



Australian  
National  
University



TAX AND TRANSFER POLICY INSTITUTE  
ANNUAL REPORT  
FISCAL YEAR 2018-2019

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

# TAX AND TRANSFER POLICY INSTITUTE

## ANNUAL REPORT

1 July 2018 – 30 June 2019

### **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 Helen Sullivan**  
Director, Crawford School of Public Policy

31 August 2019

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## HIGHLIGHTS FOR 2018-2019

**19**

Events

**57,169**

TTPI blog visits

**27**

Master and other courses

**14**

Working papers and policy briefs

**90**

Blog articles

**57**

Publications

**22**

Outreach seminars

**12,721**

Facebook reach

**65**

Articles and comments in national media

# FROM THE CHAIR



Unfortunately, to the Morrison Government, having successfully pushed its personal tax changes through the Parliament following its “surprise” win at the last Federal election, tax reform is “done”. The Government has also abandoned its previous proposals in relation to corporate tax. The Government has also ruled out adjustments to welfare benefits such as Newstart, even though it has not been increased in real terms for some 24 years, and is well below all estimates of the “poverty line”.

By comparison, we are yet to see the Opposition settle on a definitive position on such reform, having failed to generate electoral support for its proposed, limited, tax changes at the last election, especially having been the victim of effective “scare campaigns” against the measures it proposed, particularly in relation to housing and franking credit/superannuation concessions.

However, TTPI argues that there is still much to be done to achieve broad-based, holistic, reform of our tax and transfer system. To this end we have started a process to build widespread stakeholder support for such reform, researching and advocating for the establishment of an independent Commission to hopefully generate a level of bi-partisanship to lift the issues “above” short-term politics.

It is never easy to predict what factors could begin to focus a government’s mind on the urgency of the need for such reform, but the slowing of global and domestic growth, flat productivity and wages, and the mounting risks of another GFC, could in time produce a “crisis”, in response to which governments may be forced to embrace genuine reform.

With the Reserve Bank now admitting to very limited capacity to respond to such challenges, and with the Government’s other main electoral “promise” to produce a decade of Budget surpluses, and to significantly reduce national debt, it is reasonable to hope that the reality of our economic and social fundamentals will come to the fore.

It is possible, for example, that the legislated tax cuts may prove “unaffordable” in the early 2020s, as some of the other expenditure commitments in education, health, the NDIS, defence and infrastructure impact and constrain the Government’s Budgetary capacity. These difficulties would be seriously compounded by a recession/financial crisis.

TTPI’s strategy is to further drive our research and contributions to the public policy debate, to be able to contribute substantively and quite constructively as circumstances change.

**Professor John Hewson AM**  
Chair, Tax and Transfer Policy Institute

# FROM THE DIRECTOR



TTPI was established to undertake independent policy research relevant to the Australia tax and transfer system, to foster informed public debate and to raise awareness of tax and transfer policy issues. We made major contributions in all of these areas in 2018-2019.

The **TTPI working paper series** produced a large number of high-quality papers including an analysis of the progressivity of the Australian tax and transfer system and some creative proposals for corporate and capital income taxation. After several years working with the Australian Taxation Office to produce a longitudinal file of administrative data for use by researchers to improve our knowledge of the Australian tax system, we published the first study using these data. As these and other administrative data in Australia become more available, you can expect to see more empirical research on these datasets appearing in our series. Greater availability of and access to administrative data is a very exciting trend and one that holds a lot of promise for improving our understanding of Australia's tax and transfer system.

Our **Austaxpolicy.com** blog remains one of the most highly read blogs at the Australian National University. Particularly in the lead-up to the election in early 2019, the blog was a very active locus for discussion and debate about tax policy. Several TTPI members were very active in the media again this year. TTPI members were active in talking with current and aspiring parliamentarians about tax and transfer policy and possibilities for reform.

Our new **Tax Facts** series extends our attempts to foster informed debate and raise awareness. Covering topics from tax system design to deadweight loss and the taxation of rents, these two-page pieces are designed to provide a non-technical introduction to the tax system for public servants, journalists and members of the general public. We always welcome your ideas for new topics.

We continue to run our monthly seminar on the ANU campus but we have also developed a new program of **outreach seminars**. These seminars are research presentations given by TTPI members and research affiliates, but hosted within Federal Government departments. We have run over two dozen of these and had over 400 attendees. They allow us to reach and inform a key audience who are often unable to come to the ANU campus for a seminar.

We have extended and expanded our **collaboration** with the Australian Government. We have secondees from Prime Minister and Cabinet, the Australian Taxation Office and the Department of Social Services. Australian Treasury staff spend regular time at ANU to interact with TTPI. The Productivity Commission and the Australian Treasury have presented closed-door workshops. We also began collaboration with state governments in 2018-2019 and ran a one-day, invitation-only workshop on the topic of stamp duty and land tax. We have also added two new board members—one from the Victorian state government and one from the New South Wales state government.

While I am happy about those contributions, I am still worried about Australia. Our tax system remains in need of systemic overhaul. The tax and transfer system is overly complex and unfair. Resilience is an issue with several tax bases which are shrinking. There is also a very heavy reliance on direct taxation. The political parties too often use the tax and transfer system to buy votes, give handouts to friends or punish enemies. Yet, an increasingly out-of-date system is eroding our ability to maintain our high living standards. I continue to believe that comprehensive tax reform is desirable but, like you, wonder how we can get there from here.

All of us at TTPI look forward to another good year in 2019-2020.

**Professor Robert Breunig**

Director, Tax and Transfer Policy Institute

# ABOUT THE TAX AND TRANSFER POLICY INSTITUTE

The Tax and Transfer Policy Institute (TTPI) was established in 2013 with a federal government endowment and is supported by the Crawford School of Public Policy, at The Australian National University (ANU). TTPI carries out empirical research on tax and transfer policies, laws, and administration, that aims to inform public knowledge and debate in Australia, the region and the world. TTPI's research focuses on economic prosperity, social equity and the resilience of the tax and transfer system.

Responding to contemporary challenges, TTPI aims to foster and provide a richness and diversity in tax and transfer research, exploring issues and potential solutions to policy challenges that governments will face over the next few decades. TTPI is an independent institute that does not offer a single perspective on tax and transfer policy.

TTPI undertakes the following main activities:

- > **Research** – empirical and theoretical research and policy analysis aimed at enhancing the evidence base on tax and transfer policies.
- > **Engagement** – with research and policy communities in the business, non-business, and government sectors, as well as the wider public.
- > **Education** – research-led teaching in academia and through executive education.

## Aims, priorities and strategy

The priorities of TTPI for the 2018-2019 year are to:

- > build our research capability by engaging with researchers in Australia and internationally, thereby contributing to new research on tax and transfer policies, analysis and evaluation.
- > expand our empirical research by taking advantage of new data and modelling capabilities such as: the ATO's Australian Longitudinal Individuals File (ALIFE); PolicyMod, the ANU Centre for Social Research and Methods (CSR/M) distributional model and our existing trials and administrative data analyses.
- > engage in and influence public debate on Australia's tax and transfer system through our social media and blog platforms and policy products, and through our involvement in creating a broad-based stakeholder group focused on systemic tax reform.
- > continue to build tax and transfer research and policy capacity across a range of disciplines through excellent graduate and executive education, workshops and secondments.

## Governance

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

Crawford School Director, Professor Helen Sullivan, and through the Director, to Professor Michael Wesley, Dean of the College of Asia and the Pacific.

## Advisory Board

The TTPI was established to create an independent centre of excellence for research on tax and transfer policies, to support policy development and implementation, and take a leading role informing public debate. The Advisory Board Committee provides high-level advice, guidance and recommendations to the TTPI Chair and Director on all matters relating to TTPI.

The Advisory Board of TTPI includes senior representatives from stakeholder government agencies. It is chaired by Professor John Hewson and met quarterly in 2018 and biannually in 2019. In 2019, the TTPI Director will seek to appoint a state representative to sit on the board and is grateful for the advice and insight on research and policy direction, business strategy and engagement from members of the Board.

The members of the Advisory Board during the 2018-2019 period were:

- Chair, Professor John Hewson AO, ANU
- Director, Professor Robert Breunig, ANU
- Ms Maryanne Mrakovcic, Deputy Secretary, Revenue Group, Treasury
- Mr Nathan Williamson, Deputy Secretary, Social Security, Department of Social Services
- Mr Mike Lawson, Deputy Secretary, Department of Industry
- Mr Rob Heferen, Deputy Secretary, Department of Energy and Environment
- Mr Andrew Mills, Second Commissioner, Law Design, Australian Taxation Office
- Ms Jenny Wilkinson, Parliamentary Budget Officer, Parliamentary Budget Office
- Professor Peter Whiteford, ANU
- Associate Professor Mathias Sinning, ANU
- Dr David Gruen, Deputy Secretary, Economic and G20 Sherpa, Prime Minister and Cabinet
- Professor Helen Sullivan, Director Crawford School, ANU
- Ms Kristen Sobek, Senior Research Officer, ANU



## Finances

TTPI was established with an endowment from the Australian Treasury and with contributions from the College of Asia and the Pacific, the HC Coombs Policy Forum, the Australian National Institute of Public Policy and the Crawford School of Public Policy at The Australian National University. The establishment of 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 2018 to 30 June 2019 is attached at the end of this Annual Report.

In 2018-2019, TTPI continued to raise external funding for a variety of specific activities and research projects including through: Australian government research grants; ANU internal grants programs; executive education courses and financial assistance from corporate partners. TTPI has launched a new "organisational partners" program to garner support from corporations and civil sector organisations. Several organisations have agreed to provide ongoing support.



*JG Crawford Building*

# PEOPLE

## Academic staff



### **John Hewson AM, Chair**

John Hewson is a Professorial Fellow at TTPI and an economic and financial expert with experience in academia, business, government, media and the financial system. 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. 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. 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.



### **Robert Breunig, Director**

Professor Robert Breunig is one of Australia's leading public policy economists. His research is motivated by important social policy issues and debates, and his work is characterised by careful empirical study and appropriate use

of statistical technique. Professor Breunig's research agenda has led to many partnerships with government organisations in Australia and overseas. He works regularly with the Australian Treasury, the Department of Employment, the Department of Industry, the Department of Communication and the Arts, the Productivity Commission, the Australian Bureau of Statistics as well as many other agencies. He has been a consultant to the private sector on marketing, mergers, bank competition and customer loyalty programs.



### **Mathias Sinning**

Associate Professor Mathias Sinning is an applied economist who is interested in the empirical analysis of issues related to Labour Economics, Public Economics and Policy Evaluation. His current research focuses on the

development and application of methods to study treatment

response heterogeneity. Ongoing applied work includes the implementation of randomized controlled trials to study behavioural aspects of tax compliance. His work has been published in *Economic Inquiry*, *Health Economics*, *Industrial and Labor Relations Review*, *Journal of Banking and Finance* and *Journal of Economic Behavior and Organization*, among others. Mathias has previously held academic appointments at the ANU and the University of Queensland. He has been a Visiting Fellow of the Office of Population Research at Princeton University and he is currently a Visiting Fellow of the National School of Development at Peking University.



### **Miranda Stewart**

Twitter @AusTaxProf  
(2650 followers)

Miranda Stewart is Professor at the University of Melbourne Law School and a Fellow at the Tax and Transfer Policy Institute. Miranda was the inaugural Director of the TTPI

from 2014-2017. Miranda researches, teaches and advises on tax, transfer and budget law and policy. She has 25 years' experience working at the leading edge of policy research, design and development. Current research projects include gender inequality in the tax and transfer system, international tax and company tax.



### **Peter Whiteford**

Twitter @WhitefordPeter  
(4094 followers)

Professor Peter Whiteford is Director of the Social Policy Institute in the Crawford School of Public Policy. He has previously worked at the Social Policy Research Centre at the

University of New South Wales in Sydney, and at the OECD in Paris. Peter is an Associate Investigator with the ARC Centre of Excellence in Population Ageing Research (CEPAR), and an Adjunct Professor with the Social Policy Research Centre at UNSW. In 2018 he was elected as a Fellow of the Academy of Social Sciences in Australia.

## Research fellows



### Ralf Steinhauser

Ralf Steinhauser is a Senior Research Fellow at the Tax and Transfer Policy Institute at the Crawford School of Public Policy and at the Policy Experiments Lab (PELab) at the Centre for Social Research and Methods in CASS. He has previously held academic appointments at the

University of Hamburg and the Research School of Economics, ANU. Ralf is interested in empirical research in the areas of Behavioural Economics, Tax Policy and Environmental Economics. He has published articles in journals such as *Review of Economics and Statistics*, *Environmental and Resource Economics* and *World Development*. Ralf has worked with a number of government organizations in Australia, such as the Australian Treasury, the Commonwealth Grants Commission, the Civil Aviation Safety Authority and the Department of the Environment and Energy.



### Peter Varela

Dr Peter Varela is a Research Fellow at TTPI and is currently working on a research project examining the taxation of savings and wealth in Australia. Peter also works at the Centre for International Economics on a wide range of research topics

related to taxation and public policy. Peter holds a PhD in Economics from the ANU, and been a visiting researcher at the Office of Tax Policy Research at the University of Michigan, and the Melbourne Institute of Applied Economic and Social Research.



### Yinjunjie (Jacquelyn) Zhang

Yinjunjie Zhang (Jacquelyn) is a Research Fellow at the Tax and Transfer Policy Institute (TTPI) in the Crawford School of Public Policy. Her research interest spans the areas of labour economics, public economics and experimental economics. A common thread in her research is

understanding the impact of public policy on people's behaviour, choice, and welfare. Her publication and research projects include working on examining the intended and unintended policy effects on the crime rate, labour market preferences as well as economic decision-making in both lab and field settings. Before joining ANU, she worked in the Chinese branch of a world-leading consulting firm on delivering employee health and benefit solutions. She obtained her Master degree in Shanghai Jiao Tong University in China and doctoral degree at Texas A&M University in the USA.

## Professional staff

### Kristen Sobeck

Kristen Sobeck is a Senior Research Officer at TTPI. Kristen studied economics and French at Smith College and has a Master's degree in Economics from the University of Geneva. Prior to joining TTPI, she worked as an economist at the International Labour Organization (ILO) from its headquarters in Geneva and country office in Argentina. She was also awarded a Fulbright Fellowship in 2007.

### Diane Paul

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

## Research assistants

### Maria Sandoval Guzman

Maria Sandoval Guzman is a research assistant at TTPI, working in the Austaxpolicy editorial team and on an environmental review of Australia's tax system. She holds a Master of Public Policy in Economic Policy from the Australian National University. During the reporting period 2018-19, Maria was selected as a delegate to the Economic Society of Australia's 2018 Women in Economics Retreat, and presented her Masters research on gender-sensitive economic policy at the Department of Jobs and Small Business, the Office for Women (Department of the Prime Minister and Cabinet), and the Australian Gender Economics Workshop 2019.

### Teck Chi Wong

Teck Chi Wong is a research assistant with TTPI, working on the Austaxpolicy blog and the Open Budget Survey project. Teck Chi holds a Master of Public Policy, specialising in economic policy, from the Australian National University and a Bachelor of Accounting from the University of Malaya.

### Interns

**Nanumi Starke** interned at the Austaxpolicy blog from July to October 2018. She is studying a double degree in a Bachelor of Asia-Pacific Studies (Year in Asia) and a Bachelor of Economics. During her time with the blog, she edited blog pieces, liaised with Australian and international tax experts and worked on an improved website design to increase the blog's accessibility and readability.

**Jonathon Zubrzycki** is an undergraduate student at the ANU studying International Relations and Arts. Joining the team at Austaxpolicy for the first half of 2019, Jonathon assisted in the running of the blog, editing articles, writing news and finding commissions. The experience was incredibly rewarding as was the opportunity to learn more about tax policy and politics.



## Research secondees

Through TTPI's partnership with government departments, mid-level executives, selected through a competitive process, spend time at TTPI under supervision of a senior academic, to carry out a research project designed in close collaboration with their sponsoring government agency. TTPI has current secondments in place from the Australian Taxation office, Department of Social Services and the Prime Minister and Cabinet's office. The program is on-going and will continue to expand and offer opportunities to government employees from at least the EL level.



**Andrew Carter** is an Assistant Director in Tax Policy Research at the ATO. He has previously held tax and macroeconomic roles at the World Bank and the Department of Treasury. Andrew is currently a part-time PhD candidate at the Crawford School in Economics. His research is examining responses to the income tax and

superannuation systems. At TTPI, Andrew examined the degree to which specific superannuation incentives prolong labour market participation, and boost income and savings for workers approaching retirement. Andrew's secondment period was from April 2018 to January 2019.



**Hamish Hobbs** is an economic policy adviser at the Department of the Prime Minister and Cabinet. His work involves providing tax and financial sector policy advice to inform government decision making. He has previously held roles at the Department of the Premier and Cabinet in Western Australia advising

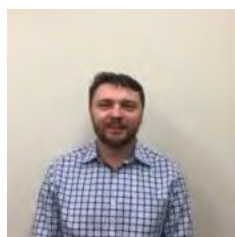
on social policy and at KPMG evaluating government program delivery. Hamish's secondment period was from August 2018 to February 2019.



**Nitin Srivastava** is an Economist in the Revenue Analysis Branch of the Australian Taxation Office (ATO). Prior to the secondment, Nitin was leading an innovative project at the ATO exploring the linkages between behavioural economics and artificial intelligence. He had previously worked with the Behavioural Economics Team

of the Australian Government, Department of Foreign Affairs and Trade and Macroeconomic Group at the Department of the Treasury focusing on the Chinese economy and multilateral

forums and in the Revenue Group at Treasury working on the mining tax and the carbon tax. At TTPI, Nitin will use an experimental approach to examine the impact of tax prefilling on taxpayers reporting behaviour. Nitin's secondment period is from February 2019 to October 2019.



**Nick Bachmann** is a policy adviser at the Department of the Prime Minister and Cabinet. His work involves providing advice on the budget and fiscal policy to inform government decision making. He has previously held various roles at the Commonwealth Department of Finance. At TTPI, Nick is working to

develop our "Tax Fact" series. Nick's secondment period is from February 2019 to August 2019.



**Andrew Sinstead-Reid** has worked as an incentives policy analyst at the Australian Government Departments of Families, Housing, Community Services and Indigenous Affairs ('FaHCSIA') and Social Services since 2011. During his 24 year career as a public servant working on Australian social security policy, Andrew has

worked as a senior analyst in the Working Age Taskforce (2002-04) progressing recommendations from the first 'Report of the Reference Group on Welfare Reform' ('the McClure Report I'), as a 'policy modeller' modelling the impact on financial incentives of the interaction between tax and transfer system elements (2004-07, 2008-11), and as an incentives policy analyst on the second 'Report of the Reference Group on Welfare Reform' ('the McClure Report II'). At TTPI, Andrew will be undertaking a project examining various social security and incentives policy issues and trends in their 'longer run', historical context, and exploring reform options and approaches given current and emerging tax-transfer system pressures and priorities. Andrew's secondment period is from April 2019 to March 2020.

## Honorary research fellows

TTPI welcomed honorary visiting fellows from academia and the public and private sectors to carry out research projects and to actively contribute towards the activities and goals of TTPI, the Crawford School and the university more broadly.

**Michael Corliss** is currently employed as an economist at the Department of Employment, Skills and Family Business. He started his public service career as an economic advisor at PM&C. Michael was previously an academic, working on issues related to wages, employment, structural and technological change, inequality, regional labour markets, and education and training. Michael is a research associate for the Centre for Labour Market Research and is a member of the Economic Society of Australia.

**Huong Dinh** is a Visiting Fellow at TTPI and in the School of Public Health at the Australian National University. She completed her PhD in economics and possesses strong analytical, econometric and microsimulation modelling skills. Her research seeks to reveal how structural factors like international trade, climate change, personal income taxation and transfer system, and labour markets have socio-economic impacts on communities, industries, households and individuals.

**Christian Gillitzer** is a Lecturer in the School of Economics at the University of Sydney. His research fields are public finance and macroeconomics. He has done work on topics including state fiscal capacity, optimal commodity taxation, the charitable tax deduction and consumer sentiment. Together with Joel Slemrod, he is co-author of the book *Tax Systems*. Prior to joining the University of Sydney he was a Senior Economist at the Reserve Bank of Australia and a Research Fellow at the Tax and Transfer Policy Institute. He holds a PhD in Economics from the University of Michigan and a Master in Public Affairs from Princeton University.

**Jim Killaly** is a former Deputy Commissioner (Large Business and International) in the ATO and is carrying out systemic research into the corporate and international tax base, including current issues in transfer pricing and tax compliance. He was a recipient of the Public Service Medal in 2005 for his services in achieving Improvements to Australia's tax treaties and for developing and implementing a compliance tax framework for large business.

**Bhashkar Mazumder** is a senior economist and research advisor in the economic research department at the Federal Reserve Bank of Chicago. He also serves as the executive director of the Chicago Federal Statistical Research Data Center (FSRDC). Mazumder's research has been focused in four areas: 1) intergenerational economic mobility in both the US and Australia, 2) the long-term effects of poor health early in life 3) black-white gaps in human capital development and 4) issues related to household financial wellbeing. Mazumder's research has been published in academic journals such as the *Journal of Political Economy*, the *American Economic Review* and the *Review of Economics and Statistics*. In addition to his research activities, Mazumder also oversees the operations of a research center enabling access to Federal statistical microdata on behalf of a consortium of institutions including the Federal Reserve Bank of Chicago, Northwestern University, the University of Chicago and the University of Illinois.

**Miguel Olivo-Villabrille** is a Research Fellow at the ARC Centre of Excellence in Population Ageing Research (CEPAR) at the University of New South Wales. He is an empirical microeconomist with broad interests, especially in Labor Economics, Demographic Economics, and Applied Econometrics.

**Paul Tilley** brings long standing experience on tax and public finance in Treasury as former head of the Tax Analysis Division, Personal and Retirement Income Division, and Budget Policy Division, as well as time spent at the Department of Prime Minister and Cabinet (PM&C) and the OECD. Paul is currently

writing a book on the history of the Australian Treasury, including significant policy changes in recent decades. His research and experience on this topic is of great relevance to TTPI's research and engagement activities.

## International visitors

We were privileged to host Dr. Miguel de Asensio, Professor at the Universidad Nacional del Litoral (Argentina) and Dr. David Deming, Professor at the Harvard Kennedy School (USA), during 2018-2019. TTPI is delighted to host researchers, doctoral candidates and government visitors from around the world who present in the TTPI research seminar series, and participate in conferences and other TTPI-sponsored events.



### Miguel Asensio

Miguel Asensio is Doctor in Economics (Alcalá University, Spain) and Doctor in History (Torcuato Di Tella University, Argentina). He also holds degrees in economic sciences (UNL and UNR, Argentina) and is an Undergraduate and Graduate

Professor of Economic History and Public Finance (UNL and others) and Director of Public Administration Doctoral Program (UNL). He was a Fulbright Scholar at the University of Pittsburgh, Pennsylvania (USA), visiting Professor in Canadian Universities and a consultant for the World Bank and the Organization of American States. He is a Member of the Asociación Argentina de Economía Política (AAEP) and the Federalism Institute (Córdoba), Former Secretary and Minister of Public Finance in the Province of Santa Fe, member of Federal Commission for Taxes, a National Senate Adviser (Argentina), and President of Two Centuries Foundation.



### David Deming

David Deming is a Professor at the Harvard Kennedy School and the Harvard Graduate School of Education, the Director of the Harvard Inequality and Social Policy Program, and a Research Associate at the National Bureau of Economic

Research. His research focuses broadly on the economics of skill development, education and labor markets. He is currently serving as a coeditor at the *American Economic Journal: Applied Economics*, and is a Principal Investigator (along with Raj Chetty and John Friedman) at the CLIMB Initiative, an organisation that seeks to study and improve the role of higher education in social mobility. He recently won the David N. Kershaw Prize, which is awarded biannually to scholars who have made distinguished contributions to the field of public policy and management under the age of 40.

## ANU fellows

TTPI benefits from a network of ANU Fellows who research on public finance, tax and transfer theory, data and policy issues across The Australian National University.

### **Associate Professor Nicholas Biddle**

ANU College of Arts and Social Sciences, AUSCEN

### **Professor Alison Booth**

ANU College of Asia and the Pacific, Crawford School

### **Professor John Braithwaite**

ANU College of Asia and the Pacific, RegNet

### **Mr Rob Bray**

ANU College of Arts and Social Sciences

### **Dr Paul Burke**

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

### **Professor Bruce Chapman**

ANU Research School of Economics

### **Dr Nathan Deutscher**

ANU Crawford School of Public Policy

### **Dr Sarah Dong**

ANU Crawford School of Public Policy

### **Professor Matthew Gray**

ANU College of Arts and Social Science

### **Professor Bob Gregory**

ANU Research School of Economics

### **Dr Timo Henckel**

ANU Research School of Economics

### **Mr Christopher Hoy**

ANU Crawford School of Public Policy

### **Professor Michael Kobetsky**

ANU College of Law

### **Mr Chris Murphy**

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

### **Professor Peter McDonald**

ANU College of Asia and the Pacific, Crawford School

### **Ms Agnieszka Nelson**

ANU College of Arts and Social Sciences

### **Associate Professor Benjamin Phillips**

ANU College of Arts and Social Sciences

### **Associate Professor Maria Racionero**

ANU Research School of Economics

### **Ms Sue Regan**

ANU Crawford School of Public Policy

### **Associate Professor Julie Smith**

ANU College of Asia and the Pacific, RegNet

### **Professor David Stanton**

ANU College of Asia and the Pacific, Crawford School

### **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

### **Dr Peter Varela**

ANU Crawford School of Public Policy

### **Other fellows**

#### **Mr Rob Heferen**

Department of Energy and Environment

#### **Ms Serena Wilson**

Retired from the Department of Social Services

## TTPI research affiliate program

To further TTPI's reputation as a focal point for high quality empirical research on the Australian tax system, in 2018, TTPI established a research affiliate program. The program, which explicitly targets researchers in outside of the ANU, aims to bring together researchers conducting policy-oriented empirical research on the tax system with other researchers at the ANU and government policymakers. Appointments are for a three-year period and junior researchers are offered capped funding to present at TTPI events. A list of our current research affiliates is provided below:

**Professor Patricia Apps**, University of Sydney

**Dr Kadir Atalay**, University of Sydney

**Dr Tony Beaton**, University of Queensland

**Professor Jeff Borland**, University of Melbourne

**Dr Michael Coelli**, University of Melbourne

**Dr Marc Chan**, University of Melbourne

**Assistant Professor Xiaoguang (Shawn) Chen**, University of Western Australia

**Professor Dhammika Dharmapala**, University of Chicago

**Professor Richard Eccleston**, University of Tasmania

**Professor John Freebairn**, University of Melbourne

**Dr Christian Gillitzer**, University of Sydney

**Assistant Professor Steven Hamilton**, George Washington University

**Dr Ross Hickey**, University of Melbourne  
**Dr Diane Kraal**, Monash University  
**Mr Claudio Labanca**, Monash University  
**Dr Leslie Martiin**, University of Melbourne  
**Dr Sian Mughan**, Indiana University  
**Mr Miguel Oliva-Villabrille**, UNSW  
**Dr Cain Polidano**, University of Melbourne  
**Dr Peer Skov**, Auckland University of Technology  
**Dr Ha Vu**, Deakin University  
**Professor Roger Wilkins**, University of Melbourne  
**Dr Haishan Yuan**, University of Queensland  
**Dr Arezou Zaresani**, University of Melbourne  
**Professor Xueyan Zhao**, Monash University  
**Dr Anna Zhu**, University of Melbourne

## PhD scholars

PhD scholars at Crawford and across ANU are researching diverse tax and transfer topics. Some have contributed substantially towards building the work and profile of TTPI as students and as research students or fellows. A significant number hold a prestigious PhD Scholarship of the federal government and ANU, the *Sir Roland Wilson Foundation Scholarship*.

- > **Thomas Abhayaratna**, 'Essays in taxpayers responsiveness' (Crawford, primary supervisor Robert Breunig)
- > **Paul Amores**, 'The role of mental health in transmission of intergenerational disadvantage in Australia' (Crawford, primary supervisor Robert Breunig)
- > **Andrew Carter**, 'Responses to the tax system' (Crawford, primary supervisor Robert Breunig)
- > **Kevin Chadwick**, 'Engaging households in the emerging energy market - lessons from behavioural science for policymakers' (Crawford, primary supervisor Nicholas Biddle)
- > **Joseph Chien**, 'From data to dissemination: what can big data tell us about micro-drivers of productivity' (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, *Sir Roland Wilson Foundation Scholar*)
- > **Jian Ding**, 'An evaluation of the labor contract law in China' (Crawford, primary supervisor Ligang Song)
- > **Mark Fabian**, 'A wellbeing production function' (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, *Sir Roland Wilson Foundation Scholar*)
- > **Hang Hoang**, 'Trade shocks and firm innovation' (Crawford, primary supervisor, Robert Breunig)
- > **Christopher Hoy**, 'Inequality and redistribution in Indonesia and Papua New Guinea' (Crawford, primary supervisor Stephen Howes)
- > **Wendy Heatley**, 'Integrating the Australian tax-transfer system: fair, efficient, sustainable?' (Crawford, supervisors Peter Whiteford and Miranda Stewart)
- > **Sehrish Mohammed Hussein**, 'Educational time use and the cognitive development of children: Evidence from the longitudinal study of Australian children' (Crawford, Primary supervisor Robert Breunig)
- > **Shane Johnson**, 'Examining taxpayers' understanding of, and responses to, the Australian personal income tax system' (Crawford, primary supervisor Robert Breunig, *Sir Roland Wilson Foundation Scholar*)
- > **Sanghyeok Lee**, 'Essays on missing data problems: MSL estimation in the analysis of censored data and "doubly robust" estimation in the analysis of treatment effects' (Research School of Economics, primary supervisor Tue Gorgens)
- > **Sora Lee**, 'Governance pathway to health equity using public value analysis' (College of Asia and the Pacific, primary supervisor Sharon Friel)
- > **Estelle Li**, 'The impact of foreign ownership and foreign operations on corporate tax strategies in the Australian dividend imputation system' (College of Business and Economics, primary supervisor Alfred Tran)
- > **Tess McGirr**, 'Social services, tax, transfers and employment' (Crawford, primary supervisor Peter Whiteford, *Sir Roland Wilson Foundation Scholar*)
- > **Nurina Merdikawati**, 'Essays on the minimum wage policy in Indonesia' (Crawford, primary supervisor Sarah Dong)
- > **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' (College of Business and Economics, primary supervisor Alfred Tran)



- > **Sam Reinhardt**, 'Intersection between macro-prudential policy and tax policy' (Crawford, primary supervisor Robert Breunig)
- > **Matthew Taylor**, 'The impact of parental leave pay on parental leave and labour supply and its equity implications' (Crawford, primary supervisor Robert Breunig)
- > **Nguyen Thuong**, 'Assessing the dynamism of the informal sector in Viet Nam: a pillar of development?' (Crawford, primary supervisor Peter Whiteford)
- > **Leana Ugrinovska-Ugrica**, 'Profit contingent loans for R & D financing' (Crawford, primary supervisor Bruce Chapman)
- > **Sebastian Wende**, 'Dynamic comparative tax analysis' (Research School of Economics, primary supervisor Chung Tran)
- > **Chris Wokker**, 'Essays in applied microeconomics' (Crawford, primary supervisor Robert Breunig)
- > **Eunsup Yang**, 'Essays in the economics of education: Empirical applications to South Korea' (Crawford, primary supervisor Bruce Chapman)
- > **Christine Yao**, 'Tax base erosion of multinational enterprises in Australia' (College of Business and Economics, primary supervisor Alfred Tran)



*ANU Image library*



# RESEARCH

TTPI focuses on the empirical and theoretical analysis and evaluation of tax and transfer policies. We aim to produce high-quality, policy-relevant research. Our research program aims to have a balance of projects with short-term and long-term time horizons and both academic and policy-oriented outputs.

Research is published in our working paper series and in leading refereed journals in Australia and internationally. We also publish research in the form of in-depth reports. Finally, we continue to publish short articles on our blog, [Aust taxpolicy.com](http://Aust taxpolicy.com), and in other media outlets, such as *The Conversation* and in op-eds.

We have built targeted capacity by obtaining research and external funding on high priority projects that bring new research to bear on public policy, especially on topics of: fiscal sustainability; tax system behaviour; design of tax-transfer system interaction and the future of savings and capital taxation. We hold a variety of academic workshops and conferences during the year. TTPI researchers provided academic leadership in a range of forums in Australia and internationally. Robert Breunig is a member of the panel of expert advisors of the Parliamentary Budget Office and provides advice to the Australian Bureau of Statistics through several advisory roles.

## External grants

TTPI works actively to apply for external research funding. We are currently working on three externally funded research projects.

### **Applying behavioural insights to the tax system in Australia (2017-2019)**

Australian Research Council Linkage Project (\$217,000; ATO, \$128,263). This ongoing Linkage Project was led in 2018-2019 by Chief Investigator Miranda Stewart, Nicholas Biddle, Robert Breunig and Mathias Sinning, with partners at the ATO. The project commenced in 2017. Postdoctoral researcher Jacquelyn Zhang joined the project in 2019 and continues engagement on empirical and behavioural data research on the project.

### **Are tax base erosion and profit shifting counter measures effective? (2017-2021)**

Australian Research Council: Discovery Project (\$391,500). This three year Discovery project is led by Chief Investigator Alfred Tran, with Miranda Stewart, and commenced in 2017. It aims to develop indicators to evaluate the effectiveness of measures to combat tax avoidance by multinational enterprises. The Investigators, with the help of our PhD candidate Wanmeng Xu (ANU) and our research fellow Daniel Minutillo (Melbourne), are continuing our research into the legal and institutional development of anti-BEPS measures in Australian and international tax law, and collating a longitudinal data set of company financial and tax reports for the period 2007-2019.

### **New approaches to tax and welfare in Australia and Korea (2017-2018)**

Australia-Korea Foundation, Department of Foreign Affairs and Trade (\$40,000). The second half of this project was finalised in 2018 with a second collaborative research workshop hosted

at the University of Seoul, Korea in September 2018. The workshop included researchers from TTPI and other Australian universities, the Australian Taxation Office, the Korean Ministry of Finance and Institute of Public Finance, and academics from Korea, Japan and China. Topics included designing resilient tax systems for a digital global economy; social policy including disability support provision and the design of tax-transfer systems and basic income; personal income tax reform, progressive rates and work participation; international tax and fiscal federalism. The network of researchers continues to engage on joint research projects, and this led to an invitation for TTPI to participate in a tripartite public finance research network with China, Korea and Japan, in 2019.

## Research programs

TTPI has four research streams, each encompassing a number of projects:

- > Taxation of capital
- > Tax, transfers, fairness and lifetime wellbeing
- > Tax system behaviour, compliance and administration
- > Budgets and fiscal federalism

Cross-cutting themes in all TTPI research projects are:

- > Adequacy
- > Resilience
- > Simplicity
- > Fairness
- > Prosperity
- > Consistency

## Tax and transfers, fairness and inequality

### **Economic inequality**

Two projects are underway on inequality including the role of taxes and transfers. Mathias Sinning is the Chief Investigator of an ARC Discovery Project (DP150104247) on dynamic aspects of economic inequality. 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 the design of tax and welfare systems.

Peter Whiteford is engaged in research into the cost of the welfare state, inequality, taxes and transfers, including ongoing research on inequality and inclusive growth with the Institute for New Economic Thinking at the University of Oxford (2016-2019) and research on social protection and the future of work with the OECD.

## Gender inequality in the tax and transfer system

Building on a previous Academy of Social Sciences of Australia project on gender inequality, tax and social welfare (book edited by Miranda Stewart, 2017, ANU Press), research continued on the interaction of tax and transfer systems, childcare policy and the effects of tax cuts. Research on the history and design of gender budget analysis and processes continued with the preparation of a draft working paper and delivery of seminars and executive education on the topic. Further aspects of the research were developed by Miranda Stewart and Peter Whiteford, contributing to the book *Hybrid Public Policy Innovations* (edited Mark Fabian and Robert Breunig, Routledge 2018). The academic research was widely promulgated through policy workshops, executive education and public presentations and analysis in short blog articles. Research continues for a workshop on a gender analysis of the economics of breastfeeding and national accounts, with an Asian Policy Innovations grant.

## A basic income for Australia?

David Ingles, Ben Phillips and Miranda Stewart carried out theoretical research and modelling to investigate, design and model varieties of basic income in the Australian context compared to the current highly targeted tax and transfer system. The research investigated, and updated, the proposal by the Henderson Poverty Inquiry (1975) to introduce a Guaranteed Minimum Income for Australia. Four options were designed and modelled, shifting from Australia's tightly targeted social security system to a fully universal basic income for all adults and children in Australia, financed by a tax on wages and wealth. The fiscal cost and distributional effects were presented at a major public conference and published in a book chapter (2019, Melbourne University Press) with detailed modelling in a forthcoming substantial working paper.

## 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.

## Encouraging formal tax registration of micro, small and medium enterprises in Indonesia

Mathias Sinning and Sarah Dong collaborated with the Institute of Economic and Social Research at the University of Indonesia to explore ways to improve tax compliance in the Indonesian tax system by applying behavioural insights in the context of business tax registrations. The project focuses on informality – a highly relevant aspect of tax enforcement in developing countries – to apply behavioural research to the real world of tax registrations. The research aims to generate evidence on the effectiveness of a new business registration system by providing

information to businesses about the availability of the system, by pointing out that the system is free of charge, by addressing social norms, and by highlighting that the new system is easy to use. Studying the effectiveness of interventions that aim to 'nudge' businesses to register will improve our understanding of how tax registration rates can be increased. The project has received funding from the Asia-Pacific Innovation Program (APIP) Research Development grant of the ANU College of Asia and the Pacific.

## Using behavioral insights to improve tax compliance in Papua New Guinea

This project tests the effects of the application of behavioural insights to the tax system on tax compliance in partnership with Papua New Guinea's Internal Revenue Commission. Two pilot trials have been implemented to determine the effects of text messages and flyers on filing and payment behaviour. This research is funded by the Department of Foreign Affairs and Trade of the Australian Government.

## Longitudinal individuals file, Australian Taxation Office

Professor Robert Breunig continues to provide advice and support to the ATO as it works to make further data on tax and superannuation publicly available to researchers. Professor Breunig is a member of the Technical Advisory Group advising on the design of the Australian Longitudinal Individuals File (ALIFE). Researchers now have access to the data. This has been a very important element of achieving our mission to foster the production of independent research on Australia's tax and transfer system.

## PolicyMod: Microsimulation model, Centre for Social Research and Methods

PolicyMod is a static microsimulation model of the Australian tax and transfer system and can model household and individual impacts of existing and alternative policies for previous years, current year and over the forward estimates. The model is also capable of projecting the impacts out to 2055. PolicyMod was developed and is operated by the Centre for Social Research and Methods including lead researchers Ben Phillips, Richard Webster and Cukoo Joseph.

PolicyMod modelling capabilities include:

- > distributional analysis
- > hypothetical (cameo) analysis
- > effective marginal tax rates
- > optimal policy modelling
- > regional modelling

The distributional model considers the entire Australian population and is capable of estimating the policy impacts for a vast array of variables such as: family type, income deciles, housing tenure and social security payment type. The cameo model provides policy impacts for selected family types across a range of private incomes.

The model is primarily based on the ABS Survey of Income and Housing and uses a range of other data from ABS and other Government departments to improve the accuracy and timeliness of the model. PolicyMod is updated with the latest survey and administration data as it becomes available to us. The model governance includes an advisory panel with representatives from both academia and Government.

Optimal Policy Modelling is one of the recent developments to PolicyMod – a new methodology to use microsimulation models to estimate an ‘optimal level’ of Social Security payments and personal income tax rates to minimize various policy objectives such as the poverty gap, financial stress or work incentives. This paper was presented at the International Microsimulation Association conference in Ireland (June, 2019), Australia -Korea Tax Research Workshop in Seoul (Sept, 2018) and various presentations to Academic researchers and Government organisations.

PolicyMod was used by Ben Phillips, with David Ingles and Miranda Stewart, to model various forms of basic income, financed by wage and wealth taxation, for the Henderson anniversary conference, Social Security Reform: Henderson Revisited, Melbourne Institute, University of Melbourne in February 2018. The research included novel changes to the benchmark disposable income and tax settings in PolicyMod.

#### **General equilibrium modelling of company tax options**

TTPI researchers David Ingles and Miranda Stewart worked with Visiting Fellow Chris Murphy to understand and model a range of company tax rate and base reform options. Chris Murphy has further developed his CGE model of the tax system in the Australian economy during his time at the Crawford School, with a particular focus on the efficiency of company tax, federal-state tax reform, financial services and goods and services tax.

#### **Elasticity of taxable income**

Researchers at TTPI led by Robert Breunig 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.

#### **Evaluating the mature age worker tax offset (MAWTO)**

Robert Breunig and Andrew Carter produced the first paper in Australia to make use of the new administrative data released by the ATO. They showed that the Mature Age Worker Tax Offset was an ineffective and very costly way of increasing the labour supply of mature age workers. The paper, which first appeared as a TTPI working paper, was recently published in Australia’s leading economics journal, *Economic Record*.

#### **Evaluating taxpayer responsiveness to the tax system**

Researchers at TTPI led by Robert Breunig have embarked on a wide range of projects looking at the responsiveness of tax payers to the tax system in a variety of different dimensions.

#### **Payment thinking: Applying behavioural insights in the tax system using randomised controlled trials**

Mathias Sinning, Miranda Stewart, Robert Breunig, Nick Biddle, Christian Gillitzer, Sarah Dong, Emily Millane and Jacquelyn Zhang worked on an empirical research project with the ATO on payment thinking and debt in the tax system. The research involves ground-breaking and globally important randomised controlled trials to test and evaluate administration and compliance approaches. The research is particularly focused on whether behavioural insights and nudges can be used for business taxpayers, as well as individuals.

With funding from ARC Linkage Project LP160100810, the team directly works with tax administrators to explore and evaluate ways to improve compliance and payment in the tax system. The project involves innovative field research applying randomised controlled trials to assessment, payment and debt systems. Mathias Sinning is also applying a new method to these trials to estimate the proportion of members of a treatment group who benefit from a given intervention, improving randomisation and field experiment approaches.

The trials apply behavioural insights such as the provision of information during phone conversations and the timing of reminder letters to the real-world tax payment system. Data from several trials were analysed in 2018-2019. The project has led to a publication in the *Journal of Behavioral and Experimental Finance* in 2018 and to a working paper on the effects of the timing of reminder letters on the tax payment behavior of businesses (TTPI Working Paper No. 13/2018). The trials were designed to preserve realism in all relevant domains and they demonstrate, in a nutshell, that businesses may not be responsive to all ‘nudges’, but that they are responsive to help on payment plans and to the removal of barriers to compliance. Members of the project team have presented trial results at various conferences, workshops and seminars both in Australia and internationally.

Sarah Dong and Mathias Sinning are currently working on a research paper summarising the results of a trial that focuses on the ATO’s interaction with new entrants to the tax system. The project has also led to research in related areas, including a trial on the collection of traffic and parking fines in collaboration with the ACT Government.

The research team liaises closely with the Behavioural Economics Team in the Australian Government. It is also advised by Professor Valerie Braithwaite and further develops the ground-breaking work of the Centre for Tax System Integrity, which she led at ANU over the last decade.

## Taxation of capital in a global era

### Future of the company tax

This project explored 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.

Miranda Stewart, David Ingles and Chris Murphy finalised a major project researching aspects of capital taxation and the corporate tax from a theoretical and pragmatic perspective.

A corporate tax rate reduction, from 30 per cent to 25 per cent, has been on the political agenda in Australia for the last three years. Miranda and David worked with Chris Murphy to design and model the economic and fiscal effects of various corporate tax rate and base reforms for Australia, publishing five TTPI working papers including analysis pre- and post-Trump tax reforms that took effect on 31 December 2017, with worldwide implications.

## Budgets, state taxes and federalism

### Budget transparency and credibility in Australia

Miranda Stewart and Teck Chi Wong continued their collaboration with the non-government organisation, the International Budget Partnership, Washington DC, United States, to conduct studies on Australia's budget transparency and credibility. A project is currently underway to assess the transparency of Australia's budget as part of the global Open Budget Survey 2019 report. This is the second time that Australia participates in the Survey, with the Australian report prepared by TTPI. The assessment is done through a detailed questionnaire and is subject to rigorous independent review by anonymous reviewers from academia and from the Australian Government. A Policy Brief explaining the 2017 Survey method and outcomes was published in September 2018 (TTPI Policy Brief 2/2018). The global report of Open Budget Survey 2019 will be released in early 2020.

Another project on revenue estimates and forecasts for company tax was completed in early 2019. The study assessed the quality of justifications provided by the Australian Government in the Budget Papers for errors and deviations in company tax estimates in the period from 2013-2014 to 2017-2018. The findings were released accompanying the International Budget Partnership main report, *Explain that to us: How governments report and justify deviations*. TTPI Policy Brief 1/2019 (April 2019) provides a detailed explanation of the findings.

### Australian States' tax elasticities

Ralf Steinhauser Mathias Sinning and Kristen Sobeck, engaged with the Commonwealth Grants Commission to empirically determine tax elasticities for relevant state taxes (payroll tax, land tax, stamp duty, insurance and motor taxes). Results of the investigation will be included in the Commonwealth Grants Commission 2019 Update Report and will be considered for the review of the methods used to calculate the relativities for distributing the pool of Goods and Services Tax (GST) among the States and Territories, to apply from 2020-2024 and onward.

### Tax and the environment

Professor Miranda Stewart and researcher Maria Sandoval Guzman carried out a targeted research project on tax and the environment, focusing on tax and pollution, energy and land use, for the Australian Conservation Foundation.

### CAP strategic partner development grant

The College of Asia and the Pacific (CAP) Strategic Partner Development Grant provides seed funding to help build strategic partnerships between CAP and partner institutions. The objective of the Grant is to encourage new collaboration with strategic partners. In April 2019, Robert Breunig and Kristen Sobeck were awarded a grant of \$5200.00 to participate in the Korea, China & Australia international Tax Symposium to be held in Seoul, South Korea in August 2019. The Korea Institute of Public Finance (KIPF) invited TTPI based upon our collaborations with them during conferences held in 2017 and 2018.



# EVENTS

TTPI holds several events each year that bring together leading members of academia in Australia and globally, with representatives of government, business, and the community sector to consider major tax and transfer issues. In addition, TTPI hosts a popular research seminar series and collaborates with other partners, to present research and policy workshops.

## Signature events

TTPI's signature events covered a broad range of topics in 2018-2019, from behavioural economics, to ACT stamp duty/land tax, and tax and welfare in Australia and Korea. These events brought together academic experts, policymakers, administrators, and representatives of the business and community sectors to discuss and raise debate on these topical issues.

### Behavioural Economics and Public Policy Conference

**9-10 August 2018**

The TTPI Conference on Behavioural Economics and Public Policy (TTPI-BEPP2018) was held as part of the project "Applying Behavioural Insights to the Tax System in Australia" in partnership with the Australian Taxation Office (ATO) and funded by the Australian Research Council.

In 2018-2019, TTPI researchers explored ways to improve tax compliance and payment in the tax system in partnership with the ATO, by applying behavioural insights to design innovative payment interventions and evaluate their effects by randomised controlled trials. The research involved the development of methodological tools to examine heterogeneity in treatment responses and the combination of empirical findings with a study of regulatory and administrative processes to support the ultimate goal of a legitimate, fair, cost-effective and responsive tax system. The aim of the TTPI-BEPP2018 was to bring together policymakers and empirical researchers in the field of behavioural economics to discuss issues related to behavioural economics and public policy, with a particular focus on tax compliance. The TTPI-BEPP2018 was held on 9-10 August 2018 at the ANU Crawford School of Public Policy. The keynote speakers were Alexi Gyani (Behavioural Insights Team, Australia) and Adam Oliver (London School of Economics and Political Science).



*Alex Gyani keynote address 10 August 2018*



*Behavioural Economics and Public Policy Conference, 9-10 August 2018*

## New approaches to tax and welfare in Australia and Korea workshop

7-8 September 2018

Australia and the Republic of Korea (South Korea) face many similar challenges in their tax and welfare systems. The size of Australia's tax and social state are larger than that of Korea, but Korea is rapidly catching up. Both are facing difficulties in tax competition, the digital economy and how to reform tax and welfare systems to address demographic changes, gender inequality and changes in the nature of work. While the systems share many things in common, they also have significant differences.

In this workshop, the second of two funded workshops that aim to build research relationships and cross-fertilise ideas and approaches, academic researchers and government officials from each country met to discuss new approaches to common challenges of tax and welfare in both countries. The Workshop was held at the University of Seoul on 7 and 8 September 2018 and was funded by the Australia-Korea Foundation of the Department of Foreign Affairs and Trade. It was organised by the Tax and Transfer Policy Institute, ANU, partnering with the Department of Science in Taxation, University of Seoul and the Korea Institute of Public Finance. The Workshop also included comparative presentations from Japan and China. It followed a successful first workshop held in Canberra in November 2017.

## Stamp duty and land tax: Lessons learned in the ACT and future directions for reform

12 September 2018

The ACT Government is implementing an ambitious 20-year tax reform program to fully phase out stamp duty on land transfers and replace it with land tax and municipal rates. Stamp duty is an inefficient tax since it discourages transactions (the buying and selling of homes) and is a volatile (but significant) source of state revenue. By contrast, land tax is a more efficient tax that would ensure a steady and more sustainable source of state revenue.

The implementation of such a reform however, presents many political challenges. Among all states and territories, the ACT is the only to have taken steps towards eliminating stamp duty. The purpose of this workshop was to present the ACT experience and provide a space for government representatives of all states and territories to discuss existing challenges and policy reform.

The ACT Government and the Tax and Transfer Policy Institute (TPI) jointly hosted the workshop. It was by invitation-only and largely restricted to state and territory government representatives.

In addition to the presentation of the ACT Under Treasurer, David Nicol, three external guest speakers presented at the workshop: Professor Richard Eccleston (University of Tasmania), Professor Neil Warren (UNSW) and Belinda Ngo, Capital Markets Executive Director at the Property Council Australia. Saul Eslake, independent economist and Vice Chancellor's Fellow at the University of Tasmania, also attended.



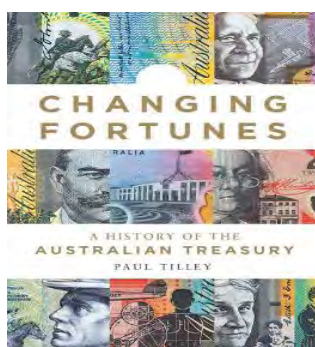
Australia and Korea workshop, Seoul, 7-8 September 2018

## Internal workshop

### A history of the Australian Treasury and development of the tax and super systems

5 October 2018

Paul Tilley presented a brown bag seminar drawing on the work for his book on, *A History of the Australian Treasury*. The seminar focused in particular on the development of the Australian tax and superannuation systems and Treasury's role in the key reform exercises along the way.



*A History of the Australian Treasury* by Paul Tilley

## Public Lectures

### Tax Lurks of the rich and famous: Why tax havens harm Australia, and how we can curtail them

21 September 2018

Andrew Leigh

According to recent estimates, as much as two-fifths of multinational profits may be shifted to low-tax or no-tax jurisdictions every year, with the impact on the Australian revenue base amounting to as much as \$16 billion annually. In this talk, Andrew outlined the harms done by tax havens, and outlined measures to curtail their use by Australian firms and individuals.

Hon Dr Andrew Leigh MP is the Deputy Chair of Standing Committee on Economics and Member for Fenner in the Australian Capital Territory. Prior to being elected in 2010, Andrew was a professor of economics at the Australian National University. He holds a PhD in public policy from Harvard, having graduated from the University of Sydney with first class honours in Law and Arts.

### Argentine Economy in the long run and the formation of federal finances

25 October

Miguel Asensio

The Argentine economy deserves considerable attention from a historical perspective. It is a peculiar case since, while it was relatively successful in the early twentieth century, its economic performance proved mediocre and declined in the last decades of the same century. Considering such a controversial trajectory and in light of contributions from domestic and international observers, some classic comparisons, with countries like Australia, Canada or Brazil, can offer renewed interest and engender new questions. The first part of the seminar will reflect upon Argentina's experience compared to these other countries.

The second part of the seminar will review how the modern day system of public finance arose in Argentina. Given diverging regional interests and conflicts, the formation of federal finances followed a complex trajectory until the establishment of a 'Fiscal Pact' in the middle of the nineteenth century. This evolved over time, with many other transformations, until the emergence of the modern-day model of revenue sharing. The principles inherent within the modern day model are reflected in the provisions of the last Constitutional Reform, undertaken in 1992.

Miguel Angel Asensio is Doctor in Economics (Alcalá University, Spain) and Doctor in History (Torcuato Di Tella University, Argentina). He also holds degrees in economic sciences (UNL and UNR, Argentina) and is Undergraduate and Graduate Professor of Economic History and Public Finance (UNL and others) and Director of Public Administration Doctoral Program (UNL).

### Building a better feedback loop

13 November 2018

Andrew Leigh

Assessing whether policies work is fundamental to good government. Yet all too often, program evaluation is low-quality or non-existent. Drawing on his recent book *Randomistas*, Andrew Leigh discussed the importance of raising the evidence bar and systemic changes that might ensure that Australia does a better job of evaluating government policies.

Hon Dr Andrew Leigh MP is the Deputy Chair of Standing Committee on Economics and Member for Fenner in the Australian Capital Territory. Prior to being elected in 2010, Andrew was a professor of economics at the Australian National University. He holds a PhD in public policy from Harvard, having graduated from the University of Sydney with first class honours in Law and Arts.

## What does Education do?

18 March 2019

David Deming

The benefits of investment in education is one of the most robust findings in social science. Hundreds of studies have demonstrated the impact of education on earnings, health, family formation, civic participation, happiness and other life outcomes. This has led researchers and policymakers to call for a renewal and expansion of public investment in higher education, for example through 'free college' plans proposed in many U.S. states and countries around the world.

Yet despite the demonstrated economic value of education, we have varying ideas about why education is so important. This talk reviewed what is known about the returns to education, and argued that the workhorse 'human capital model' is an incomplete description of the value of education for social mobility and human welfare. Understanding what education does is necessary for important policy questions, such as who will gain the most from investments in education, which policy levers are most effective, and how we should design educational systems for the future of work in the 21st century.

David Deming is a Professor at the Harvard Kennedy School and the Harvard Graduate School of Education, the Director of the Harvard Inequality and Social Policy Program, and a Research Associate at the National Bureau of Economic Research. His research focuses broadly on the economics of skill development, education and labor markets.

## Can we build the case for Tax reform workshop

29 November 2018

The push to make TTPI a major voice for tax and transfer reform in Australia is being advanced with the formation of a stakeholder group to advance the cause of systemic reform. The first meeting of this group occurred at a breakfast workshop in Sydney on 29 November 2018. The workshop included 30 high-profile and influential people from the corporate, community and academic sectors. The medium term goal is to develop a set of propositions for a shared vision on tax reform and to discuss the desirability and potential for forming a broad-based coalition for tax reform. A follow-up event is to be held in July 2019.

## TTPI research seminar series

TTPI hosted eight lunchtime seminars in the 2018-2019 year. These seminars covered a broad range of topics and were attended by a mix of government employees, the public, academics and students. The events are audio recorded and can be found on the TTPI website.

2018-2019 research seminars:

**Claudio Labanca**, Monash University, 'Coordination of hours within the firm', 10 July 2018

**Andrew Carter**, Australian Taxation Office, 'The employment effects of the mature age worker tax offset', 25 September 2018

**Ben Ralston**, The Treasury, 'Does payroll tax affect firm behaviour', 9 October 2018

**Peter Varela**, The Australian National University, 'Taxing the return to savings: How does the Australian tax system compare with 'best practice'', 26 February 2019

**David Deming**, Harvard University, 'STEM careers and technological change', 19 March 2019

**Brendan Coates**, Grattan Institute, 'Money in retirement: Do we have enough?', 30 April 2019

**Ross Hickey**, University of Melbourne, 'The effect of tax price on donations', 14 May 2019

**Shawn Chen**, University of Western Australia, 'Taxational resource curse: Evidence from China', 11 June 2019

## Outreach seminars

In mid-2018 TTPI began a series of outreach seminars at various government departments to present research findings directly to policymakers. Whilst the program comprised a variety of speakers and topics, departments were encouraged to contact TTPI with alternative topic requests. The seminars were well attended and continued into 2019. A list of presentations by government department, is:

### Parliamentary Budget Office

29 August 2018, Mature age worker tax offset, Robert Breunig, Andrew Carter

14 September 2018, An overview of Australia's tax system, Robert Breunig, Kristen Sobeck

5 October 2018, Collateral damage: what we miss when we focus on the average effect of a policy intervention, Mathias Sinning

12 October 2018, Tax Progressivity: International Comparison, Chung Tran



### **Australian Taxation Office**

5 September 2018, Andrew Carter The employment effects of the mature age worker tax offset (MAWTO)

12 September 2018, Australia's high company tax rate and dividend imputation: a poor tax recipe for a small open economy? Chris Murphy

24 September 2018, Historical pension and superannuation debates and the development of superannuation policy in Australia, Emily Millane

3 October 2018, Collateral damage: what we miss when we focus on the average effect of a policy intervention, Mathias Sinning

10 October 2018, The elasticity of taxable income, Robert Breunig

18 October 2018, The budget, gender, tax-transfers and inequality, Miranda Stewart

24 October 2018, The history of gender and superannuation policy in Australia, Emily Millane

14 November 2018, Tax Progressivity: International Comparison, Chung Tran

21 November 2018, Would Australians be more supportive of redistribution if they knew what level of inequality existed? Chris Hoy

28 November 2018, Optimal fiscal equalisation and its application to Australia: updated (for Productivity Commission report) Chris Murphy

5 December 2018, An overview of Australia's tax system, Robert Breunig, Kristen Sobeck

### **Department of Social Services**

19 October 2018, Collateral damage: what we miss when we focus on the average effect of a policy intervention, Mathias Sinning

### **Prime Minister and Cabinet**

25 October 2018, Collateral damage: what we miss when we focus on the average effect of a policy intervention, Mathias Sinning

### **Treasury**

7 November 2018, The history of gender and superannuation policy in Australia, Emily Millane

### **Department of Industry, Innovation and Science**

10 October 2018, Collateral damage: what we miss when we focus on the average effect of a policy intervention, Mathias Sinning

24 April 2019, The effects of immigration on employment and wages of incumbent Australians, Nathan Deutscher, Robert Breunig

8 May 2019, Would Australians be more supportive of redistribution if they knew what level of inequality existed? Chris Hoy

13 June 2019, Hybrid Public Policy overview, Mark Fabian, Robert Breunig

# PUBLICATIONS

TTPI researchers, fellows and visitors publish and present our research in a wide range of academic, policy and public forums.

The TTPI working paper series 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, across all disciplines. Submissions are peer reviewed. Working papers are open access and are listed on the Social Science Research Network (SSRN) Series. Working papers may be published jointly with other working paper series or institutes.

TTPI has established an occasional policy brief series providing explanations and analyses of key tax and transfer issues. The aim is to inform and explain issues for policy and public debate.

TTPI Tax Facts provide a brief non-technical overview of specific tax and transfer policy issues.

## TTPI working papers

**WP15/2018**, Breunig, R, Carter, A, 'Do earned income tax credits for older workers prolong labor market participation and boost earned income? Evidence from Australia's mature age worker tax offset' (July 2018)

**WP16/2018**, Labanca, C, Pozzoli, D, 'Coordination of hours within the firm' (August 2018)

**WP17/2018**, Killaly, J, 'The Chevron Australian Holdings case and the reach of the arm's length principle' (October 2018)

**WP1/2019**, Chakraborty, L, Gandhi, P, 'Impact of intergovernmental fiscal transfers on gender equality in India: an empirical analysis' (January 2019)

**WP2/2019**, Breunig, R, Freestone, O, 'Risk aversion among Australian households' (February 2019)

**WP3/2019**, Mughan, S, 'When do municipal consolidations reduce government expenditures? Evidence on the role of local involvement' (March 2019)

**WP4/2019**, Hoy, C, Toth, R, 'Aligning preferences for redistribution of right and left wing voters by correcting their beliefs about inequality: Evidence from a randomized survey experiment in Australia' (March 2019)

**WP5/2019**, Tran, C, Zakariyya, N, 'Tax progressivity in Australia: Facts, measurements and estimates' (March 2019)

**WP6/2019**, Ingles, D, 'Taxing capital income and the Z-tax solution' (May 2019)

**WP7/2019**, Ingles, D, 'Improving cash flow corporate taxation (CFCT) and the Z-tax (ZT) approach' (June 2019)

## TTPI policy briefs

**PB1/2018**, Stewart, M, 'Personal income tax cuts and the new Child Care Subsidy: Do they address high effective marginal tax rates on women's work?' (August 2018)

**PB2/2018**, Wong, T, Stewart, M, 'Budget transparency: The Open Budget Survey 2017' (September 2018)

**PB1/2019**, Wong, T, Stewart, M, 'Assessing the quality of government justifications for company tax forecasts and deviations in Australian budgets from 2013-2014 to 2017-2018' (April 2019)

## TTPI tax facts

**Tax Fact #1:** Principles of tax system design - August 2018

**Tax Fact #2:** Economic fundamentals: Deadweight loss - April 2019

**Tax Fact #3:** Good tax policy: Broadening the tax base and lowering tax rates - April 2019

**Tax Fact #4:** Good tax policy: Taxing negative externalities - April 2019

**Tax Fact #5:** Economic fundamentals: Randomised control trials - April 2019

**Tax Fact #6:** Good tax policy: Tax offsets or tax deductions? - April 2019

**Tax Fact #7:** Australia's tax policy: Is the low income tax offset (LITO) different to the tax-free threshold? - April 2019

**Tax Fact #8:** Good Tax Policy: Taxing Economic Rents - May 2019

## Academic publications

Barr, N, **Chapman, B**, Dearden, L and Dynarski, S (2018) 'The US college loans system: Reform lessons from Australia and England', *Economics of Education Review*, doi: 10.1016/j.econedurev.2018.07.007

Best, R, and **Burke, Paul J** (2019) 'Fuel prices and road accident outcomes in New Zealand', *New Zealand Economic Papers* 53(2), 109–124

Biddle, N, Fels, K and **Sinning, M** (2018) 'Behavioral insights on business taxation: Evidence from two natural field experiments', *Journal of Behavioral and Experimental Finance* 18, 30-49

Blakelock, S and **Stewart, M** (2018) 'Australia's evolving general anti-avoidance law', in Tron, M (ed) *The Structure of Anti-Avoidance Rules Vol 100a Cahiers de droit fiscal international* (70th International Fiscal Association Congress, Sdu Fiscale & Financiele Uitgevers: The Netherlands)

**Breunig, R**, Hasan, S and Hunter, B (2018) 'Financial stress and Indigenous Australians', *Economic Record*, published in *Early View*, pp. 1-24

**Breunig, R**, and McCarthy, O (2019), 'Household Telecommunications Expenditure in Australia', *Telecommunications Policy*, forthcoming

**Breunig, R**, Hasan, S and Whiteoak, K (2019) 'Impact of playgrounds on property prices: evidence from Australia', *Landscape and Urban Planning*, forthcoming

**Breunig, R** and Carter, A (2019) 'Do earned income tax credits for older workers prolong labor market participation and boost earned income? Evidence from Australia's Mature Age Worker Tax Offset', *Economic Record*, forthcoming

- Breunig, R** and Fabian, M (2019) 'Long work hours and job satisfaction: do over-workers get trapped in bad jobs?', *Social Science Quarterly*
- Breunig, R**, Hasan, S and Hunter, B (2019) 'Financial stress and Indigenous Australians' *Economic Record*, Volume 95, Number 308, pp. 34-57
- Breunig, R**, Burris, S, Crofts, N, Herrington, A, Mcleod, A, Middleton, J, Punch, M, Sherman, S, Sullivan, H, Thomson, N, van Dyke, A (2019), 'Redrawing the Thin Blue Line: Recognising and Enhancing Joined up Solutions at the Intersection of Law Enforcement and Public Health', *Lancet*, forthcoming
- Breunig, B**, Crofts, H.V, Herrington, V, van Dijk, A, N et al (2019) 'Law enforcement and public health: recognition and enhancement of joined-up solutions', *Lancet*, The (UK edition), vol. 393, no. 10168, pp. 287-294
- Burke, Paul J** and Teame, A (2018) 'Fuel prices and road deaths in Australia', *Economic Papers* 37(2), 146-161
- Burke, Paul J**, Liao, H and Teng, M (2019) 'The demand for coal among China's rural households: Estimates of price and income elasticities', *Energy Economics* 80, 928-936
- Chapman, B** and Doris, A (2018) 'Modelling higher education financing reform for Ireland', *Economics of Education Review*, doi: 10.1016/j.econedurev.2018.06.002
- Chapman, B**, Wan, Q, and Yu, C (2018) 'Repayment burdens from mortgage-style student loans and towards an income contingent loan for China', *Economics of Education Review*, doi: 10.1016/j.econedurev.2018.06.002
- Chapman, B**, Doan, D (2019) 'Introduction to the special issue: Higher education financing: student loans', *Economics of Education Review*, doi: 10.1016/j.econedurev.2019.04.001
- Chapman, B**, Doan, D (2019) 'Higher education financing: Student loans introduction', *Economics of Education Review*, Vol. 71, 2019
- Chapman, B** (2018) 'It works in practice, but would it work in theory'? Joseph Stiglitz's contribution to our understanding of income contingent loans', in Martin Guzman (ed.) *Towards a Just Society: Joseph Stiglitz and Twenty-First Century Economics*, Columbia University Press, New York: ch 22
- Chapman, B** (2018) 'The politics of HECS', in P. Texiera and J. Shin (eds.) *Encyclopedia of International Higher Education Systems and Institutions*, Springer, Dordrecht
- Chapman, B** (2018) 'The political economy of the higher education contribution scheme', (with Timothy Hicks) in B. Cantwell, H. Coates, R. King (eds.) *Handbook on the politics of higher education*, Edwards Elgar, