



Australian
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TAX AND TRANSFER POLICY INSTITUTE
ANNUAL REPORT
FISCAL YEAR 2015-2016

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

TAX AND TRANSFER POLICY INSTITUTE

ANNUAL REPORT

1 July 2015 – 30 June 2016

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 2016

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FOREWORD



From the Chair

2015-2016 has been a year of consolidation and development against our medium-term objectives, further developing key staff, relationships, research projects, and through organizing significant events, and contributing more broadly to public debates.

The prevailing political climate has again disappointed, working as a significant constraint on widespread and genuine public debate, and policy development and implementation, especially in the areas of federation, tax and transfer reform. However, given the urgency of reform in these areas, and the increasing magnitude of the policy challenges, I hope the re-elected Turnbull Government embraces the opportunity as a priority.

I would suggest that reform in these areas is of such significance that it now warrants bi-partisan support, with at least the two major parties working together in the national interest. It is time to bring short-term, opportunistic, negative politics to an end. The Shorten Opposition has opened the door by advocating limited reform of the taxation of negative gearing, capital gains and superannuation, areas that must be addressed in any genuine tax reform. I believe the electorate is looking for policy outcomes, and will participate constructively in the policy process.

A principal focus and priority of the Tax and Transfer Policy Institute is to develop our research capability, to be able to contribute effectively to the development of good public policy and improved governance. In my view, evidence-based policy development is fundamentally important to the broad-based reform our country now so desperately needs.

Professor John Hewson

Chair, Tax and Transfer Policy Institute



From the Director

I am excited to present this Annual Report 2015-2016 which reports on the second full year of operation of the Tax and Transfer Policy Institute. It has been a year of building and consolidating research capability across a wide-ranging research program while deepening our focus on specific projects; sharply increasing our public and policy profile; hosting outstanding visitors and participating in numerous public and policy events.

In the current era, political and global uncertainty and division makes major reform seemingly impossible. The cross-cutting themes of economic prosperity; fairness; and system resilience that inform all of our research work streams, events, education and public outreach are more important than ever as we seek to build community, governmental and research understanding of better tax and transfer system design for the future.

This Annual Report covers the period:

1 July 2015 – 30 June 2016

Professor Miranda Stewart

Director, Tax and Transfer Policy Institute

IMPACT

Building our profile

The Tax and Transfer Policy Institute (TTPI) made significant progress in building our profile with the academic, policy and wider community through conference and academic presentations and papers, events, public and media engagement. We hosted a full calendar of 20 seminars, invitation workshops and signature events in 2015-2016, attended by many distinguished Australian and international guests from academia and the broader policy community and the public, and TTPI faculty and fellows presented at numerous events, conferences and in media comment. Our events were attended by nearly 800 people and included the Hon Josh Frydenburg MP addressing a TTPI signature event on The Future of Australia's GST and Professor Kathleen Lahey from Queen's University, Canada, in a public lecture on Tax and Transfer Policies and Sex Equality. We demonstrated increased profile and engagement in the Asia-Pacific region, including invitation events with delegations from Indonesia, South Korea and India.

Establishing our research program

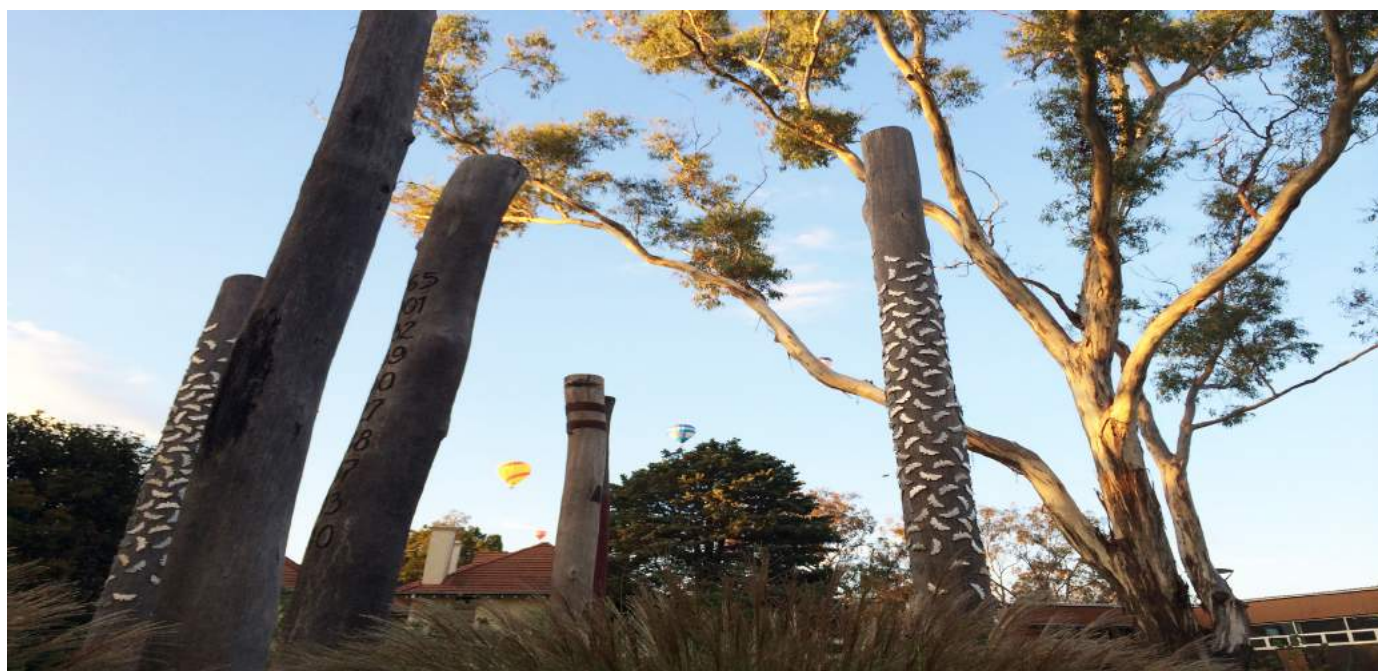
This year, the TTPI established a broad-ranging research program focused on four work streams, each incorporating a range of specific projects that address short and longer term issues. The program aims to build empirical evidence to support policy makers wherever possible. We built collaborative research projects, developed commissioned research and hosted government secondments from the Australian Tax Office. We were successful in obtaining external research funding from the Australian Research Council and submitting funding applications.

Increasing capabilities, delivering education

This year, the TTPI contributed significantly to capability development in key departments and agencies in the Federal Government including the Treasury, Department of Social Services and Australian Tax Office, including through eight executive education classes each with about 25 participants; hosting two research secondments from the Australian Tax Office and engaging government agency staff at our numerous activities and events. Faculty delivered five well-attended and reviewed Masters subjects on topics of public finance, budgeting and the welfare state and contributed to a range of other specialist subjects.

Influencing policy, engaging debate

TTPI researchers have continued to have an outstanding impact on public debate on issues ranging from gender budgeting to retrospectivity of superannuation tax changes, the empirical effects of tax rates on behavior and the big picture challenge of tax reform. Lead faculty delivered more than 60 invited speeches and presentations and published more than 100 op-eds, op-eds and invited media comment in news and blog forums including the *Australian Financial Review*, *Sydney Morning Herald*, *The Australian*, *The Herald-Sun*, *ABC The Drum* and *The Conversation*. The TTPI launched the Austaxpolicy blog and @austaxpolicy twitter account. The blog published 46 articles and briefs and received over 12,000 unique page views in its first six months.



Crawford School

ABOUT THE TAX AND TRANSFER POLICY INSTITUTE

Aims and activities

The TTPI was established in 2013 with a federal endowment and is supported by Crawford School at The Australian National University.

The TTPI carries out research on tax and transfer policy, law and implementation for public benefit in Australia. The research of TTPI focuses on key themes of economic prosperity, social equity and system resilience. Responding to the need to adapt Australia's tax and transfer system to meet contemporary challenges, the TTPI delivers policy-relevant research and seeks to inform public knowledge and debate on tax and transfers in Australia, the region and the world.

The TTPI undertakes the following main activities:

- > Research - empirical and theoretical research and policy analysis aimed at enhancing the evidence base for tax and transfer policy;
- > Engagement - with research and policy communities and the wider public; and
- > Education - through developing excellent research-led teaching.

The 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.

Governance

The TTPI operates as an Organised Research Unit within Crawford School in the College of Asia and the Pacific at The Australian National University. The 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 Board

In 2015-2016, TTPI established a formal Advisory Board in place of the advisory committee that oversaw the establishment of TTPI at Crawford School.

The Advisory Board is chaired by Professor John Hewson and met quarterly in 2015-2016 to provide advice and insight on research and policy direction, business strategy and engagement, on 5 August 2015, 2 December 2015, 16 February 2016 and 22 June 2016. The other members of the Advisory Board were the Director, Professor Miranda Stewart; Mr Rob Heferen and subsequently Ms Maryanne Mrakovcic, Deputy Secretary, Revenue Group, Treasury; Ms Serena Wilson, Deputy Secretary, Social Policy, Department of Social Services; Mr Andrew Mills, Second Commissioner, Law Design, Australian Tax

Office; Mr Greg Smith, Commonwealth Grants Commission; and representatives of Crawford School including Professor Bruce Chapman, Professor Peter Whiteford, Professor Robert Breunig and Dr Mathias Sinning. We are grateful for the advice and support provided by members of the Advisory Board and initial advisory committee.

Government Stakeholder Group

The TTPI also engages with a Government Stakeholder Group from which expertise and input is drawn from time to time. Membership is drawn from across government, with representatives from Treasury, Australian Tax 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 (2009).

The annual Statement of Income and Expenditure for the period 1 July 2015 to 30 June 2016 is attached at the end of this Annual Report. In addition to this funding and investment income, in 2015-2016 the TTPI obtained external revenues from executive education on tax and transfer policy, from the Academy of Social Sciences of Australia, the Gender Institute at The Australian National University and commissioned research, to fund specific activities or research projects.

PEOPLE

Academic staff



Professor Miranda Stewart

Twitter: @AusTaxProf

Miranda Stewart is an international expert on tax law and policy, with 25 years' experience working at the leading edge of policy research, design and development. She holds a joint appointment with the ANU

Crawford School of Public Policy and the University of Melbourne Law School. Miranda 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 and has consulted for government.



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. John 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. Dr Hewson has been a Founding Executive Director of Macquarie Bank, Chairman ABN Amro Australia, and Chairman/Director of a host of public and private companies across a range of industries. 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. He has previously worked at the Social Policy Research Centre at the University of New South Wales

(UNSW) in Sydney, and at the OECD in Paris. He is an Associate Investigator with the ARC Centre of Excellence in Population Ageing Research (CEPAR), 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.



Professor Robert Breunig

Robert Breunig is Acting Director and a Professor of Economics in Crawford School of Public Policy. Robert conducts research in three main areas: economics of the household; empirical industrial organisation; and statistical and econometric theory. Robert 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, and received an Order of Australia in 2003 for contributions to economic policy. Bruce was named as the 2015 Distinguished Fellow of the Economic Society of Australia.



Dr Mathias Sinning

Mathias Sinning is a Senior Lecturer at the TTPI, Crawford School of Public Policy. 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 issues related to labor economics and public economics. 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 University College London.

Research fellows



Dr Syed Hasan

Syed Hasan is an empirical researcher at the Crawford School of Public Policy. He received his PhD from ANU in 2014. He is interested in studying issues related to development economics and public economics, with a particular focus on household

consumption. Syed is currently undertaking work related to GST reform in Australia as part of the research project 'Understanding Dynamic Aspects of Economic Inequality' funded by the Australian Research Council.



