

Our current tax system does not assist in meeting some of Australia's most pressing challenges, particularly climate change. Here we outline some of the reforms necessary for a more sustainable economy.

Tax is the price we pay for a modern and civil society and is critical if Australia is to continue to be a prosperous society. But our tax system needs reform to be fair, efficient, simple, generate adequate revenue and aligned with Australia's most pressing challenges.

Our Plan

Switch taxes from 'goods' (low carbon) to 'bads' (high carbon), specifically:

- Remove excise on **alternative transport fuels** like gas, ethanol and biofuel, according to their relative greenhouse advantages, and resume indexation of excise on petrol and diesel.
- Gear **transport and road charges** to advantage low emission modes such as rail.
- Favour public transport over passenger cars in **FBT** arrangements and remove perverse incentives such as minimum distances travelled for higher rates
- Remove favourable import duty treatment of **SUVs** and switch benefit to fuel efficient vehicles.
- Encourage the States to reform **car registration** charging to encourage fuel efficient vehicles-Introduce accelerated depreciation and fringe benefits tax reforms for low greenhouse emission and energy efficient technologies.

- Tax **coal exports** at \$5/tonne to fund one million household PV units over five years-Remove government concessions to fossil fuel industries \$10 billion and invest in big scale renewable energy generation.
- Utilise the **revenue from auctioning permits** under any carbon emissions trading system, for greenhouse abatement and research.
- Review taxation treatment to promote **tree planting** and protection where it has high biodiversity and carbon sink value.
- Reinstate 150% tax concession rate for **research** and development that results in efficiency, productivity and sustainable growth and increase the rate to 175 per cent for greenhouse related R&D.
- Rationalise **alcohol** taxation to tie excise rates to the alcohol content of drinks, reducing the impact of alcohol abuse on the community.
- Overhaul **fringe benefits and capital gains tax** in line with social and environmental objectives.
- Provide FBT exemptions for employer-provided **childcare** services.
- Rationalise the tax concession regime for not-for-profit and **charitable entities**, so that activities that are not core not-for-profit or charitable are subject to the same taxation obligations as other business.
- Report** annually to the parliament and provide information on the ATO website on all tax revenue sources, where and when taxes are applied.
- Undertake meaningful structural tax reform following a comprehensive review of:
 - the revenue raising capacities of the three levels of government, vis a vis their service delivery responsibility
 - business taxes
 - tax base broadening
 - work related tax concessions
 - tax concessions for superannuation
 - fringe benefits and capital gains taxes
 - the complexities, administration and compliance costs of the tax system.