable Development Goals (SDGs). UNAA state divisions run events and programs to raise awareness of the SDGs, in partnership with government, business and civil society.

UNAA, which has UN Economic and Social Council (ECOSOC) Consultative Status - is seeking to progress achievement of the SDGs through collaborative partnerships that inspire interest, mobilise resources, encourage dialogues and guarantee positive impact.

www.unaa.org.au

ABOUT THE FORUM

The UN & Australia Sustainable Partnerships Forum was originally scheduled to take place face to face in April 2020 but was postponed due to the COVID-19 pandemic. In late 2020, UNAA decided to deliver the Forum virtually as an opportunity to bring in a wider range of national and international speakers and an international audience.

The Forum was ultimately delivered virtually on 20 and 21 April, with an audience of 350 from across Australia, Asia, South Pacific, Europe and the US. Participants took park in Plenary sessions around partnering and Breakout sessions under four UN themes: Climate and Planet, Gender Equality, Human Rights and Justice and Poverty and Inequality. Attendees listened to and interacted with some 54 Speakers and 22 Session Hosts.

Participants were also able to view a curated exhibition of art previously shown at the UN in Geneva and watch graphic harvester Fiona Miller work as she captured session discussions creatively.

Start-ups, government departments, community organisations and companies demonstrated their work to progress the SDGs in the Digital SDGs Showcase, and facilitated networking opportunities were provided on both days.

UNAA Victoria provided the Forum Secretariat, which was managed by Sophie Arnold, Executive Manager, with the assistance of Sally Northfield, Global Education Program Manager, and Katie Reyers, Global Education Program Officer. Forum Working Groups were made up of UNAAV Board members Michael Henry, Carlisle Richardson and Warwick Peel; former UNAA Executive Director Lachlan Hunter, UNAAV Young Professionals Partnerships Lead, Laiza Garcia, and Partnerships Coordinator, Fran Grossi. Volunteer support is acknowledged on P.49.

The Forum was delivered in partnership with JT Production Management - https://www.jtproductionmanagement.com/

If you have any queries relating to the Forum, please contact Sophie Arnold at office@unaavictoria.org.au

CPSU

CPSU Victoria, as a UNAA participant organisation, sponsored twenty participants under 35 from our membership, and has the full report of the forum on request.


2021
UN & AUSTRALIA SUSTA
ARE YOU FIT FOR PARTNERING?
SDG
17
LEAD THE CHANGE
TOGETHER
SUCCESS
OPPORTUNITY
Educate today students, tomorrow educators and leaders
MEET THE SDG TOGETHER
RESPECT
REFLECT
CONNECT
DIRECT
DEC THINKING
Welcome challenge
RESPECT DIFFERENCE
OPEN MINDED
PARTNERING CULTURE
LEADERSHIP STRATEGY & GOVERNANCE
SYSTEMS & PROCESSES
SKILLS & SUPPORT
COMMUNITY CONTROLLED
voices heard - choices made
HONOURING HISTORY
OWNING YOUR PART IN THE STORY
BE REAL
BUILD RELATIONSHIPS
SHIFT
CHANGE
Young people stepped up to the challenge! Our past created
We are all different - work constructively
GLOBAL CITIZENS
Get the back on
Recovery Plan for the WORLD
Don't look for
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COOPERATE
COORDINATE
COLLABORATE
PARTNER
What do we need for successful PARTNERSHIPS
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MAKERS OF CHANGE
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Every day
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EDUCATION
INVEST TIME
THERE IS A PLACE FOR ALL OF US
HOW DOES LOCAL MEET GLOBAL
HOW DO WE KEEP PEOPLE AT THE HEART OF EVERY CONVERSATION?
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CONNECTED CITIES
REFUGEE and ASYLUM SEEKERS
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INDONESIA
GERMANY
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TRANSFORMATION
2021 & BEYOND
HOW CAN WE INFLUENCE GOVERNMENT TO ACT ???
CARE TO ACT
DISCOVERABLES NOT DELIVERABLES