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.



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 is currently undertaking a PhD in Public Policy.

Research assistants

- > Lilia Arcos-Holzinger
- > Shan-Verne Liew
- > Lauren Murphy
- > Shuchita Pota
- > Marija Taflaga
- > Steve Thomas
- > Peter Varela

Senior Project Officer

Diane Paul is a Senior Project Officer with the 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.

Australian Tax Office research secondments

The TTPI values our partnership with the Australian Tax Office under which middle and senior executives spend time at TTPI, under supervision of a senior academic and carrying out a research project scoped and targeted in close collaboration with the ATO. In 2015-2016, we were pleased to host two seconded researchers selected in a competitive process. The program has been opened for applications for 2016-2017.



Thomas Abhayaratna

Thomas Abhayaratna was seconded to the TTPI from the Policy and Law Design group in the national office of the Australian Tax Office. Thomas researches taxpayer responses to, and understanding of, the tax and transfer system and is currently leading the

ATO's work to improve the evidence base for public policy in Australia. Thomas has served in senior policy advisory roles for over 10 years in the Australian Treasury, as well as for the Prime Minister of Australia and the Treasurer. Thomas was a member of the Secretariats for the Australia's Future Tax System Review (the Henry Review) and the Garnaut Climate Change Review.

The secondment research project of Thomas, under supervision of Professor Robert Breunig, has been to investigate development of a longitudinal panel tax database for in-depth research into Australia's tax system and build effectiveness of tax data as a research and policy asset.



Melissa Ogier

Melissa Ogier joined the TTPI on secondment from Public Groups and International in the Sydney Office of the Australian Tax Office. Melissa specialises in corporate international taxation including double

tax agreements, financing structures and transfer pricing. Melissa has worked for multinational corporations and has spent most of her career working for a major tax advisory firm, before joining the Australian Taxation Office. She is also an adjunct lecturer teaching transfer pricing at the University of Sydney. Supervised by Professor Miranda Stewart, Melissa carried out a secondment research project investigating transfer pricing methods, intangibles and multinational economic rent including the impact of the recent OECD Base Erosion and Profit Shifting project on Australia's approach. Her research was presented at a national seminar in the Australian Tax Office in July 2016 and will be published as a TTPI Working Paper and presented at an international conference in Uppsala, Sweden in September 2016.

ANU fellows

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 Mark Harrison

ANU College of Business and 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

Mr Benjamin Phillips

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

Mr Matthew Taylor

ANU College of Arts and Social Sciences

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 contributed substantially to build the work and profile of the TTPI both as students and as research assistants or fellows.

- > Paul Amores, 'The role of mental health in transmission of intergenerational disadvantage in Australia' (Crawford, primary supervisor Robert Breunig)
- > Timothy Crotty, 'Higher Education Regimes: Mobility versus Stratification; Universities and opportunities in a time of growing inequalities' (Crawford, primary supervisor Peter Whiteford)
- > Nathan Deutscher, 'Intergenerational mobility in Australia' (Crawford, primary supervisor Robert Breunig)
- > Owen Freestone, 'Australia's social security system and its impact on individuals and the economy' (Crawford, primary supervisor Robert Breunig)
- > Wendy Heatley, 'Integrating the Australian tax-transfer system: Fair, Efficient, Sustainable?' (Crawford, supervisors Peter Whiteford and Miranda Stewart)
- > Shane Johnson, 'Examining taxpayers' understanding of, and responses to, the Australian personal income tax system' (Crawford, primary supervisor Robert Breunig)
- > Estelle Li, 'The impact of foreign ownership and foreign operations on corporate tax strategies in the Australian dividend imputation system' (CBE, primary supervisor Alfred Tran)
- > Emily Millane, 'The Politics of Superannuation Policy' (Crawford, primary supervisor Miranda Stewart)
- > Daniel Nethery, 'Migrants and the welfare state' (Crawford, primary supervisor Peter Whiteford)
- > Arnaldo Purdo, 'Base erosion and profit shifting in Indonesia' (CBE, primary supervisor Alfred Tran)
- > Sue Regan, 'Assets, wealth and welfare across the life course' (Crawford, primary supervisor Peter Whiteford)
- > Nguyen Thuong, 'Assessing the dynamism of the informal sector in Viet Nam: a pillar of development?' (Crawford, primary supervisor Peter Whiteford)

- > Ugrinovska-Ugrica, 'Profit contingent loans for R & D financing' (Crawford, primary supervisor Bruce Chapman)
- > Peter Varela, 'Examining the distributional trade-offs within Australia's tax and transfer system' (RSE, primary supervisor Maria Racionero)
- > Sebastian Wende, 'Dynamic Comparative Tax Analysis' (RSE, primary supervisor Chung Tran)
- > Eunsup Yang, 'Essays in the economics of education: Empirical applications to south Korea' (Crawford, primary supervisor Bruce Chapman)

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



Emily Millane

International visiting fellows



Professor Clifford Winston, Brookings Institution, United States

Clifford Winston, who visited in September 2015, is a Senior Fellow in the Brookings Institution's Economic Studies program, has written extensively on regulation with

a focus on policy and government performance. Professor Winston is an applied microeconomist who specialises in the analysis of industrial organisation, regulation, and transportation. His research focuses on microeconomic policy and government performance. He has been co-editor of the annual microeconomics edition of *Brookings Papers on Economic Activity*. Prior to his fellowship at Brookings, he was an Associate Professor in the Transportation Systems Division of the Massachusetts Institute of Technology's Department of Civil Engineering.

Professor Winston presented at the TTPI Roads, Cars and Taxes signature event and delivered a public lecture on 'Transport policy performance and reform: Lessons from the US experience', at the Research School of Economics in partnership with the HC Coombs Policy Forum at the Crawford School at ANU. His visit was co-funded by the TTPI and the Centre for Applied Macroeconomic Analysis (CAMA) at Crawford School.



Professor Kathleen Lahey, Queens University, Canada

Kathleen Lahey, who visited in November 2015, is Professor and Queen's National Scholar, Faculty of Law, Queen's University, Canada and holds appointments in Cultural Studies and Gender Studies. She has been

Visiting Professor in Fiscal Policy, Umeå University, Sweden; and was a Visiting Scholar at the International Tax Program, Harvard Law School. Kathleen has multijurisdictional expertise in tax and economic laws and policy, and has consulted on numerous law reform commissions and bodies, including the Ontario Fair Tax Commission, Law Reform Commission of Canada and various Parliament of Canada committees (finance, senate, health, women). She has presented around the world including in China, Australia, South America, Russia, Asia and several EU countries, and is involved in projects funded by the EC Horizon2020 program and the Social Sciences and Humanities Research Council of Canada.

Professor Lahey delivered a public lecture, 'Tax and transfer policies and sex equality: what Australia, Canada and the UK should learn from experience.' The event was co-hosted by the TTPI and the Gender Institute of The Australian National University. Professor Lahey also participated in a workshop on gender equality in the tax and transfer system, sponsored by the Academy of the Social Sciences of Australia.



Professor Eva Eberhartinger, Vienna University of Economics and Business, Austria

Eva Eberhartinger, who visited in May 2016, is Professor and holds a chair in Tax Management (Betriebswirtschaftliche Steuerlehre) at the Department of Finance,

Accounting, and Statistics at WU, Vienna University of Economics and Business. From 2006 until 2011 she was the Vice-Rector, Financial Affairs at WU. In her research, she focuses on the effect of tax on management decisions, in particular in multinational groups. Prior to her position at WU, she was a full professor for tax accounting at the University of Münster (Germany). She held visiting positions at the University of Exeter (UK), the University of Urbana-Champaign (US), HEC Paris (France), McGill University (Canada), HEC Montréal (Canada), and the University of Malta. Professor Eberhartinger presented a TTPI seminar on a new experimental research project about tax compliance by large multinational corporations.



Associate Professor Sacchidananda Mukherjee, National Institute of Public Finance and Policy, India

Dr Sacchidananda Mukherjee, who visited in August 2015, is an Associate Professor at the National Institute of Public Finance and Policy (NIPFP),

New Delhi where he researches public finance, environmental economics and water resources management issues in India for the last decade. Dr Mukherjee has studied at the Madras School of Economics, Chennai (PhD in Economics from University of Madras) and Jawaharlal Nehru University, New Delhi (MA in Economics). He has conducted research projects funded by various Departments of Government of India and International Development Agencies and published his research papers in national and international peer reviewed journals.

Dr Mukherjee presented a TTPI seminar on Goods and Services Tax reform in India, chaired by Professor Raghendra Jha, Arndt-Corden Department of Economics, Crawford School.

Endeavour research scholars

The Endeavour Scholarships and Fellowships are the Australian Government's competitive, merit-based scholarships, providing opportunities for Australians to undertake study, research or professional development overseas and for overseas citizens to do the same in Australia.



In May 2016, we welcomed Endeavour Fellow Dr Tereza Rogic-Lugaric who arrived for a six month research visit funded by the Endeavour program. Tereza is Assistant Professor in the Department for Financial (Tax) Law and Financial Science, Faculty of Law, University of Zagreb. Tereza's research is a comparative study on co-

operative compliance as a regulatory and compliance approach in Australia, the Netherlands, the United Kingdom and the United States.

In June 2016, PhD candidate and research assistant, Peter Varela departed on a funded six month research exchange as an Endeavour PhD Fellow, to further his studies on distributional impact in the tax-transfer system under Professor Joel Slemrod at the University of Michigan, the United States of America.

Australian visiting fellow awards

In 2015-2016, the TTPI hosted two funded Australian Visiting Fellows under our Award scheme which enables visiting researchers to visit the TTPI and be based in Canberra, to carry out research on a tax or transfer topic, present a TTPI seminar on their research and to engage with projects and activities at TTPI.



Dr Diane Kraal, who visited in November 2015, is a Senior Lecturer of Business Law & Taxation, Monash University in Melbourne. During her visit, Diane conducted research on the impact of resource commodity prices on tax revenues and on the history of the petroleum resource rent tax; with Dr Craig Emerson she presented a seminar

on mining tax reform in Papua New Guinea; and she contributed two Austaxpolicy blog articles.

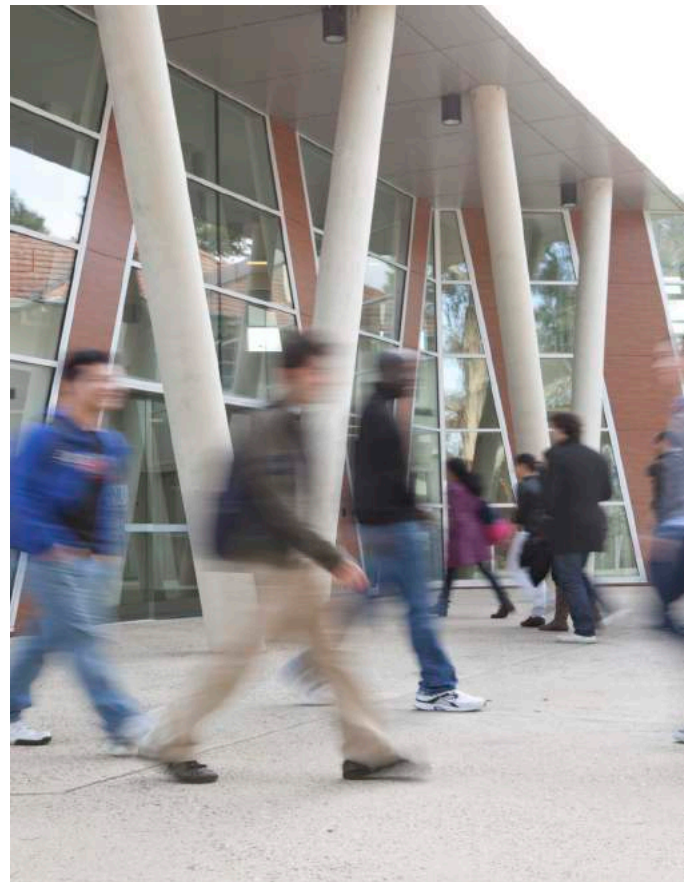


Associate Professor Helen Hodgson, who visited in May 2016, came to us from the Department of Taxation, Law School, Curtin University in Perth. Helen's research during her visit focused on gender-responsive budgeting including providing expert contributions to the Gender Lens report produced by the National Foundation

for Australian Women on the Australian Budget 2016. Helen also participated in the invitation Australia-Korea roundtable on the same topic and contributed an Austaxpolicy blog article.

Honorary fellows

We welcomed honorary visiting fellows to carry out research with the TTPI including Dr Monica Costa (gender budgeting in East Timor) and Mr Phil Gallagher (tax models).



RESEARCH

The TTPI takes a broad and multi-disciplinary approach to research. We aim to build a strong empirical base in public finance, tax and transfer (welfare) fields to support policy and to contribute to substantive theory and policy debates. While tax and transfer issues are constantly debated in public discourse, the program aims to have a balance of projects with short-term and longer-term time horizons and both academic and policy-orientated outputs. Research is published in our Working Paper series, research reports, academic conference proceedings, leading refereed journals and books in Australia and internationally, short articles on the Austaxpolicy blog and other media such as ABC *The Drum* and *The Conversation*.

Research program

In 2015-2016, the TTPI has consolidated our research program into four work streams, each incorporating a range of specific research projects. Our research program aims to incorporate short and longer-term topics and projects, mindful of immediate policy and reform priorities and of structural or long-term issues for the system as a whole. The program aims to build empirical evidence to support policy-makers wherever possible. Cross-cutting themes of economic prosperity (efficiency and national wellbeing); fairness (distributive justice); and system resilience (administration, simplicity, sustainability in the real world) apply across each work stream. Research projects are very often carried out in collaboration with researchers at other institutions or in government, business or the community sector.

The research projects are summarized below in four work streams:

- > Tax, transfers and lifetime wellbeing
- > Tax and transfer system behaviour, compliance and administration
- > Taxation of capital and business in a global era
- > Public finance, budgets and fiscal federalism

Tax, transfers and lifetime wellbeing

Economic inequality

Several projects are underway on inequality including the role of taxes and transfers. Mathias Sinning is the sole Chief Investigator of an ARC Discovery Project (DP150104247) on dynamic aspects of economic inequality, working with Syed Hasan. The project examines changes in labour and housing market conditions and ascertains the factors that are responsible for the rise in income and wealth inequality in Australia and internationally, with implications for design of tax and welfare systems.

Peter Whiteford is engaged on broad research into the cost of the welfare state, inequality, taxes and transfers, including in a major series of articles on the 'Tales of Robin Hood' which looks at redistribution and the welfare state. He has also carried out commissioned research on the Inequality and Inclusive Growth Project, Institute for New Economic Thinking at the Oxford Martin

School, University of Oxford (2016-2017) and in Australia, a project on social security preclusion periods, National Welfare Rights Network (2015-2016).

Gender equality and Australia's tax and transfer system

Miranda Stewart has led a research project on gender equality and Australia's tax and transfer system, including Peter Whiteford, Mathias Sinning, Lauren Murphy and several ANU fellows of TTPI as well as leading scholars across disciplines from around the country.

Taxes and transfers affect equality of wellbeing, the distribution of benefits and burdens along gender lines, while gender norms affect the design of Australia's tax and transfer system with significant implications not just for women but for the Australian economy and society as a whole. This project examines gender equality on four key themes:

- (1) The sustainability of the contemporary fiscal state and its gender impact;
- (2) Taxes, transfers, work, care and capabilities including effective marginal tax rates;
- (3) Saving and retirement provision over the life course; and
- (4) Gender impact analysis in fiscal policy-making and reform.

Highlights include a public lecture by international expert Professor Kathleen Lahey of Queens University, Canada (co-hosted with the ANU Gender Institute) and an Academy of Social Sciences of Australia Workshop including presenters at the workshop were Patricia Apps, Siobhan Austen, Marie Coleman AO, Huong Dinh, Meredith Edwards, Jenny Gordon, Tim Higgins, Helen Hodgson, Guyonne Kalb, Ben Phillips, Maria Racionero, Marian Sawyer, Rhonda Sharp, Mathias Sinning, Troy Sloan, Julie Smith, Miranda Stewart, Sarah Voitchovsky and Peter Whiteford. Presenters have prepared invited chapters for a book now under review with ANU Press to be published in the 2016-17 financial year, filling a significant gap in the academic literature in Australia.

This project also attracted significant policy and public interest including in response to blog articles such as 'Gender neutral policies are a myth: why we need a Women's Budget' by Miranda Stewart (more than 13,000 page reads) and leading to invitations to speak to federal and State government agencies; non-government organisations such as Equality Rights Alliance and in public forums. The project has increased interest in approaches to gender budgeting and gender impact analysis of government policy.

The retirement system, taxes and transfers

The topic of superannuation tax concessions and the age pension has been high on the political agenda in the last two years. Several members of the TTPI have engaged in this debate through academic research, policy and public engagement and through analysis of the lifecycle and net impact of the system.

The 2015-2016 Budget introduced a stricter assets test for the age pension, and an increased taper rate, to come into effect on 1 January 2017. In the context of widespread public and policy debate, both the Government and Labor Opposition proposed reforms to tighten superannuation tax concessions and a suite of reforms was introduced in the 2016-2017 Budget and became election policy in the 45th Parliament.

TTPI researchers have contributed to academic and policy discourse on the purpose, fiscal cost and design of the age pension and superannuation tax system. Our goal has been to explore principled approaches to the tax and transfer treatment of private superannuation saving and the public means tested age pension to provide support for saving across the life course while being more neutral, fair and coherent.

Highlights include a working paper by David Ingles and Miranda Stewart, '*Superannuation tax concessions and the age pension: a principled approach to savings taxation*'. The paper was presented at the International Welfare Reform conference and at events including the Grattan Institute roundtable on retirement savings and the Committee for Sustainable Retirement Incomes workshop. Public engagement included a Submission to a Senate Inquiry into the Government's 2015 asset test changes (and associated op-ed in *The Conversation, Australian Financial Review* op-ed 'Are Superannuation Tax Reforms Retrospective?' (May 9, 2016); blog articles 'Our pension is too mean, our super tax concessions too generous' and 'Budget Forum 2016: some good superannuation fixes but still a ramshackle system'; and commencement of new PhD candidate, Emily Millane, researching the politics of superannuation policy.

Tax and transfer system behaviour, compliance and administration

TTPI researchers have commenced a series of projects that aim to use new data and methods to deepen our empirical understanding of the tax and transfer system and to develop and test new approaches to modelling and evaluating tax system behaviour. Many of these projects have been developed in collaboration with government agencies and other researchers.

Estimating behaviour effects from changes to the GST on goods purchases

This project by Mathias Sinning, Syed Hasan and PhD candidate Shane Johnson uses detailed information about supermarket purchases to estimate price elasticities of demand for a range of food categories. An instrumental variable strategy is employed to address endogeneity issues. The estimates obtained from the analysis are used to study the implications of (i) a hypothetical increase in the Goods and Services Tax (GST) from 10 to 15

per cent and (ii) a broadening of the tax base to selected food categories. The results may be used to examine the behavioural responses and welfare effects of changes to the GST and other consumption taxes. The project uses ACNielsen Homescan data obtained by the TTPI with the Centre for Social Research and Methods at the ANU and stored in the ANU data archive as a resource for other researchers.

Data and modelling infrastructure and methods

The TTPI is contributing to work of the Australian Tax Office, Treasury and DSS to develop the data infrastructure necessary for researchers to carry out research and analysis on taxes and transfers, including through hosting an Australian Tax Office research secondment to support longitudinal panel data (Thomas Abhayaratna) under supervision of Robert Breunig and by contributing to the Australian Tax Office Tax Statistics panel. TTPI fellows Ben Phillips and Matt Taylor, both with the Centre for Social Research and Methods, carried out work on developing distributional modelling of taxes and transfers including participating in an invitation modelling workshop at Victoria University of Wellington with the New Zealand and Australian Treasuries (May 2016). Mathias Sinning, Ben Phillips and Miranda Stewart presented on new data and methods to approach tax and welfare policy design to visitors from the Indonesian Ministry of Finance.

Elasticity of taxable income

Researchers at TTPI led by Robert Breunig, and including Mathias Sinning and PhD candidate Shane Johnson, are conducting a project using administrative taxpayer panel record data to estimate behavioural response elasticities of taxpayers to differential marginal tax rates, thresholds and notches in the tax system such as the personal income tax rate structure and Higher Education Contribution levy phase-in. The project provides valuable evidence of taxpayer responses through labour supply and tax planning to elements of the income tax.

Payment thinking and behavioural insights in the tax system

Miranda Stewart and Mathias Sinning, with Robert Breunig, Nick Biddle of the Centre for Social Research and Methods and Lilia Arcos-Holzinger, carried out commissioned research with the Australian Tax Office to research payment thinking in the tax system applying innovative randomized controlled trials to test and evaluate administration and compliance approaches.

TTPI researchers partnering with the Australian Tax Office were successful in obtaining an Australian Research Council Linkage Project (LP160100810) to extend this project for two years from 2016. The researchers will directly engage with tax administrators to explore and evaluate ways to improve compliance and payment in the tax system, by doing field research applying randomized controlled trials and quasi-experimental approaches to assessment, payment and debt systems. The project aims to improve the Australian tax system by designing and evaluating new approaches including through applying behavioural insights such as social norms and timing of payment. The first trials already conducted have been registered with the American Economic Association register of randomized controlled trials.

The project will also contribute to developing a new method to estimate the proportion of members of a treatment group who benefit from a given intervention, improving randomization and field experiment approaches. The empirical analysis will account for heterogeneity in treatment responses and the findings will be combined with a study of regulatory and administrative processes to support the ultimate goal of a legitimate, fair, cost-effective and responsive tax system.

Researchers are liaising closely with the Behavioural Economics Team in the government, led by Professor Michael Hiscox (Harvard University) who is an advisor on the project. It is also advised by Professor Valerie Braithwaite and aims to further develop the ground-breaking work of the Centre for Tax System Integrity that she led at ANU over the last decade.

Taxpayer rights and scrutiny of the Tax Office

This project is a response to various current Inquiries into rights and oversight in the tax system, including an Inquiry of the Inspector-General of Taxation into the Charter of Taxpayer Rights, in light of national and international developments especially concerning exchange of information and investigation across borders. The project also explores the oversight and scrutiny of the Australian Tax Office, currently the subject of a Senate Inquiry. In 2015-2016, research from this project by Miranda Stewart and Shan-Verne Liew contributed to a substantial Law Council of Australia submission to the Senate Inquiry and a research paper is underway.

Taxation of capital and business in a global era

Research fellow David Ingles, with Miranda Stewart, carried out a major series of research projects focused on the taxation of capital in Australia and in a global era, with TTPI fellows and research secondments. A summary of these ongoing projects is below.

Future of the company tax and multinational tax avoidance

This project explores the theory and different tax policy approaches to corporate tax in Australia and in a broader theoretical context from first principles, applied in the current context. It became highly relevant in the context of contested political and public debates (and estimated fiscal cost) of lowering Australia's company tax rate from 30 per cent to 25 per cent in future.

In 2013, the Group of 20 nations endorsed an OECD project to address multinational corporate tax planning, called base erosion and profit shifting (BEPS) and produced recommendations for governments in 2015. This project examined various aspects of the OECD-BEPS project, for Australia and internationally. Aspects include the new anti-abuse rules and the increasing focus on economic substance in tax laws for corporations; examining the effectiveness of Australia's transfer pricing laws and administration for multinational profit shifting; and seeking to understand and quantify the tax payable (or not) of multinational enterprises and whether any BEPS policies enacted by the Government will be effective to change multinational behaviour.

Highlights from this work stream include a contribution to a Lowy Institute event and book publication on the G20 and international tax governance; co-editing a special issue of the International Bulletin on International Taxation (Miranda Stewart with Graeme Cooper of the University of Sydney); hosting Georg Kofler of University of Linz to present on 'Global responses to multinational tax planning', with commentary from Mark Konza, Deputy Commissioner at the Australian Tax Office and numerous blog articles and media comment.

Miranda Stewart supervised Australian Tax Office secondee Melissa Ogiers in a project investigating transfer pricing methods, intangibles and multinational economic rent. Alfred Tran, Fellow of TTPI at the ANU College of Business and Economics, presented research underway with PhD student Estelle Li on the debt/equity structures of multinationals and submitted an Australian Research Council Discovery Project grant application with Miranda Stewart to develop empirical tax and accounting indicators so as to evaluate counter-measures to multinational base erosion and profit shifting. The OECD, Australian Tax Office and Treasury representatives agreed to be advisors to this project.

Do we need an annual wealth tax?

There is increasing interest internationally in the role of wealth taxation in tax system design. Australia abolished our inheritance taxes decades ago. However, given Australia's current hybrid income-expenditure tax, an annual wealth tax could make sense as a way of ironing out disparities in the tax treatment of different assets. It could be designed to approximate a comprehensive income tax outcome by combining a wage tax with deeming, or it could fall more lightly. Australia already has an annual wealth tax in the transfer system (the pension asset test); the issue arises as to why we would confine wealth taxation to the not-so-well-off. A TTPI working paper was produced by David Ingles in March 2016.

Transnational tax law

This project explores the development and future of transnational tax law in an era of increasing international tax co-operation and administration. Yet at the same time governments are experiencing more than ever the reality of tax competition in a global era. How is transnational tax law authorised, enacted and its legitimacy established? Miranda Stewart presented a research paper at the National University of Singapore, Hong Kong University, New York University School of Law Public Finance Colloquium and Florida University Tax Colloquium.

Entrepreneurship and tax in market and sharing economies

This project carried out by Miranda Stewart and Steve Thomas examines from a conceptual and policy perspective the taxation of entrepreneurship. It asks the fundamental question: what is entrepreneurship, and why might it be worth supporting? It considers recent reform proposals in context of current tax rules affecting entrepreneurs, past and comparative tax policy and outcomes.

The project also explores new developments in the sharing economy as it interacts with tax and transfer systems, including digital developments such as cryptocurrencies. The research paper by Joel Emery, a former student and research assistant of the TTPI, won a major Law Council Forsyth Pose Tax Prize (awarded August 2015) and a joint research paper is under review. The digital economy challenge was explored in signature event GST for the Real World. Responding to keen public interest, numerous media comments and blog articles were also provided by Joel Emery and Miranda Stewart, as well as a submission to the Treasury Discussion Paper on GST and digital currency.

Budgets and fiscal federalism

The previous government had initiated two major reform white papers on the tax system and Australia's federation. In 2015-2016 there was substantial turmoil in the government. Potential reform by federal and state governments has been stymied in these fields. TTPI researchers have contributed academic, policy and public engagement inputs into these major debates and reform initiatives, including leading contributions from Chair John Hewson on the need for substantial reform aimed at prosperity and fiscal sustainability. Miranda Stewart presented a Parliamentary Library lecture on tax reform and what it can do and published a book chapter on benefit and legitimacy in tax systems (Cambridge University Press).

Income contingent loans and higher education financing

Mathias Sinning and Bruce Chapman worked together throughout 2015-2016 on the economics, policy and design of higher education public finance through income contingent loans that utilize the tax system as a collection mechanism. This included numerous academic publications and presentations, public engagement and advice to the Australian Government and other governments. Mathias Sinning contributed to a detailed reform proposal for financing higher education in Germany together with Christoph Schmidt, the German Government's Chief Economic Advisor.

Renewing Australian federalism

This project led by Miranda Stewart with leading researchers at the University of Melbourne, was funded by the Melbourne School of Government. It explored various aspects of fiscal federalism in Australia including state taxes; the link between federalism and democracy; and potential reforms to horizontal fiscal equalisation. Research outputs included a substantial report on state taxes (Miranda Stewart, with John Freebairn of University of Melbourne and Pei-Xuan Lei) and contributions to the University of Melbourne Democracy in Transition conference on reforming the federation (December 2015), and Griffith University Federalism Conference (June 2016).

Land rent taxation

This project explores theory and policy for land taxation, an important issue for Australian state tax reform. There is increased interest in land taxation in Australia and indeed in other countries, as reflected for example in the Henry report on tax reform in 2010 and the UK Mirrlees Report in 2011. This interest stems from the immobility of land as a factor of production, which stands in contrast to other factors such as capital and labour. This paper revisits the work of the 18th century reformer Henry George, and considers the theoretical and political challenges of George's 'single tax' and how this informs more realistic proposals for land tax reform. A working paper by David Ingles will be published shortly.

TTPI working paper series

The TTPI working paper series was launched as new initiative in 2015 and is the only specialist tax and transfer working paper series in Australia and the region. The aim of the series is to promote excellent tax and transfer research in Australia and globally. We published eight working papers in the 2015-2016 year.

The series aims to publish work in progress from all disciplines relevant to taxes and transfers. Submissions are lightly peer reviewed. Working papers are open access and are distributed to an international research network through the Crawford Social Science Research Network (SSRN) Series. Working papers may be published jointly with other working paper series or institutes.

WP 4/2015, Ingles D 'Should capital income be taxed'? 'And if so, how'? (August 2015)

WP 5/2015, Sinning M, 'The financial capacity of German university graduates to repay student loans' (September 2015)

WP 6/2015, Mukherjee S 'Present state of goods and services tax (GST) reform in India' (November 2015)

WP 7/2015, Ingles D and Stewart M 'Superannuation tax concessions and the age pension: a principled approach to savings taxation' (November 2015)

WP 1/2016, Emery J 'Decoding the regulatory enigma: how Australian regulators should respond to the tax challenges presented by bitcoin' (January 2016)

WP 2/2016, Kudrna G and Tran C 'Budget repair measures: tough choices for Australia's future' (February 2016)

WP 3/2016, Ingles D 'Does Australia need an annual wealth tax? (And why do we now apply one only to pensioners?)' (March 2016)

WP 4/2016, Murphy C, 'Efficiency of the tax system: a marginal excess burden analysis' (June 2016)

Publications

Breunig, R and Bakhtiari, S (2016), 'New outsourcing, demand uncertainty and labor usage' *Review of Industrial Organization*, forthcoming

Breunig, R and Gong, X (2016), 'Child Care Assistance: Are subsidies or tax credits better?' *Fiscal Studies*, forthcoming

Breunig, R and Alexander, B (2016), 'A Monte Carlo Study of Bias in Panel Probit Models', *Journal of Statistical Computation and Simulation*, Volume 86, Number 1, pp. 74-90. First published online 24 December 2014, DOI: 10.1080/00949655.2014.994516

Breunig, R, Barbalet, F., J. Greenville, W. Crook, P. Gratton (2015), 'Exploring the links between bilateral and regional trade agreements and merchandise trade' *Asia & the Pacific Policy Studies*, Volume 2, Number 3, pp. 467-484. First published online 17 August 2015, DOI: 10.1002/app5.101

Chapman, B (2015), 'An Analysis of Stafford Loans Repayment Burdens', (with Kiatanantha Lounkaew), *Economics of Education Review*, Vol. 45 (April): 89-102

Chapman, B (2015), 'Estimating the Value of Externalities in Higher Education' (with Kiatanantha Lounkaew), *Higher Education*, Vol. 70: 767-785

Chapman, B (2015), 'Introduction to Special Collection on the Labour market, Migration and Ageing' (with Kiatanantha Lounkaew and John Piggott), *Population Review* Vol. 54 (2): 42-46

Chapman, B, Clarke P, Higgins, T, **Stewart, M** (2015), 'Income contingent collection of a 'Brain Drain Tax': theory, policy and empirical potential' *Population Review* 54(2) No. 2, 13-27 <http://muse.jhu.edu/journals/prv/summary/v054/54.2.chapman.html>

Freebairn, J, **Stewart, M**, Lei P (July 2015) 'Reform of state taxes in Australia: rationale and options' (Research Report, Melbourne School of Government), http://apo.org.au/files/Resource/msog-statetaxes6_1.pdf

Sinning, M (2016) 'The financial capacity of German university graduates to repay student loans' In: Joseph E. Stiglitz, Martin Guzman (eds.), *Contemporary Issues in Microeconomics*, Palgrave MacMillan

Sinning, M, Cobb-Clark, D and Kassenboehmer S (2016) 'Locus of control and savings', *Journal of Banking and Finance* (forthcoming, accepted 18 June 2016).

Sinning, M and Bachman, R (2016) 'Decomposing the ins and outs of cyclical unemployment', *Journal of Banking and Finance* (forthcoming, accepted 25 January 2016)

Stewart, M (2016) 'Australia's hybrid international tax system: a limited focus on tax and development' in Brown K (ed) *Tax and Development* (Springer: New York, forthcoming, accepted 20 January 2016)

Stewart, M (2015) 'International tax governance: can the G20 help?' in Callaghan M and Sainsbury T (eds) *The G20 and International Economic Governance* (UNSW Press: Sydney) 103-118

Stewart, M (2015) 'The tax state, benefit and legitimacy' in Harris P (ed) *History of Tax Law* Vol. 7 (Hart Publishing: London) 483-515

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

Stewart, M and Cooper, G (2015) 'The road home? Finalizing and implementing the BEPS agenda' Editorial, *Bulletin for International Taxation* (IBFD) 69 (6/7), 311-313 Co-Editor of Special Issue: *Finalizing and Implementing the BEPS Agenda*.

Whiteford, P 'Tales of Robin Hood (2015) (part 1): welfare myths and realities in the United Kingdom and Australia', *Australian Review of Public Affairs*, September, <http://www.australianreview.net/digest/2015/09/whiteford.html>

Whiteford, P 'Tales of Robin Hood (2015) (part 2): are the poor too expensive? Redistribution and the welfare state', *Australian Review of Public Affairs*, October, <http://www.australianreview.net/digest/2015/09/whiteford2.html>

Whiteford, P 'Tales of Robin Hood (2015) (part 3): the long view – social policies and the life cycle', *Australian Review of Public Affairs*, October, <http://www.australianreview.net/digest/2015/10/whiteford3.html>

Whiteford, P 'Tales of Robin Hood (2015) (part 4): social security and risk over the short and medium terms', *Australian Review of Public Affairs*, October, <http://www.australianreview.net/digest/2015/10/whiteford4.html>

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

Conference papers, reports and working papers

Chapman, B and Botterill, L (2015) 'Revenue contingent drought relief: policy reform for 2016+', Annual Conference of Australian Journal of Agricultural and Resource Economics Association, December

Chapman, B and Doris, A (2016) 'Student loan reform in Ireland', The XXV Economics of Education Association Congress, Badajoz, Spain, June

Chapman, B and Lounkaew, K (2016) 'Comparisons of alternative approaches to student loans', The XXV Economics of Education Association Congress, Badajoz, Spain, June

Chapman, B (2016) 'The conceptual and empirical basis of mortgage-type student loans', University College London Seminar Series, London, July

Ingles, D (2015) 'Should capital income be taxed?' 'And if so, how?' TTPI WP 4/2015

Ingles, D and **Stewart M** (2015) 'Superannuation tax concessions and the age pension: a principled approach to savings taxation' TTPI WP 7/2015

Ingles, D (2016) 'Does Australia need an annual wealth tax? (And why do we now apply one only to pensioners?)' TTPI WP 3/2016

Ingles, D (2016) 'Retirement income system: some key issues', Discussion Paper for the ASSA/CSRI Sustainable Retirement Incomes Roundtable, 6-7 April, 2016, CSRI forthcoming

Sinning, M, Fels, K and Schmidt, K (2015) 'BaföG Plus: Deutschlands Hochschulfinanzierung neu denken – Nachgelagerte Studiengebühren können die soziale Schieflage in der Bildungsfinanzierung auflösen' (reform proposal for financing higher education in Germany), RWI Position No. 66

Sinning, M (2015) 'The financial capacity of German university graduates to repay student loans' TTPI WP 5/2015

Sinning, M (2015) 'Higher education financing and gender differences in earnings over the life course', Gender Equality and the Tax/Transfer System, Academy of Social Sciences in Australia Workshop, 4-5 November

Smith, J (2015) 'Paying for reproductive work and care in Australia's 'wage earner welfare state', Gender Equality and the Tax/Transfer System, Academy of Social Sciences in Australia Workshop, 4-5 November

Stewart, M (2015) 'Means testing pensions and taxing savings over the lifecycle: Inequities and perverse incentives', International Conference on Welfare Reform: Meeting the policy challenges of change, Australian National University, 17-18 September 2015

Stewart, M (2015) 'The way forward', gender equality in Australia's tax and transfer system, Academy of Social Sciences in Australia Workshop, 4-5 November

Stewart, M (2015) 'New fiscal approaches for federal democracy in Australia', Democracy in Transition, University of Melbourne School of Government Conference, Melbourne 7-8 December

Stewart, M (2016) National University of Singapore Faculty of Law and International Fiscal Association Seminar, Transnational Tax Law, 1 February 2016

Stewart, M (2016) Hong Kong University Law School, Research Seminar, Transnational Tax Law, 22 March 2016

Stewart, M (2016) 'Transnational tax law: fiction or reality, future or now?' New York University Law School, Colloquium on Tax Policy and Public Finance, 29 March, 2016 http://www.law.nyu.edu/sites/default/files/upload_documents/Miranda%20Stewart3.pdf

Stewart, M (2016) 'Reforming fiscal federal democracy' Sir Samuel Griffith Federation Conference, Brisbane, 16-17 June 2016

Whiteford P (2015) 'Adequacy of social security benefits for working age households: a comparative assessment', International Conference on Welfare Reform: Meeting the Policy challenges of change, Australian National University, Canberra, 17-18 September 2015

Whiteford, P (2015) 'Chronicle of a Death Foretold? Social Security in Australia and the End of the Age of Entitlement', Australian Social Policy Conference, University of New South Wales, Sydney, 29 September

Whiteford, P (2015) 'Sole parents: participation and equality', Workshop on Gender Equality in Australia's Tax and Transfer System, Academy of Social Sciences in Australia, TTPI, 4 November 2015

Whiteford, P (2015) 'Assessing alternative approaches to unemployment insurance and unemployment assistance: A comparative perspective', Social Insurance for the 21st Century? Exploring Pathways for a Sustainable and Effective Welfare System, Symposium, Academy of Social Sciences in Australia, Canberra, 17 November

Whiteford, P (2016) 'Tales of Robin Hood: comparing welfare myths and realities in the United Kingdom and Australia', Seminar, London School of Economics, January 2016

Submissions

Smith, J (2015), Parliament of Australia, Inquiry into the Tax Expenditures Statement, http://www.aph.gov.au/Parliamentary_Business/Committees/House/Tax_and_Revenue/Tax_Expenditures/Submissions 19 August

Stewart, M (2015) Submission to Senate Economics Committee Inquiry into Economic Security for Women in Retirement 23 November

Stewart, M and Emery, J (2016) Submission to Treasury Discussion Paper on the GST Treatment of Digital Currency 3 June

Stewart, M and Ingles, D (2015) Submission to Senate Community Affairs Legislation Committee Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 12 June

International research engagement

TTPI faculty have numerous links and have engaged to develop research programs with a range of international academic and government organisations in 2015-2016 including:

- > Civil Service College, Government of Singapore, Behavioural Insights Team
- > National University of Singapore, Director of Centre for Business and Tax Law and Dean
- > Hong Kong University Faculty of Law
- > Permanent Scientific Committee of the International Fiscal Association (Miranda Stewart), Madrid, Spain
- > National Institute for Public Finance, India
- > European FairTax, Europe 2020 Project, Professor Asa Gunnarson, Umea University, Malmö, Sweden, <http://www.juridisktforum.umu.se/english/research/fairtax/>
- > University of Michigan, United States
- > New York University School of Law
- > Florida University Tax Program, Faculty of Law
- > Oxford University Centre for Business Taxation and Law Faculty
- > Centre for Global Research on Higher Education, London
- > London School of Economics
- > University College, London
- > The White House, Washington
- > The US Department of Education
- > The US Senate, Washington
- > The Philadelphia Federal Reserve
- > University of Andes, Bogota Colombia
- > Government of Colombia, Bogota Colombia
- > Research with Impact (RWI) Essen, Germany
- > Institute for the study of Labor (IZA) Bonn, Germany
- > Indiana University, Bloomington US

EVENTS

Signature events

The TTPI's signature events bring together leading members of academia in Australia and globally, with representatives of government, business, the professions and the community sector to consider major tax and transfer issues of the day in a major public event.

Roads, cars and taxes

9 September 2015

There is increasing attention being paid to urban congestion and growing talk of transport regulation, congestion and other road user charges as potential policy responses. Most recently on the agenda of the Council of Australia's federal and state governments, and included in the recommendations of the Henry Tax Review, are congestion taxes the way forward? Or are automated vehicles the best solution?

At this event attended by 40 people, Professor Clifford Winston, Brookings Institution presented a keynote paper on 'The full social costs of congestion and how to reduce them'. Australian perspectives were provided by Dr Mark Harrison, The Australian National University, who takes a critical approach to the efficiency case for levying user charges, and Dr Elizabeth Taylor, University of Melbourne, carrying out a major postdoctoral research project on the costs and value of carparking in the city. The presentations were followed by a lively panel and audience discussion.



Roads, cars and taxes

Photo sourced from Flickr by Simon Sees

The future of Australia's GST: Good design for the real world

16 September 2015

Reform of Australia's consumption tax, the Goods and Services Tax (GST) was constantly in the media during 2015-16. Most attention has been focused on the highly contested arguments for raising the rate or removing major exemptions from the base. Yet there are many other fundamental issues that must be addressed to ensure that our second most important tax remains resilient. How will the GST cope with the global digital sharing economy, the increasing importance of financial services, and other key challenges to integrity of the base? And what are the real economic and distributional consequences of a base-broadening reform to the GST? The conference brought together leading law design, policy, economic and administrative experts to debate the future of Australia's GST in the real world.

The conference was attended by about 80 people from government, business and professional organisations, academics, media and members of the public. It included an address by the Hon Josh Frydenberg MP, Assistant Treasurer, chaired by Professor John Hewson. The keynote academic presentation on challenges for the GST was by Professor Rebecca Millar, University of Sydney and other speakers and commentators were:

- > Mr Paul Abbey, PricewaterhouseCoopers
- > Mr Alex Affleck, Australian Taxation Office
- > Assoc Professor Dale Boccabella, University of New South Wales
- > Mr Joel Emery, PricewaterhouseCoopers
- > Mr Michael Evans, University of Melbourne, Taxsifu
- > Dr Kathryn James, Monash University
- > Mr Nick Kallinikios, KPMG
- > Professor Rick Krever, Monash University
- > Mr David Pearl, Treasury and PricewaterhouseCoopers
- > Mr Ben Phillips, University of Canberra
- > Mr Michael Quirk, Australian Taxation Office
- > Ms Suzy Russell-Gilford, PricewaterhouseCoopers
- > Mr Greg Smith, Commonwealth Grants Commission
- > Professor Michael Walpole, University of New South Wales

The conference included the book launch of the monograph by Dr Kathryn James, *The Rise of the Value-Added Tax* (2015, Cambridge University Press).

Public lecture: Tax and transfer policies and sex equality: what Australia, Canada and the UK should learn from experience

4 November 2015

The TTPI and the Gender Institute were pleased to co-host Professor Kathleen Lahey from Canada to give this public lecture on gender equality in the tax and transfer system. Governments in Australia, the UK, and Canada have been introducing tax/transfer policies in the last two decades that institutionalize austerity in annual budgets at the same time that economic development planning becomes increasingly challenging and as women's roles and responsibilities have continued to change.

In this public lecture, Professor Kathleen Lahey used gender budget analysis to identify key issues and barriers to women's economic equality created by competing tax/transfer policy approaches, growing global and domestic income inequalities, and economic volatilities, and outlines policy alternatives capable of producing better outcomes for women over their life courses. There were approximately 80 attendees at this lecture.

The Vote: 2016 Federal Election Series

31 May 2016

In preparation for the 2016 Election, TTPI faculty participated in a well-attended Australian National University/Policy Forum. net series, *The Vote*, speaking about key election issues in social policy, the economy and tax. The forums were attended by about 100 people and podcasts are available online. On tax and the economy, moderated by ABC Sydney's Steven Long, panellists Miranda Stewart, John Hewson and Maria Racionero spoke about tax, fiscal sustainability, jobs, growth and gender. On social policy, moderated by 666 ABC Canberra's Genevieve Jacobs, the panellists were Professor Matt Gray, Professor Peter Whiteford, Sue Regan and Associate Professor Sharon Bessell.

TTPI research seminar series

We held nine public research lunchtime seminars in the 2015-2016 year. The seminars usually attracted an audience of 20 to 40 people. Our most popular seminars included Chris Murphy on modeling the company tax cut (about 90 attending) and Professor Roger Wilkins (about 60 attending) on 'Levels and trends in Australian income and its distribution using tax

data.' The audience came from government agencies and departments, academics, students and interested members of the public.

Assoc Professor Xiaodong Gong, National Centre for Social and Economic Modelling (NATSEM), University of Canberra, 'The impact of tax policy on the demand for private health insurance in Australia', 21 July 2015

Professor Roger Wilkins, University of Melbourne, 'Levels and trends in Australian income and its distribution' 18 August 2015

Professor Guyonne Kalb, University of Melbourne, 'The impact of paid parental leave on labour supply and employment outcomes' 24 September 2015

Associate Professor Alfred Tran and **Estelle Xuerui Li** (PhD), ANU, 'Dividend imputation and BEPS' 13 October 2015

Dr Nicholas Hauralt, University of Melbourne, 'The effects of income support settings on incentives to work' 18 November 2015

Mr Chris Murphy, Visiting Fellow, ANU, 'Improving the efficiency of the Australian tax system' 23 February 2016

Dr Tim Moore, University of Melbourne, 'The effect of disability insurance payments on beneficiaries' earnings' 8 March 2016

Professor Eva Eberhartinger, Vienna University of Economics and Business, 'Tax rate biases in tax planning decisions: experimental evidence' 24 May 2016

Dr Haishan Yuan, University of Queensland, 'The incidence of sales tax on food' 23 June 2016

TTPI/International Fiscal Association seminars

These public seminars, supported by the International Fiscal Association (Australian Branch) with TTPI, focus on international and business tax law and policy developments. Two seminars were hosted by the TTPI in 2015-2016, while other IFA seminars were also held around the country. For more information on the International Fiscal Association, the peak international tax law and policy organisation, see www.ifa.nl.

Impact of BEPS on Australia's Treaty Policy, Ms Lyn Redman and Mr Greg Wood, Senior Advisors in Australian Treasury, Corporate and International Tax Division, 10 December 2015

Global responses to multinational tax planning and BEPS, Professor Georg Kofler, Johannes Kepler University of Linz, Austria, with commentary by Mr Mark Konza, Second Commissioner, International Tax, Australian Taxation Office, 11 March 2016.



Invitation workshops

Gender equality in Australia's tax and transfer system Academy of Social Sciences in Australia workshop

4-5 November 2015

This timely workshop brought together researchers from economics, law, social policy and political science with the aim of investigating gender equality in the Australian tax and transfer (social security) system. Workshop participants included leading scholars from various disciplines and universities around Australia and internationally. The workshop explored how taxes and transfers affect gender equality of wellbeing, benefits and burdens and how gender norms affect the design of our tax and transfer system. Outcomes will include recommendations to achieve gender equality for policy makers engaged in tax and social security reform in the short and longer term, including in policy notes to contribute to public debate.

Workshop papers, revised, are to be included in a book with ANU Press, forthcoming in 2016. The workshop was funded by the Academy of Social Sciences of Australia; the Gender Institute and Tax and Transfer Policy Institute, The Australian National University; and Curtin University Business School Women in Economic and Social Research Cluster. Speakers included:

- > Ms Marie Coleman AO, PSM, National Foundation for Australian Women
- > Professor Patricia Apps, University of Sydney
- > Assoc Professor Siobhan Austen, Curtin University
- > Dr Huong Dinh, The Australian National University
- > Professor Emeritus Meredith Edwards, University of Canberra
- > Dr Jenny Gordon, Productivity Commission
- > Dr Tim Higgins, The Australian National University
- > Assoc Professor Helen Hodgson, Curtin University

- > Professor Guyonne Kalb, University of Melbourne
- > Mr Ben Phillips, NATSEM, The University of Canberra
- > Assoc Professor Maria Racionero, The Australian National University
- > Professor Marian Sawer, The Australian National University
- > Professor Rhonda Sharp, University of South Australia
- > Dr Mathias Sinning, The Australian National University
- > Dr Julie Smith, The Australian National University
- > Professor Peter Whiteford, The Australian National University
- > Dr Sarah Voitchevsky, Melbourne Institute and University of Zurich

Australia-Korea roundtable on gender responsive budgeting

9 May 2016

The TTPI hosted the National Foundation for Australian Women (NFAW) and a Korean delegation, in co-operation with the Korea Institute at ANU at an invitation roundtable on gender responsive budgeting at the Crawford School. The roundtable was attended by 18 participants including academics from the Korean Gender Institute and government agencies; representatives of the NFAW and Equality Rights Alliance; and Visiting Fellow Associate Professor Helen Hodgson. The roundtable examined the history of gender budgeting in Australia and South Korea and examined approaches and recent developments, before debating the challenges in this field. Key issues discussed were the performance and limitations of managing state gender budgeting; the function and role of civil society groups and non-government organisations in gender budgeting; engaging academic expertise and building efficient and sustained cooperation between NGOs, academia and government.



Australia-Korea roundtable group

Indonesian Ministry of Finance invitation workshop

31 May 2016

Workshop on new approaches in data, method and design to tax and transfer systems, featuring 25 visiting officials of the Indonesian Ministry of Finance, with the University of Queensland (Strengthening Public Policy in Development) program, presented by Miranda Stewart, Mathias Sinning and Ben Phillips.

Future leaders, Indian members of National Congress

1 June 2016

Invitation workshop presented by John Hewson and, Glenn Withers, and Chaired by Miranda Stewart, on approaches and issues in fiscal reform and policy-making and the federation, with Department of Foreign Affairs and Trade.

Crawford Australian leadership forum: Global realities, domestic choices

19-21 June 2016

TTPI faculty led and presented at two Breakfast Sessions to the annual Crawford Australian Leadership Forum, attended by senior government and private sector executives, peak industry bodies and the Australian Financial Review, and chaired and participated in other sessions.

Breakfast Session, 20 June: Budget Repair and the Size of Australia's Government.

Professor Miranda Stewart led this frank discussion about Australia's fiscal challenges with Professor John Daley, Chief Executive Officer of the Grattan Institute.

Breakfast Session, 21 June: Business Tax Reform.

Chaired by Professor John Hewson, this session presented key issues in company tax reform from Lisa Groppe, Chief Economist at the Business Council of Australia and Professor Miranda Stewart and facilitated discussion among audience members from peak community sector and business organisations, media and academic experts.



Indonesian Ministry of Finance Workshop



ENGAGEMENT

The TTPI engages with policy and government agencies; political representatives; community and business stakeholders; the media and the broad public. The TTPI aims through these activities to inform, enhance and influence public knowledge and debate about taxes and transfers. Faculty and Fellows of TTPI engaged directly with parliamentarians as well as government agencies, through written submissions and appearances in Parliamentary inquiries, meetings and round tables at federal, state and territory level and with representatives from the legislature of other countries including India.

TTPI Chair John Hewson gave significant expert advice to governments including being appointed to the Expert Panel on South Australia's Transition to a Low Carbon Economy Adelaide (9 September 2015); giving testimony to the New South Wales Senate Committee on Finance and Public Administration 'Abbott Government and Budget Cuts' (14 August 2015) and to the Australian Parliament Select Committee into the Scrutiny of Government Budget Measures, Public Hearing (14 August 2015). TTPI fellow Dr Julie Smith gave evidence to the Senate Inquiry into Tax Expenditures. Miranda Stewart participated by invitation in a roundtable on gender and tax reform organised by the Minister for Women, Senator Michaelia Cash and PMC, Office for Women (7 August 2015) and the Innovation Roundtable, Opposition Leader Bill Shorten MP (12 November 2015)

Bruce Chapman gave many speeches and presentations during the year as well as providing substantial advice to policy makers in Australia and other countries focused primarily on income contingent financing and higher education reform. Peter Whiteford participated in numerous government and community sector policy and engagement events, focusing on transfer and social policy.

The TTPI monthly newsletter reaches 700 recipients in Australia and around the world across government, business and community sectors, informing them of new developments, visitors, events and publications. We also engage with the media and the public through blog articles, comments, Twitter and other social and print media. The Austaxpolicy blog was launched this year to connect researchers and policy debate with the broad public and other researchers.

The TTPI has also conducted many of its activities in partnership with others, from other institutes at ANU and other universities, to government departments and other entities. This collaboration is central to TTPI's ability to influence public policy.

Speeches and presentations

Bruce Chapman

'Higher education financing reforms: the 2014/15 Budget', University of Canberra Higher Education Funding Conference (February 2015)

'Higher education funding: theory and international practice', NUEPA conference Innovative University Funding Mechanisms, Delhi, India, February, 2015

'The Brain Drain Tax' (with Philip Clarke), DPU/ANU/CEPAR Conference, Immigration Ageing and the Labour Market, February, 2015

'Higher education financing reforms: the 2014/15 Budget', Melbourne Economic Forum, The University Funding Debate, March, 2015

'The Government's 2014/15 plans for Australian higher education reform', presented to several forums (2014/15) at: the University of Western Sydney; the University of Queensland; the Australian Human Rights Annual Conference; and Victoria University

'Higher education financing reforms: the 2014/15 Budget', CBE and Crawford School forum, Income contingent Loans, ANU, Canberra, August 2014

'The Government as Banker: Income contingent loans for social and economic progress', The Joseph Fisher Lecture, the annual invited public lecture of the University of Adelaide, Adelaide, October, 2015

'Australian student loan policy lessons for the US', University of Michigan forum, Student Loan Reform for the US, Washington DC, July 2016

'Student loan Reform around the world', Colombia International Education Congress, Bogota, Colombia, July 2016

'Student loan reforms in developing countries', The World Bank, July 2016, Washington DC

'Income contingent loans for higher education financing', IPEA Workshop, Rio de Janeiro, Brazil, July 2016

David Ingles

Grattan Institute, Policy Forum on Superannuation ('Grattan Gathering'), Melbourne 4-5 February 2016

'Retirement income system: some key issues', Discussion Paper for the ASSA/CSRI Roundtable, 6-7 April, 2016. Committee for Sustainable Retirement Incomes, Canberra 2016

John Hewson

Indigenous Enterprise Forum Sydney 10 July 2015

Clean Energy Summit Sydney 15 July 2015

GAP Taskforce Northern Australia Development Sydney 16 July 2015

GSA Strategy Conference Sydney 23 July 2015

Meeting Gabriel Makluf Secretary NZ Treasury Crawford 5 August 2015

National Security College Canberra 6 August 2015

Address Stephen Howes Course Crawford 6 August 2015

E&Y Leaders Forum Bowral 7 August 2015

Book Launch 'So you want to be a Leader?' Parliament House Canberra 10 August 2015

GSA Economic Briefing Sydney 12 August 2015

Brooklyn Economic Briefing Sydney 13 August 2015

Video for Executive Program Communications Department
Crawford 17 August 2015

Book Launch Sydney 21 August 2015

Climate Action Sydney Town Hall with Connie Hedegaard 25
August 2015

Global Renewables Forum – EU/Danish Embassy/SEREE
Canberra 27 August 2015

Climate Alliance Melbourne 3 September 2015

GSA Business Forum Melbourne 3 September 2015

Brooklyn Business Forum Melbourne 4 September 2015

Festival of Dangerous Ideas Masterclass on Divestment Sydney
Opera House 5 September 2015

Australian Business Brokers Cairns 11 September 2015

TTPi GST Conference Dinner Canberra 15 September 2015

TTPi GST Panel Canberra 16 September 2015

Chair Public Lecture Dwyer International Conference on Welfare
Reform/SRWF Canberra 17 September 2015

Australia has no clear jobs path, away from mining boom, news.
com.au, Citibank ANZ Investor Conference, 21 October 2015

Balancing the books? Post-budget policy analysis, Sir Roland
Wilson Foundation Post-Budget Forum, panel speaker, 19
May 2016

Mathias Sinning

The Treasury, 'Impact Evaluation of Tax Reforms', Seminar,
Canberra, November 2015

Miranda Stewart

Annual Conference of Economists Brisbane, 8 July 2015

QLD Tax Institute Tax Forum, presentation, Brisbane 28
August 2015

Prosper Australia, 124th Henry George Dinner, Keynote speech,
Melbourne, 2 September 2015

