



Australian  
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TAX AND TRANSFER POLICY INSTITUTE  
ANNUAL REPORT  
FISCAL YEAR 2014-2015

Crawford School of  
Public Policy  
ANU College of  
Asia and the Pacific

# TAX AND TRANSFER POLICY INSTITUTE

## ANNUAL REPORT

1 July 2014 – 30 June 2015

Certification by the Director of Crawford School

I hereby certify that the information provided to the Department of Treasury by ANU in:

- > the Tax and Transfer Policy Institute's Annual Report
- > the performance data and information
- > the financial tables

provides a true and fair view of the matters reported on therein.

I certify that the Commonwealth funding contributions were applied for the activities of the Tax and Transfer Policy Institute as specified in the Funding Agreement.



Professor Robert Breunig  
Acting Director, Crawford School of Public Policy  
31 August 2015

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# FOREWORD FROM THE CHAIR



As the first full year for the Institute, 2014-2015 was a busy and productive year with the appointment of key personnel, in developing relationships with major stakeholders, in initiating a range of research projects, and in contributing to the public debate on tax, transfer, federation, and other government policies.

A significant constraint has been the slowing of the Government's reviews of both tax and federation, that I had hoped would have prosecuted a broader based agenda, and seen the release of more discussion papers, around which we could have contributed more research and public comment, and organised various briefings, seminars and conferences to raise the quality of public debate.

Unfortunately, the last year or so has seen a number of important policy initiatives and debates stymied by the parliamentary processes, in the context of a now extremely short-term, negative, and opportunistic political climate, where the need for bi-partisanship to move things forward is soon lost, as each side quickly rules out policy initiatives and ideas proposed by the other, such that debate stalls, sometimes even before it has begun.

Nevertheless, the TTPI is working well towards the longer-term objective of developing a substantive research capability such that we will be able to make relevant and timely, evidence-based, contributions to public policy debate on the tax/transfer/federation issues that are sure to challenge whoever is in government for years to come.

**Dr John Hewson**  
Chair, Tax and Transfer Policy Institute

# FOREWORD FROM THE DIRECTOR



The year 2014-2015 has been the first full year for Professor John Hewson as Chair and me as Director of TTPI. It has been a tremendously busy and exciting year. We have welcomed new staff and established networks of research fellows and researchers, and built our government secondment program, and laid the foundations for a comprehensive research program.

Tax and welfare policy seems to be constantly in the media, and on the policy agenda on a diverse array of issues ranging from the tax treatment of multinational corporations and tax cooperative efforts by the G20, reform of the GST and state taxes in the federation, how to tax the sharing economy including Uber, and bracket creep in the income tax. In a fiscally challenging context, we have seen two federal budgets proposing constraints to welfare spending including to unemployment benefits for young people and lone parents, as well as major proposed changes to paid parental leave and childcare spending. The Intergenerational Report 2015 projected a future balanced budget, dependent on constraining growth in the age pension. These proposed reforms have led to major debates about fairness and who bears the cost of spending cuts or tax reforms that may be needed for fiscal sustainability.

As the Government initiated its tax and federation reform white papers this year, we have sought to engage productively in the policy and public debate. During 2014-2015 we have undertaken extensive academic and public engagement, raising the profile of the Institute nationally and internationally. We have held a number of significant conferences bringing academic scholars together with policymakers and key stakeholders, including marking 2015 as the centenary of Australia's income tax. We have brought together the Commissioner of Taxation, professional and community representatives with academics to debate the resilience of our tax system, and brought researchers and policymakers together to discuss new empirical approaches to tax research including the use of administrative data.

We have also in 2014-2015 carried out much work behind the scenes, developing the research program and business strategy for TTPI. What should our tax and transfer system look like in ten years' time? What is the research necessary to support efficiency, fairness and resilience of the tax system? The TTPI research program aims to build capacity and new approaches to address the medium and long term challenges of the tax and transfer system in Australia, the region and globally.

This Annual Report covers the period:

1 July 2014 – 30 June 2015

**Professor Miranda Stewart**  
Director, Tax and Transfer Policy Institute

# HIGHLIGHTS OF 2014-2015

## Raising our profile

In February 2015, TTPI completed and launched a major *Stocktake report* examining challenges for the tax system in the five years since the Henry Tax Review and suggesting future reform directions.

TTPI hosted many events aimed at enhancing debate, building our networks and developing our future research agenda. Our Signature Events included a two day conference celebrating 100 years of the Income Tax, and a Lunchbox Debate during Public Policy Week on how to build a resilient tax system for the future including Tax Commissioner Chris Jordan as the keynote speaker.

## Building capabilities, delivering programs

Throughout 2014-2015, we have built the in-house team and benefited greatly from our developing government secondment program. We also hosted a Treasury secondee, Dr Andre Moore, and established our first Australian Tax Office secondment program – we host those secondees from July 2015.

Executive education programs and Masters courses relating to tax and transfer were delivered this year, with executive education run both at Crawford and in-house at the Treasury and Department of Social Services.

## Creating networks, engaging in policy

A network of academics, the ANU TTPI fellows, has been created across campus and we continue to build our relationships with individuals and institutions across Australia and internationally.

We launched the Australian and International Visiting Fellowship programs and hosted our first funded Australian Visiting Fellow, Dr Diane Kraal of Monash University. We look forward to hosting our first International Visiting Fellow, Associate Professor Sacchinanda Mukherjee of the National Institute of Public Finance and Policy, New Delhi, India, in August 2015.

Members of TTPI have been active in policy debates. Director Miranda Stewart and Treasury secondee Andre Moore presented our *Stocktake report* on the tax system and directions for reform to a wide range of officials and agencies in the Government Stakeholder Group. Chair John Hewson and Miranda Stewart participated in the Grattan Institute's roundtable on the federation including academics, State and federal policymakers. Miranda Stewart gave evidence at Senate Inquiries into Corporate Tax Avoidance and Digital Currencies. Peter Whiteford and Miranda Stewart participated in an Academy of Social Sciences of Australia and Treasury workshop on retirement incomes, and in the first Committee on Sustainable Retirement Incomes forum.

## Research and business planning

The research strategy and business plan for TTPI has been progressed. TTPI will be launching a small number of flagship research projects in the coming year and is diversifying and growing its funding base. This will provide the foundations for our future sustainability and our capacity to deliver on our objectives.



Crawford School

# ABOUT THE TTPI

## Aims and activities

The Tax and Transfer Policy Institute (TTPI) was established at Crawford School of Public Policy, The Australian National University, with the mission to undertake and promote excellent independent research and policy analysis relevant to the tax and transfer system in Australia and internationally.

Our objectives are to:

- > build a strong evidence base through new, excellent research for tax and transfer policy development, analysis and evaluation;
- > promote and influence informed public debate on Australia's tax and transfer system;
- > facilitate engagement and collaboration between researchers working on tax and transfer issues and between researchers, policymakers and others in the policy community;
- > build tax and transfer research and policy capacity across a range of disciplines.

TTPI aims to foster a richness and diversity in tax and transfer research in Australia and internationally for the short and long term, exploring issues and solutions to some of the critical tax and transfer policy challenges facing governments over the next few decades. TTPI does not exist to offer a single perspective on tax and transfer policy.

TTPI undertakes the following main activities:

**Research** – empirical and theoretical research and policy analysis aimed at enhancing the evidence base.

**Engagement** – with research and policy communities, and the wider public.

**Education** – through developing excellent research-led teaching.

## Governance

TTPI operates as an Organised Research Unit within Crawford School in the College of Asia and the Pacific at The Australian National University. TTPI is therefore subject to formal governance and financial accounting arrangements of Crawford School. The Director of TTPI reports to the Director of the School and through the Director, to the Dean of the College of Asia and the Pacific.

### Advisory Committee

An Advisory Committee was established for TTPI, currently Chaired by Professor John Hewson and including Professor Bruce Chapman, Dr Mathias Sinning, Professor Peter Whiteford, Professor Quentin Grafton, Professor Bob Breunig and Professor Tom Kompas. It includes as an external member, Professor John Wanna (Director of ANZSOG) and Mr Greg Smith (Chair, Commonwealth Grants Commission).

### Government Stakeholder Group

TTPI has established a Government Stakeholder Group which met twice in 2014-2015. Membership is drawn from across government with representatives from Treasury, Australian Taxation Office, Department of Social Services, Department of Prime Minister and Cabinet, Department of Industry, Australian Bureau of Statistics, Department of Foreign Affairs and Trade, Department of Employment, Department of Environment and the Parliamentary Budget Office.

## Financial resources

The TTPI was established with start-up funding from the Department of Treasury and contributions from the College of Asia and the Pacific, the HC Coombs Policy Forum, the Australian National Institute of Public Policy and Crawford School of Public Policy at The Australian National University. The establishment of the TTPI implemented Recommendation 134 of the Review of Australia's Future Tax System.

The annual Statement of Income and Expenditure for the period 1 July, 2014 to 30 June, 2015 is attached at the end of this Annual Report.

In addition to the start-up funding and investment income, in 2014-2015 TTPI obtained external revenues from executive education on tax and transfer policy and from the Academy of Social Sciences of Australia. TTPI also benefited from a funded secondment from Treasury.

# PEOPLE

## Academic staff

### Professor Miranda Stewart, Director

Twitter@AusTaxProf

Miranda Stewart is a leading international expert on tax law and policy, with more than 20 years' experience working at the leading edge of policy research, design and development. She joined ANU from the University of Melbourne, where she was a Director of Tax Studies for many years. She has previously worked at New York University School of Law in the United States, in major Australian law firms advising business on tax law, and at the Australian Taxation Office advising on business tax law and policy and has consulted for government on various tax and transfer policy issues.



### Dr John Hewson AM, Professor and Chair of TTPI

John Hewson is an economic and financial expert with experience in academia, business, government, media and the financial system. He has worked as an economist for the Australian Treasury, the Reserve Bank, the International Monetary Fund and as an advisor to two successive Federal Treasurers and the Prime Minister. His business career before entering politics in 1987 was as a company director and business consultant and included roles as Foundation Executive Director, Macquarie Bank Limited and as a Trustee of the IBM Superannuation Fund. John's political career included seven years as a ministerial advisor and a further eight years as the Federal Member for Wentworth in the Federal Parliament. He was Shadow Finance Minister, Shadow Treasurer and Shadow Minister for Industry and Commerce, then Leader of the Liberal Party and Federal Coalition in Opposition for four years. Since leaving politics Dr Hewson has been Chairman/Director of a host of public and private companies across a range of industries, including as Chairman of ABN Amro Australia, charities and a number of other not-for-profits. He also writes and comments widely across all media.



### Professor Peter Whiteford

Twitter: @WhitefordPeter

Peter Whiteford is a Professor and Director of the Social Policy Institute in Crawford School of Public Policy at The Australian National University. Between 2008 and 2012 he worked at



the Social Policy Research Centre at the University of New South Wales (UNSW) in Sydney. He previously worked as a Principal Administrator in the Directorate of Employment, Labour and Social Affairs of the Organisation for Economic Co-operation and Development in Paris. He is an Associate Investigator with the ARC Centre of Excellence in Population Ageing Research (CEPAR) and an Adjunct Professor with the Social Policy Research Centre at UNSW and an Honorary Professor in the School of Social and Behavioural Sciences, Nanjing University, China. He is an independent member of the Sustainability Committee of the Board of the National Disability Insurance Agency.

### Professor Bob Breunig

Bob Breunig is Acting Director and a Professor of Economics in Crawford School of Public Policy. Bob conducts research in three main areas: economics of the household; empirical industrial organisation; and statistical and econometric theory. In recent work, he has studied the inter-generational transmission of dependence on government assistance; he has examined the relationship between women's labour supply and child care policy and studied optimal child care subsidy policies; he has examined the complex relationship between outsourcing and innovation; and he has evaluated new econometric techniques for analysing panel data models of binary outcomes. Bob works regularly with the Australian Treasury and the Departments of Education, Employment and Innovation and has received grant support from the United States Department of Agriculture and the Australian Research Council.



### Professor Bruce Chapman AM

Bruce Chapman is a Professor of Economics at the Crawford School of Public Policy. He has extensive experience in public policy, including the motivation and design of the Higher Education Contribution Scheme (the first national income contingent loan scheme using the income tax system for collection). He was elected to the Academy of the Social Sciences of Australia in 1993, received an Order of Australia in 2003 for contributions to economic policy, and was elected President of the Australian Society of Labour Economics (2004-07) and President of the Economics Society of Australia (2007-13). Bruce was named as the 2015 Distinguished Fellow of the Economic Society of Australia.





### Dr Mathias Sinning

Mathias Sinning is a Senior Lecturer at TTPI, Crawford School of Public Policy, ANU. He has previously held academic appointments at ANU and the University of Queensland and has been a Visiting Fellow at Princeton University. Mathias is interested in the application of econometric methods to a broad range of topics of economic policy, including tax, labor, education, migration and health. He has published articles in journals such as *Economic Inquiry*, *Health Economics*, and *Industrial Labor Relations Review*. He is currently working on the project 'Understanding Dynamic Aspects of Economic Inequality' funded by the Australian Research Council. He is a Research Fellow of IZA Bonn, RWI Essen, and the CReAM Centre at the University College London.



### Dr David Ingles

David Ingles PhD (ANU) BEc and MEc (Sydney U) specialises in public finance with particular emphasis on tax and social security. He has worked in various Commonwealth and State Departments (QLD), including the Department of Social Security (later FACSIA), the Treasury, and the Economic Planning Advisory Council. In the early 1980s he was an advisor to Ministers in the Hawke Government. Most recently he has worked part-time for the Australia Institute, specialising in tax and superannuation reform. His PhD is in public policy.



We welcomed Phil Gallagher as an Honorary Fellow to work with TTPI on developing and benchmarking modelling capacity.

## Research fellows

### Sue Regan

Before joining ANU in 2012, Sue Regan was director of the Resolution Foundation, an independent UK-based research and policy institute. Sue also spent five years at the Institute for Public Policy Research (IPPR) in London, as a Research Fellow and Head of Social Policy, and later as an Associate Director. Earlier in her career, Sue was a public servant at the then UK Department of Social Security (now Department for Work and Pensions), where she later returned as a Special (political) Adviser. Sue has also worked in the equities division of Gartmore plc (when part of Natwest Bank) and was founding director of a small business (Elevations Ltd.) In 2014, Sue was seconded to the Welfare System Taskforce at the Department of Social Services to work on the McClure welfare review. She is currently undertaking a PhD in Public Policy and is a tutor on Crawford's Master of Public Policy.



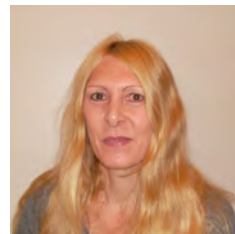
## Research assistants

We are pleased to have a number of research assistants on various projects.

- Peter Varela
- Joel Emery
- Steve Thomas
- Alice Bradshaw
- Lilia Holzinger
- Penelope Marshall

### Senior Project Officer

Diane Paul is a Senior Project Officer with TTPI. Diane has been employed with the ANU College of Asia and the Pacific since 2010, commencing her career with the College finance department, and then as the Executive Assistant to the College General Manager. Diane administers much of the Institute's activities and projects.



## Secondments

The TTPI secondment program supplements the core team and supports collaborative projects of interest to researchers and to key government agencies, as well as providing an extension and research opportunity for individual government employees.

### Dr Andre Moore

Andre Moore was a funded secondee from the Treasury between January and July 2014. Andre primarily carried out research and writing of the *Stocktake report* of the tax and transfer system. He continued work on this project on his return to Treasury and the report was published in February 2015.



Two funded secondments from the ATO have been agreed for the period July to December 2015: Mr Thomas Abhayaratna and Ms Melissa Ogier.

## ANU fellows

A number of Crawford academics are TTPI ANU fellows and work closely with the Institute, in particular Professors Peter Whiteford, Bob Breunig and Bruce Chapman. More generally, across the University, TTPI fellows are ANU academics working on tax and transfer topics who have chosen to be affiliated with TTPI.

Current fellows are:

### Professor Adriyanto Adriyanto

ANU College of Asia and the Pacific, Arndt-Corden Department of Economics, Crawford

### Dr Nicholas Biddle

ANU College of Arts and Social Sciences, AUSCEN

### Professor Alison Booth

ANU College of Asia and the Pacific, Crawford

### Professor John Braithwaite

ANU College of Asia and the Pacific, RegNet

### Professor Valerie Braithwaite

ANU College of Asia and the Pacific, RegNet

### Mr Rob Bray

ANU College of Arts and Social Sciences

### Professor Trevor Breusch

ANU College of Asia and the Pacific, Crawford

### Dr Paul Burke

ANU College of Asia and the Pacific, Arndt-Corden Department of Economics, Crawford

### Professor Peter Drahos

ANU College of Asia and the Pacific, RegNet

### Dr Tracy B Fenwick

ANU College of Arts and Social Sciences, Centre for Federalism

### Professor Matthew Gray

ANU College of Arts and Social Science, AUSCEN

### Professor Bob Gregory

ANU Research School of Economics

### Dr Timo Henckel

ANU Research School of Economics

### Professor Raghbendra Jha

ANU College of Asia and the Pacific, Arndt-Corden Department of Economics, Crawford

### Dr Michael Kobetsky

ANU College of Law

### Mr Chris Murphy

ANU College of Asia and the Pacific, Arndt-Corden Department of Economics, Crawford

### Professor Peter McDonald

ANU College of Asia and the Pacific, Crawford

### Ms Agnieszka Nelson

ANU College of Arts and Social Sciences

### Associate Professor Maria Racionero

ANU Research School of Economics

### Dr Julie Smith

ANU College of Asia and the Pacific, RegNet

### Professor Peter Sutherland

ANU College of Law

### Associate Professor Alfred Tran

ANU College of Business and Economics

### Dr Chung Tran

ANU College of Business and Economics

## PhD students

PhD students at Crawford and across the ANU are researching diverse tax and transfer topics. Some have already contributed substantially to build the work and profile of TTPI.

Current PhDs include:

- > Paul Amores 'The role of mental health in transmission of intergenerational disadvantage in Australia' (Crawford, primary supervisor Professor Bob Breunig)
- > Nathan Deutscher 'Intergenerational mobility in Australia' (Crawford, primary supervisor Professor Bob Breunig)
- > Owen Freestone 'Australia's social security system and its impact on individuals and the economy' (Crawford, primary supervisor Professor Bob Breunig)
- > Wendy Heatley 'Integrating the Australian tax-transfer system: Fair, Efficient, Sustainable?' (Crawford, supervisors Professor Peter Whiteford and Miranda Stewart)
- > Shane Johnson 'Examining taxpayers' understanding of, and responses to, the Australian personal income tax system' (Crawford, primary supervisor Professor Bob Breunig)
- > Estelle Li 'The impact of foreign ownership and foreign operations on corporate tax strategies in the Australian dividend imputation system' (CBE, primary supervisor Associate Professor Alfred Tran)
- > Daniel Nethery 'Migrants and the welfare state' (Crawford, primary supervisor Professor Peter Whiteford)
- > Arnaldo Purdo 'Base erosion and profit shifting in Indonesia' (CBE, primary supervisor Associate Professor Alfred Tran)
- > Sue Regan 'Assets, wealth and welfare across the life course' (Crawford, primary supervisor Professor Peter Whiteford)
- > Peter Varela 'Examining the distributional trade-offs within Australia's tax and transfer system' (RSE, primary supervisor Associate Professor Maria Racionero)

We also welcomed Sian Mughan, PhD Candidate in Public Finance, Indiana University, US as a visiting exchange doctoral candidate (May – July 2015). Ms Mughan carried out a research project on local government financing and fiscal equalization.



Professor Michael Graetz

## Visiting fellow awards

The Australian and International visiting fellow awards, funding travel and accommodation for a visit of one to two weeks at TTPI, were initiated in 2015.

### Australian visiting fellow

Dr Diane Kraal of Monash University was an Australian visiting fellow in June 2015. During Dr Kraal's visit, she carried out research on her project on resource commodity pricing and taxation. Dr Kraal also co-presented a seminar on 23 June with Dr Craig Emerson on 'Current tax reform in Papua New Guinea for Mining: state equity participation versus a resource rent tax'.



### International visiting fellow

The TTPI's first international visiting fellow award was also made in 2014-2015.

The award was given to Dr Sacchidananda Mukherjee, Associate Professor at the National Institute of Public Finance and Policy (NIPFP), an autonomous institute of the Ministry of Finance, Government of India. Dr Mukherjee's trip is planned for 22 – 30 August 2015. Among other activities, he will present a seminar on tax reform in India, chaired by Professor Raghbendra Jha.



## Visitors

TTPI hosted numerous leading international tax and transfer scholars throughout the year, who presented at our signature events, as well as giving private workshops and seminars to stakeholder government agencies and working with our PhD students.

Professor Alan Auerbach, Director of the Robert D Burch Center for Tax Policy and Public Finance USA

Professor Daniel Beland, Johnson-Shoyama Graduate School in Public Policy, University of Saskatchewan, Canada

Professor Norman Gemmill, Professor of Public Finance, Victoria University of Wellington, New Zealand

Professor Rachel Griffiths, Manchester University and the Institute of Fiscal Studies, UK

Professor Michael Graetz, of Columbia University, New York, United States

Professor Flavio Rubinstein, FGV University Law School, Sao Paulo Brazil

Professor Claire Young, University of British Columbia Law School, Canada



Professor Flavio Rubinstein



Professor Daniel Beland

# RESEARCH

## Research program

TTPI has been developing its research strategy during 2014-2015. We have initiated a number of projects, in-house and in partnership with others. We have engaged with current government reform processes on tax and the federation, while also developing a medium and long-term research program on taxes and transfers.

The Institute has identified four major project work streams in which we aim to develop the research program, under broad themes of prosperity, fairness and resilience.

In each work stream, specific projects are conducted and will be developed by various researchers, but with the goal of a coherent direction relevant to policy in the short, medium and long term.

- > **Taxation of capital and business in a global digital economy:** Specific projects include research on multinationals base erosion and profit shifting including institutional and technical research on anti-abuse rules, transfer pricing methods and transparency; taxation of capital from first principles, including the future of the Australian corporate tax; and business tax design to support entrepreneurship in the income tax and payroll tax.
- > **Personal tax and transfers to support fairness and lifecycle wellbeing:** Specific projects include retirement incomes policy in the tax and transfer system; measures of inequality in housing and work; family payments and gender equality.
- > **Approaches to modelling and empirical analysis of tax systems, compliance and administration:** Specific projects include building tax data access for researchers while balancing taxpayer confidentiality; the rule of law in taxation; payment, compliance and behavioural approaches and elasticity of taxable income.
- > **Resilience of Australia's budget, fiscal federalism and State taxes:** Specific projects include legitimacy of the fiscal state; analysis of State tax bases including land, payroll and the GST; and renewing federalism in Australia with the University of Melbourne.

More detail on some of the specific projects is below. To achieve these goals, as well as building internal capacity, the Institute aims to develop wider networks to tap into expertise across Australia and internationally. TTPI is developing a Research Network by forming relationships with other universities, national and international institutes and research bodies, senior academics and experts, and junior scholars and PhDs.

## Research projects

### Stocktake of the tax system and directions for reform

In our full first year of operation, TTPI conducted a major project exploring challenges for Australia's tax and transfer system, and reviewing the recommendations of the Henry Tax Review which reported five years ago. The review was conducted by the Director, colleagues Professor Peter Whiteford and Professor Quentin Grafton, and Treasury secondee Dr Andre Moore.

The *Stocktake report* set out the tax reform goals of economic prosperity, fairness and resilience of the tax and transfer system. It establishes a framework for development of the TTPI research program and for engagement in the current Government's Re:Think tax white paper process. The final report is available on the TTPI website at: *A Stocktake of the Tax System and Directions for Reform: five years after the Henry review* (February 2015).

### Tax administration, payment thinking and behavioural insights

Working with the Australian Taxation Office, TTPI has begun a project on tax payment systems, compliance, regulation and behavioural responses. The project builds on the pioneering work of the former Centre for Tax System Integrity at ANU. It includes theoretical analysis of behavioural economics theories combined with empirical investigation of different modes of administration and response. The project looks not only at psychological or behavioural approaches but also at timing of payment, capacity and technological systems at the interface between tax administration and the taxpayer.

### Fairness and inequality

Fairness is a critical element of the tax and transfer system. The TTPI has developed a research project encompassing a range of topics in the area of tax/transfers, fairness and inequality.

In preparation for our Academy of Social Sciences of Australia Workshop on Gender Equality and the Tax/Transfer System (November 2015), a preliminary workshop was held with researchers at our partner Curtin University, 31 March 2015, led by Professor Siobhan Austen.

Mathias Sinning is undertaking an ARC-funded project on inequality, housing and the labour market. The project aims to study dynamic aspects of inequality in Australia by exploring the changes in labour and housing market conditions and their relation to the changes in the distribution of income and wealth over the last decade. The project will develop new econometric techniques to examine the factors that are responsible for the changes in the distribution of income and wealth and a range of labour and housing market outcomes. This project will examine the changes in labour and housing market conditions and ascertain the factors that are responsible for the rise in income and wealth inequality in Australia, paying particular attention to the role of education, occupation, unemployment, house prices, and population ageing. Understanding the determinants of the

changes in economic inequality will help to identify the channels through which inequality can be addressed and to formulate appropriate policy responses.

### Renewing Australian federalism

Miranda Stewart is conducting a research project funded by the Melbourne University School of Government on renewing Australian federalism. Full details of the research project are on its website at <http://government.unimelb.edu.au/renewing-federalism>. Partners at the University of Melbourne are Professor John Freebairn, Professor Cheryl Saunders, Professor Michael Crommelin, Professor Brian Galligan, Dr Scott Brenton and Dr Hielke Buddelmeyer. Associate Professors Anne Tiernan, Jenny Menzies and Robyn Hollander at The Centre for Governance and Public Policy at Griffith University and the Victorian Department of Premier and Cabinet are partners in the project.

The project themes are 1) fiscal federalism, including state and federal tax reform, 2) state innovation, expenditure responsibilities and inter-governmental decision-making and, 3) our federation and democracy.

A working paper on working tax credits as a compensation mechanism for an increase in GST is underway. This research was presented at a collaborative workshop involving TTPI, the Social Policy Institute and CAEPR at ANU.

## Publications

**Breunig, R**, Gong, X & Trott, D (2014), 'The new national quality framework: Quantifying some of the effects on labour supply, child care demand and household finances for two-parent households', *The Economic Record*, vol. 90, no. 288, pp. 1-16.

**Chapman, B**, Higgins, T & Stiglitz, J, eds (2014), *Income Contingent Loans: Theory, Practice and Prospects*, Palgrave Macmillan Ltd, England.

**Chapman, B** and **Sinning, M** (2014) 'Student Loan Reforms for German Higher Education: Financing Tuition Fees' *Education Economics*, 22:569-588.

**Chapman, B**, Joseph E. Stiglitz, Tim Higgins (eds.), (2014) Why don't we just give them the money? Financing living expenses of students in Germany, In: *Income Contingent Loans: Theory, Practice and Prospects*, pp. 109-124 (with Barbara Grave).

**Chapman, B**, Higgins T and Stiglitz J E (2014), 'Introduction and Summary' in Bruce Chapman, Tim Higgins and Joseph E. Stiglitz (eds.), *Income Contingent Loans: Theory, practice and prospects*, Palgrave MacMillan, New York: 1-11.

**Chapman B**, (2014) 'Income Contingent Loans: Background', in Bruce Chapman, Tim Higgins and Joseph E. Stiglitz (eds.), *Income Contingent Loans: Theory, practice and prospects*, Palgrave MacMillan, New York: 12-29.

**Chapman B** and Clarke P (2014), 'Internationalisation of ICLs to deal with human capital trade imbalances', in Bruce Chapman, Tim Higgins and Joseph E. Stiglitz (eds.), *Income Contingent Loans: Theory, practice and prospects*, Palgrave MacMillan, New York: 136-141.

Gong, X & **Breunig, R** (2014), 'Channels of labour supply responses of lone parents to changed work incentives', *Oxford Economic Papers*, vol. 66, no. 4, pp. 916-939.

**Hewson, J** (2014) 'The politics of tax reform in Australia', *Asia & the Pacific Policy Studies* Vol 1 Issue 3 July 2014.

Podger, A., D. Stanton and **P. Whiteford** (2014), 'Designing social security systems: learning from Australia and other countries', *Public Administration and Development*, Volume 34, Issue 4, pages 231-250, October.

**Regan, S** (2014) Australia's welfare system: a review of reviews 1941-2013, HC Coombs Policy Forum, ANU, Canberra

**Stewart, M** (2014) 'The boundaries of charity and tax' in Harding, M, O'Connell, A and Stewart, M (eds) *Not for profit law: Theoretical and Comparative Perspectives* (Cambridge University Press: Cambridge) 232-253.

**Stewart, M** and Flynn M (2014) *Death and Taxes* (6th ed, Thomson Reuters: Sydney)

**Stewart, M**, Moore A, Whiteford P, Grafton RQ (2015) A Stocktake of the Tax System and Directions for Reform: five years after the Henry review (February, ANU: Tax and Transfer Policy Institute)

**Stewart, M** (2014) 'International tax, the G20 and the Asia Pacific: From competition to cooperation?' *Asia & the Pacific Policy Studies* (2014) <http://onlinelibrary.wiley.com/doi/10.1002/app5.42/abstract>

**Stewart, M** (2015) 'Abuse and economic substance in BEPS' *Bulletin for International Taxation* (IBFD, June/July Issue) 399-409

**Stewart, M** (2015) 'The tax state, benefit and legitimacy' in Harris P(ed) *Studies in the History of Tax Law*, Vol.7 (London: Hart Publishing)

**Whiteford, P** (2014), 'Australia: inequality, prosperity and their impacts in a radical welfare state', in W. Salverda et al. (eds), *GINI Growing Inequalities' Impacts, Volume 2, Changing Inequalities and Societal Impacts in Rich Countries: Thirty Countries' Experiences*, Oxford University Press.

**Whiteford, P** (2014), 'What difference does government make? Measuring redistribution in a comparative perspective' in A. Podger and D. Trewin (Eds), *Measuring and Promoting Wellbeing, How Important is Economic Growth: Essay in honour of Ian Castles AO and a selection of Castles' papers*, ANU Press and Academy of Social Sciences in Australia, Canberra.

**Whiteford, P** (2015) 'Inequality and its socioeconomic impacts', *Australian Economic Review*, Vol. 48, No. 1, pp. 83-92, 2015.

# ENGAGEMENT

The TTPI engages directly with policy and service government agencies; political representatives; community and business stakeholders; the media and the broad public. TTPI aims through these activities to inform, enhance and influence public knowledge and debate about taxes and transfers.

TTPI meets regularly with government agencies and political representatives to learn about policy concerns and to inform and enhance evidence-based policymaking. We hold public and invitational events on tax and transfer policy to inform, engage and influence policymakers, stakeholders and the public. We engage with the media and broad public through published comment, Twitter and other social and print media. We have built a TTPI tax and transfer blog to connect researchers and policy debate with the broad public and other researchers, which will be launched later in 2015.

A key feature of TTPI activity is how much we do in partnership with others. We have partnered with other institutes at ANU and other universities, with government departments and with other entities engaged in policy debate, such as *The Conversation*. Details of partnership events are included below.

## Newsletter

The TTPI launched our monthly newsletter in the 2014-2015 year. It highlights the contribution of TTPI fellows, events, visitors, projects, awards and publications. TTPI published five newsletters in 2014-2015. An online copy of the newsletters can be found at the TTPI website. The newsletter is currently distributed to nearly 600 readers.

## TTPI research seminar series

The research seminar series was launched in July 2014. It aims to bring together academics, public servants and the interested public to listen to new research including work in progress on taxes and transfers, by leading and early career scholars from Australia and globally. Attendance at TTPI seminars was strong, ranging from about 15 to as many as 80 participants. In 2014-2015, the following seven seminars were held:

- > Professor Rachel Griffiths, Manchester University and the Institute of Fiscal Studies, UK, 'Multinational firms, intellectual property and taxation', in partnership with the Australian Treasury, 1 July 2014.
- > Professor Flavio Rubinstein, FGV University Law School Sao Paulo Brazil, 'A BRICS response to base erosion and profit shifting: the view from Brazil', in partnership with the Australian branch of the International Fiscal Association, 6 August 2014.
- > Dr Michael Daly, external adviser, Fiscal Affairs Department, International Monetary Fund, 'Is the world trade organization a world tax organisation?' In partnership with the Australian branch of the International Fiscal Association, 30 October 2014.

- > Professor Claire Young, University of British Columbia Law School, Canada, 'What's sex got to do with it? Gender and sexuality in Canadian tax policy', 10 December 2014.
- > Dr Chung Tran, ANU, 'Facing demographic challenges: pension cuts or tax hikes?' 17 March 2015.
- > Dr Christian Gillitzer, Reserve Bank of Australia, 'Do output contractions cause investment in fiscal capacity?', 19 May 2015.
- > Dr Diane Kraal, Monash University and Dr Craig Emerson, 'Current tax reform in Papua New Guinea for mining: state equity participation versus a resource rent tax', 23 June 2015.

## Signature events

### Lunchbox debate: a resilient tax system for the future

On 16 September 2014, TTPI hosted a special lunchbox debate with Chris Jordan, the Commissioner of Taxation. This was one of the key events of Policy Outlook 2014, Public Policy Week at ANU.

Alongside the Commissioner, expert panelists included Professor Kerrie Sadiq of QUT Business School, Dr Richard Denniss, Executive Director of the Australia Institute, and Paul Abbey of PricewaterhouseCoopers. The event was chaired by Professor Miranda Stewart.

This debate explored how Australia can maintain and strengthen a resilient tax system that can navigate a course through the choppy seas of politics, taxpayer acceptance and economic good sense. The expert panel looked at the challenges facing our tax system from administrative, taxpayer, practitioner, economic and community perspectives. It also debated the impact of technological, global and economic changes on Australia's tax system and how reforms to address these challenges might be received by taxpayers. The event was livestreamed for those not able to come along, including internally in the ATO.



Taxation Commissioner Chris Jordan

## Renewing Australian federalism: starting the conversation

On 2 October 2014, TTPI hosted a conference in partnership with the University of Melbourne, School of Government and *The Conversation* ([www.theconversation.edu.au](http://www.theconversation.edu.au)).

A panel of academic and government speakers led a debate on renewing the federation. Speakers included Professor John Hewson, TTPI; Professor Alan Fenna, Curtin University; Professor John Freebairn, Melbourne University Faculty of Business and Economics; David DeCarvalho, Department of Prime Minister and Cabinet; and Professor Cheryl Saunders, Melbourne University Law School. The event was chaired by Professor Miranda Stewart.

The event followed a series on *The Conversation*, Renewing Federalism, curated by Professor Miranda Stewart. The speakers explored questions including: how best do we fund government services and public goods in a federal system, while ensuring economic prosperity across the nation? Does Australia's steep vertical fiscal imbalance matter? What are the solutions if so? How should we address horizontal economic inequalities in our federation? And how can we reinvigorate State democratic processes while allowing innovation in policy?

There were many comments and questions from the floor and a lively debate ensued. *The Conversation* also facilitated more than 200 questions and comments from readers of the site for the panel. A wrap-up post by Miranda Stewart reported on the event and what readers think are the challenges for federal reform.

## Capital taxation in the 21st century

Advanced countries around the world face increasing income and wealth inequality and the fiscal pressures of population ageing. Some would address these problems through sharp increases in the taxation of capital income and wealth, but such proposals confront the reality of capital mobility and international tax competition.

On 15 April 2015, in partnership with the Sir Roland Wilson Foundation and the East Asian Bureau of Economic Research, TTPI hosted a public lecture by Professor Alan Auerbach. This lecture addressed the challenge of taxing capital in the current environment, drawing on recent research to suggest approaches that might succeed where others fail. The event was chaired by Professor John Hewson, ANU. Over 130 attendees enjoyed the debate.

Alan Auerbach is the Director of the Robert D Burch Center for Tax Policy and Public Finance, University of California at Berkeley. He came to Berkeley in 1994 following faculty positions at Harvard, where he completed his PhD in Economics, and the University of Pennsylvania. Auerbach's research interests include corporate taxation, population ageing and fiscal imbalances, and the effects of tax cuts during the G W Bush presidency. Professor Auerbach, who has been honored as a Fellow of the American Academy of Arts and Sciences, has served as Deputy Chief of Staff of the US Joint Committee on Taxation (1992), and has chaired the Department of Economics on two occasions.

During Professor Auerbach's stay in Canberra, TTPI also hosted a lunchtime workshop in partnership with the Treasury Department and a PhD seminar on uncertainty in economic and tax forecasting.



Renewing Australian Federalism, panel discussion



Professor Alan Auerbach



## Looking forward at 100 years: where next for the income tax?

TTPI hosted a two day conference on 27-28 April 2015 to mark a century of federal income taxation. The conference explored what role should the income tax play in Australia's future tax system; What can we learn from the past or from new research in reforming the policy, law and administration design of our income tax for the future?

The US federal income tax is of a similar venerable age to Australia. Our international keynote speaker was Professor Michael Graetz, of Columbia University, New York, United States. We were pleased to host the Hon. Mr Angus Taylor MP, Member for Hume and member of the House of Representatives Standing Committee on Tax and Revenue; and the Hon. Dr Andrew Leigh MP, Member for Fraser and Shadow Assistant Treasurer, who brought contemporary political perspectives to the role of the income tax.

Leading ANU scholars Professor Valerie Braithwaite and Professor Geoffrey Brennan presented with many other leading tax scholars from around the country, in a thoughtful and even profound set of papers and commentary addressed the interaction of taxes and transfers on work, saving, and capital gains in the personal income tax; the role of income tax in the federation; the politics, administration and design of the income tax, and the future of business and company taxation. Papers were delivered from diverse disciplinary perspectives in public economics, law, accounting, political science or public policy disciplines. The papers are to be published in a guest edited issue of journal *Australian Tax Forum* in 2015.



Looking forward at 100 years: where next for the income tax panel discussion

## Invitation policy workshops

As a key part of our engagement with policymakers, a number of invitation-only workshops were held throughout 2014-2015 to build collaboration on research, data, evaluation and policy development.

### CAMA and Tax and Transfer Policy Institute roundtable

On 19 August 2014, the Centre for Applied Macroeconomic Analysis (CAMA) at Crawford and TTPI held a roundtable/brain storming discussion on the macroeconomic aspects of tax and transfer policy and modelling development. ANU fellows of CAMA and TTPI and representatives of the Treasury attended.

### Renewing federalism: delivering welfare and health in a federal system

This event, in partnership with the Social Policy Institute and the Australian Centre for Federalism at the ANU, as well as the Melbourne School of Government, was held on 29 October 2014. It featured Professor Daniel Beland, from Johnson-Shoyama Graduate School in Public Policy, Canada with Professor Miranda Stewart, ANU; Professor Peter Whiteford, ANU; Professor Adrian Kay, Crawford School and Dr Tracy Beck Fenwick, Director of the Centre for Federalism.

### Finalising and implementing the BEPS agenda

The TTPI partnered with Sydney University Law School to support this two-day Taxation Law Workshop held in Sydney on 17-18 November 2014. It included Professor Richard Vann and Professor Graeme Cooper, Sydney University Law School; Professor Mitchell Kane, New York University; Professor David Duff, University of British Columbia and representatives from Australian and New Zealand revenue agencies, the Treasury and other leading Universities. The contributed papers were published in a special issue on BEPS of the IBD *Journal of International Taxation*, June/July 2015, edited by Graeme Cooper and Miranda Stewart.

### New empirical tax research using administrative data: results, methods, approaches

This one-day workshop held on 20 November 2014 brought together researchers, scholars, policymakers and statistics and data managers from government agencies, to discuss new empirical approaches to research using administrative data and quasi-experimental and other new methodologies.

Researchers presented new work drawing on administrative tax data available in other countries including New Zealand, Denmark and the United Kingdom. The group discussed issues relating to access to data, technology and method with the goal of building productive collaboration in developing and evaluating policy. Presenters included Professor Norman Gemmill, Victoria University of Wellington; Dr Christian Gillitzer, Reserve Bank; Dr Giorgia Maffini, Oxford University Centre for Business Taxation; Dr Peer Skov, Auckland University, NZ; Agnieszka Nelson, ANU;

Liz Pugh, Department of Employment; Associate Professor Roger Wilkins, University of Melbourne; Gemma van Halderen, Bureau of Statistics; and Julia Neville, ATO.

## Speeches and presentations

The Director, Chair and members of TTPI have made numerous research and policy presentations in 2014-2015. They have engaged directly in policy debate through submissions and appearances at select committees, speeches and participation in policy debates, including with the Parliament, the Re:Think White Paper task force, Board of Taxation, Treasury, DSS, Productivity Commission, the Australian Taxation Office, State Treasuries and Revenue Agencies; and other government agencies and departments; academic, business and community organisations in Australia and internationally. A selection of presentations and speeches is listed here.

### Academic presentations

**Sinning, M**, 'The returns to language skills in the US labor market' ANU-DPU Conference on the Labor Market, Migration and Ageing, Dhurakij Pundit University (DPU), Bangkok/Thailand, February 2015.

**Sinning, M**, 'Detailed decomposition analysis for nonlinear regression models' IZA Brown Bag Seminar, IZA, Bonn/Germany, May 2015.

**Stewart, M**, 'Past and future of the tax state' Max Planck Institute for Tax Law and Public Finance, Munich, Germany, Tax Day Guest Lecture – 8 July 2014.

**Stewart, M**, 'International tax challenges for Asia and the G20: competition and coordination (PDF, 721KB)'–11-12 March 2014.

**Stewart, M**, 'Inquiry into corporate tax avoidance' Senate Economics References Committee, 10 April 2015.

**Stewart, M**, 'Workshop on working tax credits: would they work in Australia?' With Hielke Buddelmeyer, 23 April 2015, Crawford School, ANU (in partnership with Jobs Australia).

**Stewart, M**, 'Gender and tax, the more things change, the more they stay the same?' Theorising Women in Law, presentation in workshop Post Feminism. Post Theory. Post Critique? ANU College of Law, 15-16 May 2015.

**Stewart, M**, 'The future of international economic governance and the G20 Is BEPS part of a fundamental change to international tax?' Lowy Institute G20 Studies Centre, 20-21 May 2015.

**Whiteford, P**, 'Social policy, risk and disadvantage' Social Policy in the Context of Globalisation, Civil Service College, Singapore, 7-11 September.

**Whiteford, P**, 'Inequality and Social Policy in OECD countries' 6th Annual Conference, China Social Welfare Research Committee, Nanjing University, 6 July.

## Public and policy speeches

**Hewson, J**, Debt for infrastructure not bad, CEDA Brisbane Economic and Political Overview, 18 Feb 2015.

**Hewson, J**, 'Advance Australia Fair: What to do about inequality in Australia' for Australia 21, Parliament House, Canberra–11 June 2014.

**Hewson, J**, 'John Hewson urges reform of tax concessions on super' ABC radio, 24 April 2014.

**Hewson, J**, Member, GAP Task Force on the North, Agriculture and the Environment.

John Hewson presented many speeches on tax reform including to GSA Business Conference on Policy Leadership, Fund Executives Association, COSBOA Small Business Summit, Australian Association of Gerontology, Festival of Dangerous Ideas, Young Economists, Goulburn Connects, AICD Lunch on Not-for-Profit sector, National Security College, SA Conference on Renewables, Grattan Institute, Dixon Advisory Business Conference, and PWC post-budget forum.

**Stewart, M**, Australian Financial Review, Banking and Wealth Summit, 28 April 2015, Q&A Panel, Aligning taxation with financial system objectives

**Stewart, M**, ACT Economics Society, Budget Briefing, 13 May 2015, Canberra.

**Stewart, M**, Young Women's Budget Briefing, YWCA, 14 May 2015, Canberra, distributed on Youtube.

**Stewart, M**, Inaugural Sustainable Retirement Incomes Leadership Forum, 2-3 June 2015, Hyatt Hotel, Canberra.

**Stewart, M**, Business Council of Australia and Clayton Utz, BEPS and Tax Reform Workshop, 6-7 November 2014, Canberra.

**Stewart, M**, Australian Council of Social Services and Business Coalition for Tax Reform, Tax Reform Roundtable, Reform of taxation of personal and retirement income, 15 December 2014, Sydney.

**Stewart, M**, Australian Healthcare and Hospitals Association, Think Tank on Reform of the Federation: Federation, Health and Reform of the Tax System, 16 March 2015, Old Parliament House, Canberra.

**Stewart, M**, Crawford Australian Leadership Forum, Global Realities, Domestic Choices, 28-30 June 2015, Wealth, income and fiscal challenges, Crawford School, ANU.

**Stewart, M**, Grattan Institute, Policy Pitch: Tax Reform, 21 April 2015, State Library of Victoria.

**Whiteford, P**, 'The nature of Australia's social expenditure' invited presentation, Conference on The Future of Welfare, Melbourne, 30 October.

**Whiteford, P**, 'Impacts of policy changes on inequalities in retirement' Australian Association of Gerontology Forum, Living to get the Age Pension and enjoy life in retirement: Prospects and policy options, Canberra 27 August.

## Engagement with Federal Parliament

A key element of TTPI's public role is engaging with our Federal Parliament, which is legislatively responsible for the lion's share of Australia's tax and transfer system. Working with members of Parliament is a priority for TTPI.

- > Testimony before Senate Select Committee into the Commission of Audit on tax expenditures - 15 April 2014, Dr John Hewson.
- > Senator Peter Whish-Wilson (Greens), Meeting, 11 February 2015.
- > Senate Standing Committee on Economics, Inquiry into Digital Currencies: Submission (Joel Emery and Miranda Stewart); participation at round table with Senators Dastyari and Canavan, 12 February 2015 (Miranda Stewart, with the Vice-Chancellor and colleagues from ANU).
- > Assistant Treasurer the Hon Josh Frydenberg MP, (John Hewson and Miranda Stewart), 4 March 2015
- > Panel on Federalism Reform, Hosted by Senator Linda Reynolds (John Hewson, Miranda Stewart, John Wanna, Glenn Withers), Parliament House, 26 March 2015
- > Senate Economics References Committee, Inquiry into Corporate Tax Avoidance and Aggressive Minimisation, 10 April 2015, Submission on LuxLeaks (Miranda Stewart and Joel Emery, and evidence by Miranda Stewart).

## Media and opinion

### JOHN HEWSON

John Hewson presented in a wide range of media forums on tax policy including Lateline, The Drum, Sky, Switzer and other radio and print media. A selection is below.

Tone-deaf Treasurer: Joe Hockey the budget's worst enemy, *The Age*, 14 August 2014

'Forget politics, we may need a Tax Commission', *The Drum*, 19 August 2014

'Why we should consider ourselves a nation first, a federation second' *The Conversation*, 25 Sep 2014

'Tony Abbott's been given a second chance,' says former Liberal leader John Hewson ABC News 9 February 2015

'Both parties need to be honest on tax reform' *The Australian Financial Review*, 1 Mar 2015

'This isn't a vision for a fair and prosperous society, *The Drum*, 9 March 2015

'Australia relies too much on income tax, says tax white paper' ABC Online 29 March 2015

### *Southern Highland News, Hewsons View:*

The politics of fear, 26 September 2014

No 'barnacles' left by Christmas? 28 Nov, 2014

2015, a year of volatility, 3 January 2015

The end of austerity for Greece January 16, 2015

Good government? 27 February 2015

The revolution we had to have, 20 March 2015

Need to boost confidence, 10 April 2015

Budget strategy unfolding without much reform, 17 April 2015

### MIRANDA STEWART

Numerous radio and social media interviews about the tax system and tax reform including ABC Radio National (Phillip Adams), and Devil's Avocado (<http://www.hookturn.com.au/devilsavocado/10>)

'Lower, simpler, fairer' taxes within reach, though all governments must be on-board', *The Canberra Times* –6 April 2015

'Creating a tax system that is fair to all', *The Canberra Times*, 10 September 2014

It's time to choose what kind of tax system we want. *The Conversation*, 2 March 2015

FactCheck: is Australia spending over \$100m a day more than collected in revenue? *The Conversation*, 13 February 2015

Renewing Australian federalism - *The Conversation*, 15 September 2014

'Bitcoin ruling still doesn't answer which country has the right to tax' *The Conversation* –co-author Joel Emery, 28 August 2014

'Navigating international tax' *Advance*, Crawford School's quarterly public policy magazine, June-August 2014

### PETER WHITEFORD

Interview on pensions and welfare, Richo+Jones Show, Skynews, March 24 2015,

'Welfare addiction keeps Australia from reforming its finances' *The Australian*, March 21 2015

'Malcolm Fraser's life and legacy: experts respond' *The Conversation*, March 20, 2015

'PM shifts on age pension time bomb' *The Australian*, March 7, 2015

'Intergenerational Report lays uneven path for tough policy choices' *The Conversation*, March 6, 2015

'McClure report cleans up low-cost welfare system' *The Australian Financial Review*, 1 March, 2015

'Shaping 2015: Social services need more than short-term fixes' *The Conversation*, 5 February, 2015

'Australia bucks child poverty trend but the future looks a lot bleaker' *The Conversation*, 29 October 2014

'Dissecting the Budget' audio, Radio Adelaide, 21 October 2014

'Another Hockey stumble reveals budget hits poor the hardest' *New Matilda*, 5 August 2014

'The budget, fairness and class warfare' *Inside Story*, 5 August 2014

'Why we need a sensible debate about welfare reform' *Courier Mail*, 2 July 2014

# EDUCATION

Tax and transfer policy at Crawford is taught across a range of Masters Courses in the Policy and Governance, Public Administration and Economics programs. Key courses include:

## Masters

### **Public Finance: Fiscal Policy, Globalization and Development. POGO8048**

<http://programsandcourses.anu.edu.au/2015/course/POGO8048>

*Professor Miranda Stewart, Semester 1, 2015.*

This course examines the key challenges of fiscal policy in achieving sufficient revenues, economic prosperity and development and in addressing justice and inequality in a context of globalisation. It provides an introduction to public finance law and policy; tax policy principles; and tax reform and law design principles including budget and fiscal rules, tax expenditures, tax design and policy principles, tax administration and the challenge of globalisation especially focusing on international tax competition and coordination. It examines topical case studies of fiscal systems and tax policies in Australia, the Asia-Pacific region and elsewhere and takes a critical and institutional approach to the principles, processes and outcomes of fiscal policy.

### **Empirical Public Finance. IDEC8025**

<http://programsandcourses.anu.edu.au/course/IDEC8025>

*Dr Mathias Sinning, Semester 2, 2015*

This course is an introduction to the economic analysis of incentives generated by tax systems and transfer programs, especially applying a quasi-experimental approach. The emphasis is on understanding how, and the extent to which, individuals and firms react to those policies—the central question addressed in the growing field of empirical public finance. The discussions on key design elements of those policies foster understanding of important trade-offs involved in implementing government policies. Topics include the effects of taxes on labour supply, saving, investment, intra-government transfers and tax evasion. Examples are drawn from taxes and income transfer programs implemented in the Asia-Pacific region.

### **Managing Government Finances. POGO8057**

<http://programsandcourses.anu.edu.au/course/POGO8057>

*Dr David Rosalky*

This course examines the management of public financial resources. The course steers between the methodologies of financial decision-making and analysis, description or analysis of

the Australian government system, and developments in public sector financial management theory and practice including federal financial relations.

## Executive education

The TTPI has delivered a number of workshops in executive education format at Crawford School and for the Treasury and the Department of Social Services in 2014-2015.

Miranda Stewart and John Hewson conducted a Masterclass on Federalism and tax reform 30 (September and 1 October 2014). Guest presenters included John Brumby (former Victorian Politician), Professor Shirley Leitch, Dean of the College of Business and Economics at the ANU, and John Spasojevic (Commonwealth Grants Commission).

A Tax Policy Foundations Workshop: Earned income tax credit and tax-transfer interactions, was delivered at Treasury, 11 March 2015, Miranda Stewart and Peter Whiteford. A second Workshop is scheduled for later in 2015.

This Tax-Transfer Policy Workshop, Earned income Tax credit and tax-transfer interactions was also delivered at the Department of Social Services, 4 May 2015, Miranda Stewart and Peter Whiteford.

A second Tax-Transfer Policy Workshop – Self-Provision, Wealth and the Lifecourse at Department of Social Services, 22 June 2015, was delivered by Miranda Stewart, Peter Whiteford and Sue Regan.

# FUTURE STRATEGY

In 2014-2015, the Director and Chair, with the advisory committee have developed a research and business strategy for growth and sustainability of TTPI. Our aim is to build our capability, research and policy activity through pursuing a range of complementary funding sources. We plan to grow and diversify the funding base of the TTPI through a mixed funding model. This includes academic grant funding, government partnerships, selected consultancy projects for government agencies and others, philanthropic and donor funding, and corporate partnerships.

## Research

A core program of major research projects is being developed. Priority will be given to securing funding for the core major research projects and in securing consultancy work including research reports and executive education that will support the growth of the in-house research team. In August 2015 we launch the TTPI Research Working Paper series, which will support networked research across ANU and Australian researchers on tax and transfers.

## Engagement

We are expanding the research, policy and public engagement reach of TTPI through broadening the domestic and international network of experts and stakeholders (across the research community, government, business and civil society) and forming a small number of strategic alliances with comparable domestic and international institutes and Universities.

We will continue to develop our program of events. Events planned for 2015-2016 include a major conference on the GST and a workshop funded by the Academy of Social Sciences of Australia and the Gender Institute at ANU, Gender Equality in Australia's tax and transfer system. The TTPI seminar series will continue throughout 2015-2016.

We will launch the TTPI blog, currently in development, to bring tax and transfer research to a broad academic, policy and public readership.

## Education

We are expanding the educational activity of the TTPI to create the next generation of tax and transfer researchers and policymakers through formal and executive education. We will continue to develop and deliver high quality public finance, tax and transfer policy postgraduate courses through the Crawford Masters degrees and to encourage more PhDs on tax and transfer topics.

We will also develop further executive education workshops and courses on taxes and transfers, through the Crawford Executive Education program and tailored in-house courses with specific government agencies and departments. Professor Miranda Stewart delivered a one-day course on business tax policy and entrepreneurship to the Department of Industry in July 2015 and a two-day introduction to the Economics of Taxation will be offered by Professor Bob Breunig and Mr Shane Johnson in November 2015.



**Fund No:** S5335501  
**Project:** DoT - Establishment of the Tax and Transfer Policy Institute

**Donor Ref:**  
**Chief Investigator:** Robert Breunig

**STATEMENT OF INCOME AND EXPENDITURE  
For the Period 01 July, 2014 to 30 June, 2015**

	<b>Current Period</b>
	<b>\$</b>
<b>Unspent Balance as at 01 July, 2014</b>	<b>747,468.49</b>
<b><u>Add</u></b>	
Income from Contracted Workshops to Government Depts	24,000.00
Income from Executive Education Courses	10,000.00
Additional contribution from VC	100,000.00
Investment Income	4,258.06
<b>Total Income</b>	<b>138,258.06</b>
<b>Total Available Funds Before Expenditure</b>	<b>\$885,726.55</b>
<b><u>Less</u></b>	
Salaries & Related Costs	188,414.93
Equipment - Non-Capital	1,121.74
Utilities & Maintenance	36.00
Travel Field & Survey Expenses	35,673.16
Consultancies	99,499.40
Consumables	3,318.01
Other Expenses	34,536.37
<b>Total Expenditure</b>	<b>362,599.61</b>
<b>Unspent Balance as at 30 June, 2015</b>	<b>\$523,126.94</b>
<b>Crawford School Contributions</b> (including \$100,000 reported above)	<b>\$800,872.00</b>

**Endowment Report Attached**

I certify the following statements:

- (i) all funding, Crawford School Contributions and any other third party contributions provided to the TTPI have been spent or used in accordance with the Grant Arrangement;
- (ii) the Crawford School has complied with the Grant Arrangement; and
- (iii) the financial statements are accurate.

*Robert Breunig*

Professor Robert Breunig  
Director  
Crawford School of Public Policy

Fund No: E5397401  
Project: Tax Transfer Policy Institute

Donor Ref:  
Chief Investigator:

**STATEMENT OF INCOME AND EXPENDITURE**  
**For the Period 01 July, 2014 to 30 June, 2015**

	<u>Current Period</u>
	<u>\$</u>
Unspent Balance as at 01 July, 2014	35,646.20
<b><u>Add</u></b>	
Investment Income	74,334.07
Maturity of Term Deposit	3,051,123.29
Total Income	<u>3,125,457.36</u>
Total Available Funds Before Expenditure	<u>\$3,161,103.56</u>
<b><u>Less</u></b>	
Investment in Term Deposits > 1yr	3,160,963.73
Total Expenditure	<u>3,160,963.73</u>
Unspent Balance as at 30 June, 2015	<u><u>\$139.83</u></u>

# CONTACT US

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