AINABLE PARTNERSHIPS FORUM
THE WONDER OF WATER
MEASURE WHAT MATTERS
CIRCULAR
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17
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REDUCE
NOW
DESIGN THINKING
THERE IS NOT ONE PERSON, ONE SECTOR OR ONE DEPARTMENT TO BLAME... WE ARE ALL ACCOUNTABLE
WE CAN ALL CHANGE AND BE LEADERS
WE CAN SHOW THE WAY FOR A HEALTHIER ENVIRONMENT WITH BETTER PRACTICES
WOMEN IN LEADERSHIP
HOW DO WE SUPPORT WOMENS LEADERSHIP
LOCAL CAPACITY BUILDING
REFLECT ON SELF, Then TOGETHER... Then CHANGE
The Glass Cliff
HOW DO WE CHANGE ORGANISATIONAL STRUCTURES TO BETTER REFLECT AN EQUAL GENDER APPROACH?
WOMENS LEADERSHIP
THE NEED for WOMEN
LEADERSHIP TABLE OF STRONG WOMEN
POSITIVE LANGUAGE
LEAD
Get a GIRL GANG
TOGETHER
LEADERSHIP
TO
UP
STEP
HEART
HOPE
GROWTH
EDUCATE FOR CHANGE
SDG'S and GENDER
OPPORTUNITY EXISTS
GET IN TOUCH
CALL
GOOGLE
Collective Impact model
RECYCLE
REMANUFACTURE
REPAIR + REUSE
LOOKING TO THE FUTURE
TRANSFORMATIONAL CHANGE
SETTING TARGETS
SDG's
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?????
SDG'S
NATIONAL + LOCAL INPUT FOR IMPACT
Encourage US
Young People are the next leaders and makers of change
FUTURE
EDUCATION
YOUTH VOICES
CHANGE
SECURITY
HEALTHY WORLD
EMPLOYMENT
ECONOMY
EDUCATION CHANGE
HEAR WHAT WE ARE SAYING WHEN WE ARE PARTICIPATING
WHOLE OF SOCIETY APPROACH
RIGHTS
SAFE
VOICES
NEEDS
WANTS
WELCOME
JUSTICE
Together
Collaboration
Lawyers
LISTEN TO UNDERSTAND
UNAA
THANK YOU
WE ALL HAVE A ROLL TO PLAY

United Nations Association of Australia

2021 UN & Australia SUSTAINABLE PARTNERSHIPS Forum

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WORKERS NEED A SAFE CLIMATE

THE DELIBERATE SHUTDOWN OF LARGE SECTIONS OF THE ECONOMY TO STOP COVID-19 INFECTION AND PROTECT PUBLIC HEALTH HAS CAUSED AN UNPRECEDENTED ECONOMIC CONTRACTION.

WORKERS NEED A SAFE CLIMATE

Workers are stepping up to face the climate crisis by reducing emissions in our workplaces and communities, creating new clean energy industries, responding on the frontlines to extreme weather like bushfires, heatwaves and floods; and dealing with the impact that climate change is having on every job.

We need our politicians to step up.

Australian workers need a climate plan with ambition, and a plan for a just transition.

That means stronger 2030 targets for pollution reduction, a plan to get to net zero emissions and a national just transition plan with funding and support for workers and communities impacted both by the climate crisis and by a shift to cleaner technologies.

But under the Federal Government, Australia is being left behind.

Without a genuine plan to cut pollution and ensure a just transition for workers and communities in the shift to net zero emissions, Australia will be left behind as the world embraces new clean technologies and industries.

The United Nations has found that Australia has done the LEAST among the world's 50 biggest economies to drive a green recovery.

There was nothing in the recent Federal Budget to change that.

It's clear that climate action is not a priority for the Federal Government under Scott Morrison.

That's not good enough.

Australia led the world in responding to COVID.

Now we need to flatten the curve on greenhouse pollution and rebuild better with investments in new low carbon industries and quality, secure union jobs.

"IT'S CLEAR THAT CLIMATE ACTION IS NOT A PRIORITY FOR THE FEDERAL GOVERNMENT UNDER SCOTT MORRISON."

Australia's lack of action to reduce global warming means that we are being left behind in the fight for a safe future.

G7 countries represent only a 10th of the world's populations but are responsible for a quarter of all CO_2 emissions.

Currently, countries who contributed the least to the climate crisis are shouldering the heaviest cost of extreme weather events.

Cyclones sweep away the livelihoods of frontline communities; droughts destroy crops for food; wildfires burn through homes...

What's more, the cost of loss and damage for developing countries runs to billions and billions each year.