Victorian Department of Treasury & Finance, Melbourne 10
September 2015

International Conference on Welfare Reform: meeting the policy
challenges of change, presentation, ANU 17-18 Sep 2015

Australian Financial Review Tax Reform Summit, Sydney 23
September 2015

Victorian Tax Institute Annual Tax Forum, Melbourne, 9
October 2015

Law Council Tax Workshop, The Multinational Anti-Avoidance
Law, Melbourne 17-18 October 2015

Parliamentary Library Lecture, What is Tax Reform and What Can
it Do?', Parliament House, Canberra, 21 October 2015 [http://
parlinfo.aph.gov.au/parlInfo/download/library/prspub/4231928/
upload_binary/4231928.pdf;fileType=application/pdf](http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/4231928/upload_binary/4231928.pdf;fileType=application/pdf)

AHURI National Housing Conference, Perth, 28-30
October 2015

Women and Work Roundtable, Sydney University, 6
November 2015

HC Coombs Policy Forum and Crawford School, Designing
Effective and Innovative Public Policy in a Complex Environment,
Canberra 23 November 2015

[https://crawford.
anu.edu.au/news-events/events/6419/
designing-effective-and-innovative-public-policy-complex-
environment](https://crawford.anu.edu.au/news-events/events/6419/designing-effective-and-innovative-public-policy-complex-environment)

Australian Superannuation Funds Association Conference, tax
reform panel, Brisbane, 27 November 2015

Melbourne Economists Roundtable, Melbourne, 17
December 2015

International Fiscal Association, Asia-Pacific Regional Tax
Conference, Seoul, South Korea, The Future of Anti-Abuse Rules
and BEPS, 12-13 May 2016

Balancing the books? Post-budget policy analysis, Sir Roland
Wilson Foundation Public Annual Budget Forum 19 May 2016

Equality Rights Alliance, Annual Members Meeting, presentation,
26 May 2016

The Vote: 2016 Federal Election Series - Tax and the economy,
31 May 2016

Brotherhood Research and Policy Centre, Lunchtime seminar, 2
June 2016

ATO Policy and Law Design Leadership Conference, 6
June 2016

PricewaterhouseCoopers and Australian Financial Review
Boardroom Discussion, Company tax, 23 June 2016

ABC Radio National Talks: Fixing Australia's Democracy,
Presentation and podcast, 23 June 2016, [http://www.abc.net.
au/radionational/programs/latenightlive/rn-talks-scraping-the-
system/7532814](http://www.abc.net.au/radionational/programs/latenightlive/rn-talks-scraping-the-system/7532814)

Financial Information Services conference, Tax policy seminar, 28
June 2016

Peter Whiteford

Economic and Social Outlook Conference, 'Is the Social Welfare
System sustainable?' Melbourne Institute and The Australian,
Melbourne, 5 November 2015

Melbourne Business School, 'Social Policy and the future
of Work', Conference on the Many Futures of Work, 12
November 2015

Uniting Care Social Policy Network, 'Designing Social Security
Systems – lessons for welfare reform in Australia', Canberra, 16
November 2015

Productivity Commission, 'Trends in the youth labour market
context', Workshop on youth labour markets and immigration,
Canberra, 3 December 2015

Australian Council of Social Service, 'Drivers of child poverty in Australia', Policy roundtable on child poverty, Sydney, 11 April 2016

National Leaders' Forum, Disability Employment Australia 'Disability employment in the context of welfare reform', Canberra, 14 April 2016

Media and Opinion

The TTPI Director, Chair and senior faculty played a significant role in public debate and engagement on a wide range of budgetary, tax and transfer policy topics throughout the year. Selected contributions to media, public debate and opinion from TTPI academic faculty are listed below. The contributions of Peter Whiteford and Miranda Stewart as thought leaders in social media in the field of economics and tax policy was recognised by leading federal policy consultancy Barton Deakin. Miranda Stewart was awarded 2015 Vice-Chancellor's Awards from The Australian National University for Op-Ed Writer of the Year and Advancing the Reputation of the University through Media.



John Hewson

Q&A Recap: Former Liberal leader John Hewson suggests an early election for PM to avoid budget, *The Sydney Morning Herald*, 14 July 2015

Malcolm Turnbull can win support for a GST rise: John Hewson, *Australian Financial Review*, 4 November 2015

The task of tax reform is almost herculean, *Huffington Post Australia*, 8 December 2015

Malcolm Turnbull's Taxing Times, *Huffington Post Australia*, 9 February 2016

Asia and the Pacific Policy Society, Policy Forum.net

- > The politics of fear, 6 July 2015
- > Global growth at risk, 11 July 2015
- > Tax reform is essential, 25 July 2015
- > A target, not a response, 14 August 2015

- > Extreme but inevitable, 31 August 2015
- > Goodbye to the lucky country, 5 September 2015
- > The challenge of Syrian refugees, 11 September 2015
- > The politics of difference, 28 September 2015
- > Will reality bite new government? 11 October 2015
- > China's boom over for Australia, 20 October 2015
- > A growth recession? 23 October 2015
- > Kick out the spin, 8 November 2015
- > Managing climate risk, 1 November 2015
- > Managing expectations, 15 November 2015
- > At war with Islamic state, 22 November 2015
- > Turnbull's economic challenge, 29 November 2015
- > Policy crunch, early election: 20 December 2015
- > 2016: an election year, 10 January 2016
- > The economic collapse of China, 25 Jan 2016
- > The necessity of a low carbon Australia, 29 Jan 2016
- > Hindsight, hypocrisy and headlines, 8 February 2016
- > Stock market turmoil and trouble ahead, 12 February 2016
- > The budget challenge, 26 February 2016
- > Rock star leadership, 4 March 2016
- > Playing the Trump card, 11 March 2016
- > When polities play to win, we all lose, 18 March 2016
- > The trials of a long election campaign, 29 March 2016
- > Tax thought bubbles no real reform, 1 April 2016
- > In for a penny, in for a pounding! 18 April 2016
- > Stop the slogans, 29 April 2016
- > In the national interest? 6 May 2016
- > The lucky country? Lucky for some, 30 May 2016
- > The Vote: Policy forum and ANU 2016 Federal Election series, 31 May 2016
- > A sorry state, 3 June 2016
- > The year of the outsider? 10 June 2016
- > Australia needs bipartisanship on recognition, 17 June 2016
- > Ducking the climate challenge, 25 June 2016

John Hewson says Tony Abbott was not always loyal, 9News, 7 March 2016 (comment)

Role for Abbott in election: former leader, Sky News, 27 March 2016 (comment)

Former Liberal leader John Hewson has savaged the performance of Treasurer Scott Morrison, News.com.au, 27 March 2016 (comment)

Turnbull's state income tax proposal is a stroke of foolishness, *Huffington Post Australia*, 31 March 2016

ABC Q&A Program, Panelist, 18 April 2016 (appearance)

Budget repair, climate risks and global concerns all ignored in this conflicted effort, *The Conversation*, 4 May 2016

Party slogans run the risk of being undermined during the campaign, *The Conversation*, 25 May 2016

Politicians should stop putting a spin on economic challenges, *Australian Financial Review*, 27 May 2016

Election 2016: Labor's make-or-break week of rebuilding of economic credibility, *Australian Financial Review*, 9 June 2016

Turnbull's election to lose, *The Conversation*, 13 June 2016

Business leaders and politicians call for national action on corruption, *The Sydney Morning Herald*, 25 June 2016 (comment)

Southern Highland News, Hewson's View

- > China boom over, for them and us - 9 October 2015
- > War with Islamic State - 20 Nov 2015
- > Is the economic task beyond Turnbull? - 27 Nov 2015
- > 2016 - an election year - 8 Jan 2016
- > The economic collapse of China? - 22 Jan 2016
- > Paul Keating GST debate - 5 Feb 2016
- > Stock market turmoil - 12 Feb 2016
- > Bi-partisanship - 18 March 2016
- > A long, tiresome election - 25 March 2016
- > Odds Shorten on Shorten – 8 April 2016
- > What's in it for me? – 6 May 2016
- > What 'ideas boom'? – 13 May 2016
- > Lack of prominence of inequality in election campaign – 27 May 2016
- > A poor 'State of Origin' politics – 3 June 2016
- > The year of the 'outsider'? – 10 June 2016

David Ingles

'Tax white paper: Our pension is too mean, our super tax concessions too generous', *The Age*, 13 January 2016, with Miranda Stewart

'Election 2016 debate: are Scott Morrison's budget super changes retrospective?' *Australian Financial Review*, 9 May 2016 with Miranda Stewart

'The ghost of the 'greedy geezers' hovers over our super debate' *The Conversation*, 9 June 2016 with Miranda Stewart

Miranda Stewart

'Hockey's tax principles are on the money - now he must follow up', ABC *The Drum*, 16 July 2015

GST increase in Australia: Winners and losers of tax changes, news.com.au, 22 July 2015 (comment)

FactCheck: is 50 per cent of all income tax in Australia paid by 10 per cent of the working population? *The Conversation*, 28 July 2015 (reviewer)

Being female is bad for your wealth, *Australian Financial Review*, 29 July 2015 (comment)

Why the hard sell on personal income tax cuts? ABC *The Drum*, 25 August 2015

Will Turnbull take up the GST challenge? ABC *The Drum*, 16 September 2015

FactCheck: Has the government introduced 17 new taxes? *The Conversation*, 17 September 2015 (reviewer)

Five ways to make state taxes fair and more efficient, *The Age*, 22 September 2015, John Freebairn and Miranda Stewart

ABC, *The Drum* live, 2 November 2015 (interview)

ABC 7.30 Report, 2 November 2015 (interview)

Cryptocurrencies: what to study until there's a 'bachelor of bitcoin', *The Sydney Morning Herald*, 5 November 2015 (comment)

Tax white paper: Our pension is too mean, our super tax concessions too generous, *The Age*, 13 January 2016, with David Ingles

What's the fuss about tax reform? ABC radio, 8 February 2016 (interview)

Tax and tax reform in Australia, ABC radio, 14 February 2016 (interview)

Gender neutral policies are a myth: why we need a woman's budget, *The Conversation*, 16 March 2016 by Professor Miranda Stewart (13,077 readers)

Ideas for Australia, Five Ideas to fix Australia's tax system, *The Conversation*. Included in Ideas for Australia: 10 Big Issues for Election 2016 and beyond: Sydney, 2016, 21 April 2016.

Election 2016 debate: are Scott Morrison's budget super changes retrospective? *Australian Financial Review*, 9 May 2016 with David Ingles

How our tax system favours the wealthy, ABC radio, 16 February 2016 (interview)

Sky News Live with Peter Van Onselen, 'Tax reform' Policy Panel, 19 May 2016 (interview panel)

ABC TV Local 7pm News (interview), 8 June 2016

ABC Radio National, *RN Talks: Fixing the system*, presenter Fran Kelly, guests John Keane, Philippa Collin, Miranda Stewart, Ian Marsh, 23 June 2016

Peter Whiteford

Turnbull unveils cabinet line-up: experts respond, *The Conversation*, 20 September 2015

Who really benefits from Australia's tax and social security system? *The Conversation*, 9 October 2015

Family tax benefit savings trimmed, but families with teenagers hit hardest, *The Conversation*, 22 October 2015

Easing the welfare burden on the budget, *The Australian*, 18 November 2015

Is welfare sustainable? *Inside Story*, 26 November 2015

FactCheck Q&A: do refugees cost Australia \$100m a year in welfare, with an unemployment rate of 97 per cent? *The Conversation*, 15 February 2016

Ideas for Australia: Welfare reform needs to be about improving well-being, not punishing the poor, *The Conversation*. Included in Ideas for Australia: 10 Big Issues for Election 2016 and beyond, Sydney, 2016, 21 April 2016

Federal budget 2016: political experts react, *The Conversation*, 3 May 2016

Election FactCheck Q&A: is it true Australia's unemployment payment level hasn't increased in over 20 years? *The Conversation*, 16 May 2016

What if everyone were given money for nothing? *Sydney Morning Herald*, 7 June 2016

Election FactCheck: Has the Coalition presided over the most sustained fall in Australian living standards since records began? *The Conversation*, 8 June 2016

Labor searches for savings amid family benefits reform, *The Conversation*, 10 June 2016

Austaxpolicy.com, @Austaxpolicy

To achieve our goal of informing and influencing public debate about new evidence, research and thinking about tax and transfer policy, in December 2015, the TTPI launched the Austaxpolicy blog at Austaxpolicy.com and accompanying Twitter account, @Austaxpolicy.

The Austaxpolicy blog features insight and analysis from experts of all disciplines at the intersection of research and policy on all aspects of taxes and transfers, including all types of tax and welfare, budget policy, intergovernmental financial relations and public finance.

Austaxpolicy is edited by Miranda Stewart and Mathias Sinning, with editorial support provided in 2015-2016 by Peter Varela and Shuchita Pota. Austaxpolicy publishes works from academic and policy experts across a range of disciplines and topics in the field, including regular contributions from staff and fellows at the TTPI. The articles inform public debate, communicate new ideas to policy makers and provide teaching and executive education resources.

We are proud that 48 people contributed to the blog in the half year from December 2015 to June 2016, producing 46 articles and briefs. As well as publishing leading Australian and international experts in the field, Austaxpolicy has supported some of our early career researchers and PhD students in writing and presenting their research to a wider audience.

Austaxpolicy has already had a valuable and growing impact in its short life. The Austaxpolicy.com page had over 12,000 unique page views in this period. In conjunction with the launch of the Austaxpolicy blog, TTPI established the @Austaxpolicy Twitter account. By 30 June 2016 the account had sent 232 tweets and had 247 followers. The largest tweet impressions, were in May 2016 around the time of our Budget 2016 series, with 276 profile visits and over 13,500 impressions.

Of widespread interest was our Budget Forum 2016 which included 10 articles on a diverse range of budget topics. The Forum engaged public debate about some controversial policies especially the Government's proposed company tax cut. Two of the top five viewed articles, Chris Murphy on 'The Economic Impact of the Company Tax Cut' (214 unique views) and Janine Dixon in response on 'The Connection between Company Tax and Living Standards' (194 unique views) were widely tweeted and picked up in various media and other forums.

The bulk of traffic (41 per cent) on the blog site was direct, through a search engine or a referral hyperlink on another webpage (34 per cent). Twitter provided the most referrals through social media (75 per cent), Facebook 24 per cent and LinkedIn, Reddit and Yammer making up the remainder. Examples of websites or newsletters that have included references from Austaxpolicy come from across the political spectrum and include:

National Welfare Rights Network, 'Budget Overview 2016,' Welfare Rights Review, Vol 2, No 1 (<http://www.welfare-rights.org.au/welfare-rights-review/welfare-rights-review-vol-2-no-1/budget-2016-overview-turnbull-government>)

Institute of Public Affairs Media Release, 'Tax, Infrastructure and Red Tape Promises put 31,000 Victorian Jobs at Risk,' 14 June 2016 (<http://ipa.org.au/publications/2511/tax-infrastructure-and-red-tape-promises-put-31-000-victorian-jobs-at-risk>)

Australian Chamber of Commerce and Industry: Top 10 in 10 (<https://www.top10in10.com.au/taxation>) and 'Getting on with Business 2016: Business Policy Priorities for the Next Federal Government' (https://www.acci.asn.au/sites/default/files/uploadedcontent/field_f_content_file/getting_on_with_business_final.pdf)

Talking Auckland, 'Can we Tolerate an Increase in Tax (or Rates) if it Meant Better Services?' (<https://voakl.net/2016/04/28/can-we-tolerate-an-increase-in-tax-or-rates-if-it-meant-better-services-aklpols/>)

EDUCATION

Masters

The Crawford School of Public Policy delivers world-class graduate degree programs in public policy, founded in research-led teaching adapted to changing demands from public policy concerns and student needs, including the flagship Masters of Public Administration, Public Policy, and International and Development Economics. TTPI staff and fellows offered public finance, tax and transfer courses in these degree programs. Key courses offered in 2015-2016 are listed here. More information about the Masters degrees is at <https://crawford.anu.edu.au/study/graduate-degrees>.

Our public finance students are drawn from a range of federal, state and territory governments in Australia including departments and agencies under Ministries of Finance and the Treasury, and from numerous countries in the Asia-Pacific region including Indonesia, Philippines, Pakistan, Bhutan, Papua New Guinea, Liberia.

Empirical Public Finance

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.

Social Policy Analysis

POGO8025

Professor Peter Whiteford (Semester 2, 2015, Winter 2016)

This course aims to provide both a macro view of welfare state debates in Australia and internationally - including Asia and the Pacific, as well as Europe and North America - and also develop skills in undertaking quantitative analysis of selected major policy issues such as the causes of the growth of public spending, measures to control expenditure growth, and how to analyse the effectiveness of welfare state spending, particularly in relation to impacts on income distribution (inequality and income poverty), as well as unintended consequences. Emphasis is on a comparative approach.

Public Finance: Fiscal Policy, Globalization and Development

POGO8048

Professor Miranda Stewart, (Semester 1, 2016)

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.

Managing Public Finances

POGO8057

Professor John Wanna, (Winter June-July 2016)

The course on Managing Government Finances aims to give students a basis for considering the environment in which public sector managers operate as it bears on their management of public financial resources. The course steers between the methodologies of financial decision-making and analysis, a description or analysis of the Australian government system, and developments in public sector financial management theory and practice. The emphasis is on principles and concepts of government, government processes and public management broadens its appeal, including to students and public officials from outside Australia. The course forms a mandatory component, for those students who enrol through ANU, of ANZSOG's Executive Master of Public Administration (EMPA) degree.

Organisational Finance and Budgeting

POGO8080

Professor Keith Houghton (Summer 2016)

The course provides a user perspective on the role of financial reporting and analysis of organisations in a public sector context and budgeting with such organisations. Through a series of seminars, case studies and exercises, students acquire confidence in using the concepts and vocabulary of accounting and finance and an ability to analyse organisational performance and resource allocation. Students become familiar with the format and use of financial statements and the role of accounting in making decisions.

Executive education

Staff and fellows of the TTPI have contributed to popular one and two-day Executive Education courses delivered in-house to government departments and agencies and in the leading Executive Education program at Crawford School, as well as presentations and lectures in various visits and courses.

July 2015, *Tax, Innovation and Entrepreneurship*, Department of Industry, Miranda Stewart with Paul Jenson (University of Melbourne)

October 2015, *Global Finance, Guest lecture on International Taxation, Global Finance*, University of New South Wales Business School, Miranda Stewart

November 2015, *Economics of Tax Policy*, Crawford Executive Education, Robert Breunig and Shane Johnson

December 2015, *Entrepreneurship and Tax*, Tax Policy Foundations Workshop, Department of the Treasury, Miranda Stewart and Greg Smith

March 2016, *Tax/Transfer Interactions and Effective Marginal Tax Rates*, Tax Policy Foundations Workshop, Treasury, Miranda Stewart and Peter Whiteford

May 2016, *Policy and Data in Public Finance*, Indonesian Ministry of Finance Delegates Workshop, Crawford School, Miranda Stewart, Ben Phillips and Mathias Sinning

June 2016, *Tax/Transfer Interactions and Effective Marginal Tax Rates*, Tax Policy Foundations Workshop, Department of Social Services, Miranda Stewart and Peter Whiteford

June 2016, *Economics of Labour Markets*, Crawford Executive Education, Mathias Sinning



Crawford School

FUTURE STRATEGY

Priorities for 2016-2017

Our priorities for the coming year are to:

- > Build and consolidate our research capability and projects, so as to contribute new excellent research in key areas for tax and transfer policy development, analysis and evaluation.
- > Influence public debate on Australia's tax and transfer system, in an era in which major tax reform is not forthcoming but system challenges are ongoing.
- > Facilitate collaboration between researchers at the TTPI, around Australia and internationally and between researchers, policymakers and others in the policy community, through outstanding events, publications and communication.
- > Build tax and transfer research and policy capacity across a range of disciplines through excellent graduate and executive education, workshops and secondments.

Finances

We will continue to build our research capacity and core operational staffing using the seed funding provided by the Treasury with continuing in-kind support from the Australian National University while we actively explore new sources of external funding for specific projects and develop a financial plan for the future of the TTPI.

Research

We aim to deepen our research into specific projects within the four main work streams established in the TTPI research program and to produce research outputs of excellent quality and high impact in Australia, the region and among international academic circles.

We will seek to build targeted capacity by obtaining research and external funding on high priority projects that can bring new research to bear on public policy, especially on topics of: fiscal sustainability; tax system behavior; design of tax-transfer system interaction and the future of savings and capital taxation. We will hold signature events on key topics of the future of corporation tax and welfare design to address poverty and inequality.

Education

We will build on our existing high quality public finance graduate and executive education courses, with the aim of developing an excellent public finance, tax and transfer major in policy studies unique in Australia and the region. The aim is to build knowledge and capability in public finance among governments, the private sector and academia.

Engagement

We will continue our excellent record in policy engagement with the Federal Government and seek to build engagement with state and territory governments and with governments and institutions in the Asia-Pacific region and globally. We will strengthen our engagement with business, community sector and tax advisory and professional agencies and will continue to build the content, value and impact of our key publication forums including Austaxpolicy.com Blog and research working paper series. We will develop a Policy Brief series to provide accurate and informative explanations of topical public finance issues.



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, 2015 to 30 June, 2016

	Current Period \$
Unspent Balance as at 01 July, 2015	523,126.94
Add	
Income from Exec Education and Contracts	31,660.00
Services provided to ANU	20,529.00
Contribution from Crawford School	3,419.00
Investment Income	693.17
Total Income	<u>56,271.17</u>
Total Available Funds Before Expenditure	<u>\$579,398.11</u>
Less	
Salaries & Related Costs	354,670.61
Equipment - Non-Capital	126.36
Utilities & Maintenance	145.89
Travel Field & Survey Expenses	41,890.77
Consultancies	127,900.87
Consumables	2,102.47
Internal Purchases	6,249.62
Other Expenses	11,255.36
Total Expenditure	<u>544,342.15</u>
Unspent Balance as at 30 June, 2016	<u>\$35,055.96</u>
Crawford School Contributions	\$773,175.00
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, 2015 to 30 June, 2016

	<u>Current Period</u>
	<u>\$</u>
Unspent Balance as at 01 July, 2015	139.83
<u>Add</u>	
Investment Income	114,268.41
Maturity of Term Deposit	3,160,963.73
Total Income	<u>3,275,232.14</u>
Total Available Funds Before Expenditure	<u>\$3,275,371.97</u>
<u>Less</u>	
Total Expenditure	<u>0.00</u>
Unspent Balance as at 30 June, 2016	<u><u>\$3,275,371.97</u></u>

CONTACT US

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