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- ☐ **What kind of Australia do we want for our children and grandchildren?**
Do we want a country in which children who happen to be born into poor families have the same life chances as children who happen to be born into rich families - **a fair go for all?**
- ☐ Australia has a long and proud **tradition of egalitarianism**. But in recent decades, **the benefits of strong economic growth have flowed disproportionately to the rich.**
- ☐ **The Australian tax and expenditure system needs to do more to reduce excessive inequality.**
- ☐ It is not inequality that is the problem; some inequality is inevitable. **It is excessive inequality or excessive unfairness.** In Australia, the top 1% owns more wealth than the bottom 70% combined (Oxfam). The richest 1% have grown their wealth by \$150,000 per minute over the past decade (Oxfam). Meanwhile, one child in six lives below the poverty line, the same as ten years ago (ACOSS). **Does this represent the Australian value of a fair go for all?**
- ☐ **There are now 98 countries whose income distribution is more equal than Australia's,** including 23 of the 27 EU countries -- all except Bulgaria, Latvia, Lithuania and Romania! (World Bank Gini data).

- ☐ **We are going to go the same way as the US on excessive inequality unless we make a conscious effort to change it.** In Australia, inequality has not yet reached US levels, where the top 0.1% own as much as the bottom 90%. But I lived in the US for six years, and I have seen that most things that happen in the US happen here 5 or 10 years later (or 24 hours later as with the #MeToo movement).
- ☐ **Dealing with inequality is not just the right thing to do, it is good for the economy** (IMF, World Bank, OECD, The Economist). It is in the enlightened self-interest of the top 1% to create a more equal society (Stiglitz).
- ☐ **We need to build a political coalition to reduce excessive inequality**, to give a fair go to all. Proposals need to appeal not only to the disadvantaged but also to the middle class who are the majority of the voting population and whose views therefore will attract politicians.

THE TAX AND EXPENDITURE SYSTEM CAN BE ADJUSTED TO REDUCE EXCESSIVE INEQUALITY.

Here are just a few of the options.

- ☐ **Implement the Buffett Rule** so that the rich pay at least a minimum rate of income tax (e.g. 30%), regardless of exemptions. As billionaire Warren Buffett said: It is shameful that my secretary pays a higher average rate of tax than I do.
- ☐ **Allow negative gearing only on newly-built houses** (grandfathering those who have been using negative gearing in the past), **and cut by half the 50% discount on capital gains tax.** Both of these tax concessions benefit mainly the wealthy, and penalise first home buyers.
- ☐ **Reduce tax concessions on superannuation**, which overwhelmingly benefit the wealthy.
- ☐ Wealth begets political power which begets more wealth inequality. Therefore **introduce a federal wealth tax (e.g. on wealth greater than \$5m) and/or a federal estate duty (e.g. on estates worth more than \$5m)**
- ☐ **Introduce a land tax** (which is a partial tax on wealth).

- ☐ **Offer FREE Early Childhood Education to all for ages 0-5** (what we call “childcare”); and **subsidise life-long education.**
- ☐ **Implement fully the Gonski proposals** for fairer methods of distributing primary and secondary school funding according to need.
- ☐ **Raise the Jobseeker unemployment benefit permanently,** at least up to the poverty level.
- ☐ **Build more social housing.**
- ☐ **Require every new Cabinet submission to have a statement of “Impact on Inequality”** (as they are now required to have environmental impact statements).
- ☐ **Measure wellbeing,** not just GDP and economic growth.

Some say we can’t afford measures like those above. **But allowing excessive inequality to persist, or reducing it, is a political choice.** Australia’s subsidy to fossil fuels is more than A\$42 billion a year (IMF), which is more than we spend on defence. **Abolish the subsidy to fossil fuels, and most of the above is affordable.**

Use of remedial levers like these is never straightforward. **There is likely to be opposition** from those whose income, power and influence will be diminished under a fairer distribution of income, wealth and taxation.

Further, if we are to make real progress in restoring public revenue to the level now needed, **the Australian community needs to begin to consider taxes not as an unfair burden,** but rather as **the way that we fund the public goods, public services, and public infrastructure that we share** - the price we pay for a civilised and well-functioning society.

The level of inequality that we are prepared to accept goes to the heart of

the kind of society we want to be. **Growing inequality is bad for rich and poor alike**, it is bad for economic growth, and it is bad for our social fabric.

In the 21st century, do we want to re-establish Australia as a country with equal opportunity for all? We know what we need to do. **But do we care enough about "a fair go for all" to make it happen?**