Workers across the country are counting on us to send the message loud and clear: The Federal Government needs to address the climate crisis and ensure workers are at the table helping shape climate solutions.

The United Nations Climate Summit is at the end of 2021, and Australia can't show up empty-handed.

CPSU

SIGN OUR PETITION!

Prime Minister, please act now by getting serious about responding to the climate crisis, embracing clean energy jobs and supporting workers and communities in the shift to net zero emissions.

HOW IT WILL BE DELIVERED

Unionists will be delivering this petition to Scott Morrison prior to the United Nations climate summit at the end of 2021.

https://www.megaphone.org.au/petitions/safe-climate

WHO PAYS NO TAX

AUSTRALIA'S HIGHEST EARNERS CONTINUE TO LIVE IN SYDNEY'S HARBOURSIDE SUBURBS, AND IN HAWKSBURN, AND TOORAK IN MELBOURNE, WHILE SURGEONS CONTINUED TO EARN THE MOST, AND THOSE IN THE FOOD INDUSTRY AMONG THE LOWEST PAID.

Analysis of the Australian Taxation Office's (ATO) latest taxation statistics by the Australia Institute reveals there were 66 Australians who earned more than $1 million in that financial year who did not pay a cent of income tax, compared to 73 the year before.

There were a further 156 people who reported an income between $500,000 and a million but paid no tax.

The Australian Taxation Office's (ATO) latest taxation statistics are based on the tax returns of 14.7 million Australians for 2018-19.

The 10,054 taxpayers in Toorak and Hawksburn – postcode 3142 – were in second place, earning an average $201,926.

The only postcode outside Sydney or Melbourne in the top 10 was postcode 6011, which includes Perth's Cottesloe and Peppermint Grove, where the average taxable income was $179,403.

Those living in regional NSW and regional Queensland were among the nation's lowest average income earners.

Even before the COVID-19 pandemic hit, hospitality workers, who are often younger and work in part-time or casual jobs, represented occupations with the lowest average taxable incomes.

The latest stats show just over half of all tax revenue came from individual income tax, with a further 5.2 per cent from taxes on super fund earnings.

The ATO said 15.5 per cent of tax revenue came from the GST, which is charged to consumers.

Just over a fifth of tax revenue came from company tax.

Personal income tax accounted for more than half of the federal government's taxation revenues in 2018-19.

The biggest group of taxpayers – 41.7 per cent – earn between $37,001 and $90,000, with close to 40 per cent of people who filed tax returns earning less than $37,000.

While more than 80 per cent of people filing tax returns earn less than $90,000 per year in taxable incomes, they account for less than a third of income tax revenue.

While just 3.5 per cent of Australian taxpayers fall into the current top income tax bracket by earning more than $180,000 per year, those high-income earners contribute 31.5 per cent of income tax collected.

Those in the top tax bracket paid almost a third of the nation's income tax.

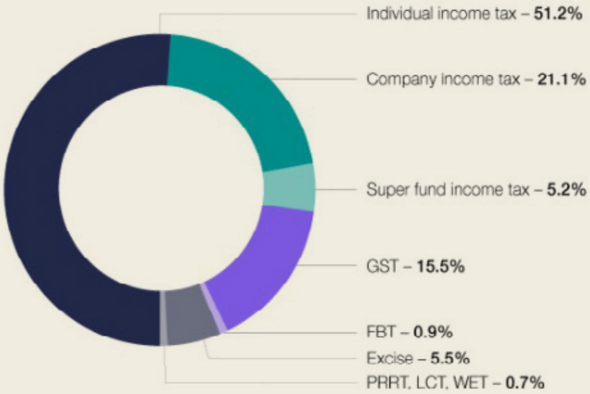
› **Continued Page 22**

However, the Australia Institute argues that is how a progressive taxation system should work, and it is likely to change for the worse after the Federal Government's stage three tax cuts take effect.

While franking credit tax refunds became a major issue in the 2019 federal election, the ATO's figures show relatively few Australians claim them.

Only one in five taxpayers received a franking credit, and only a small fraction of that group would have received the type of cash refund targeted by Labor's policy.

The number of landlords continued to edge higher to 2.24 million, and 58.6 per cent of them continued to lose money (excluding potential capital gains) — on average declaring a net rental loss of $1,352.



However, that loss shrank from $1,623 the previous year when 60 per cent of landlords had greater expenses than rental income, and it is likely to have reduced further since then, as mortgage interest rates have fallen dramatically.

Rental income rose in 2018-19, while deductions remained roughly the same, resulting in less negative gearing by landlords.

The ATO's various crackdowns on fraudulent, ineligible or exaggerated work-related expenses claims appeared to have had some effect, with the number of claims down from 8.95 million to 8.89 million and the average amount claimed falling by $93 to $2,331 (the median, or typical, claim was much smaller, at $1,045).

Fewer Australians claimed deductions for charitable giving, at 4.21 million versus 4.43 million in the previous financial year.

That means only 29 per cent of people donated to tax-deductible charities last year, or at least claimed a deduction for their giving.

Those who did give gave more, though, with the average annual donation rising by $87 to $933, and the typical person's gift-giving over the year edging up to $120.

G7 SETS MINIMUM GLOBAL TAX RATE

G7 FINANCE MINISTERS RECENTLY COMMITTED TO SET A MINIMUM GLOBAL TAX RATE IN THE ON-GOING OECD/G20 NEGOTIATIONS ON TAX AND DIGITALISATION.

Discussions revolve around two pillars: “pillar 1” on the taxation of large MNEs and “pillar 2” on the secure right for government to “tax back” overseas profits based on a minimum tax rate.

Regarding pillar 2 specifically, the G7 Finance ministers “commit to a global minimum tax of at least 15% on a country by country basis”.

The latter reference is welcome because it will limit the risk for accounting manipulation and regulatory arbitrage by businesses.

However, G7 Finance ministers remain cautious in their ambition, with a rate of “at least 15%” being far too low to effectively reverse the tax race to the bottom.

For trade unions a global minimum tax rate should be at 25%.

The average effective tax rate in the OECD ranges between 20-25%.

A higher rate would also make a difference in terms of revenues. Concerns remain over the details, including what threshold of profit would trigger the tax, what percentage the tax would be, and whether the initiative will succeed in making big technology companies begin to pay fair rates of tax.

Sharan Burrow, ITUC General Secretary, said: “This is a step in the right direction, but it doesn’t go far enough.

A 15% tax is much less than most workers pay on their whole income. And it falls short of the corporation tax rates of many countries.

“It’s absolutely crucial that we properly finance recovery and resilience from this pandemic, vital public services and climate action.”

“It also seems that the threshold is too high and only kicks in if profits exceed 10% and that could also make it easier for companies, which have been cheating the public purse for years, to avoid paying their fair share through minimisation to keep getting away from paying up.”

Senate passes laws that could trap millions in dud super funds

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Workers could be the big losers with the Senate passing laws that could trap millions of Australians into dud super products, costing them almost $230,000 from their retirement savings.

The government's *Your Future, Your Super* legislation staples millions of members into inferior super products that would either fail new performance tests or are shielded from them altogether.

At least 2.6 million super fund accounts are locked in funds that could fail performance tests – many more workers are in funds that will not be tested.

Industry Super Australia pushed for sensible amendments that would have mandated that Australians can only be stapled to funds that pass the performance test. Without this change the Bill could cost Australian workers up to $230,000[1] from their savings.

Instead, the government has given poor super products a leg-up at the cost of the workers they are fleecing with their high-fees and lousy performance.

A further blow to workers is that more than $500 billion of members savings are still shielded from performance tests – including products that were savaged during the Banking Royal Commission.

The performance tests are a vital improvement to the system and ISA will be pushing the government to ensure the funds they carved out – which are some of the worst in the system – are quickly included.

Funds that fail the test are forced to write to members informing them of their underperformance, the consequence for consecutive failure is new members are barred from joining.

After criticism, the government added administration fees to the test and fixed the benchmarks to better reflect fund investment in unlisted assets. Positive moves that will make the tests more robust.

It was also forced to remove extraordinary regulation making powers that would have allowed the Treasurer to determine super fund expenditure and investment – an ideological overreach that even many Coalition MPs opposed.

1. A median wage earner and starts their working life at 20 in an underperforming MySuper fund and changes jobs at 23. If they remain stapled to the underperforming fund they are projected to retire with $228,513 less after a 38 year working life compared to switching to a fund that passes the performance benchmarks. The average risk adjusted net return difference is 1.79% p.a . and all figures wage deflated to current $.