



Tax Reform Must Prioritise Health

Monday, 2 November 2015

The Australian Nursing and Midwifery Federation (SA Branch) has today welcomed the emerging tax debate prompted by speculation regarding the Prime Minister's intentions to increase the GST.

Adj Assoc Professor Elizabeth Dabars, ANMF (SA Branch) CEO/Secretary, said the Federation has been calling for a robust debate on tax reform for some time now, commissioning a report on the issue earlier this year.

"Our concern is that for far too long, debate around the sustainability of health care services has focussed on cuts to health care," Ms Dabars said.

"While we support increased efficiency and effectiveness to minimise the cost of health care, we are opposed to simplistic cuts. Cuts only serve to reduce access to services that are essential to the health and wellbeing of our community."

"We believe that the focus of tax reform and associated debate must be firmly centred on how we can properly fund health care services both now and in the future."

"While we acknowledge reports that tax reform would address areas such as health and education expenditure shortfalls, we seek a commitment that the debate on tax reform and associated changes actually completely cover the gap in health expenditure."

But Ms Dabars said that while the Federation welcomed the debate on tax reform, it does not necessarily believe increasing the GST is the best approach, given it has the potential to operate regressively and place a negative impact on low to middle income families.

"The proposed increase in GST gives rise to several questions. For instance, it is unclear how much of the regressive nature of an increase the GST would be mitigated by income tax cuts nor how much money would be left over after those tax cuts to invest into health care," she said.

"Our own preferred option for tax reform is a progressive 'Robin Hood' style of tax that takes from the rich and gives to the poor. This tax would be a 0.05% tax on financial transactions and could generate more than \$16 billion annually."

The report can be accessed at <http://bit.ly/1Q7Omx3> and a short video explaining the effect of the Robin Hood tax can be viewed here https://youtu.be/yI18WjGk_wY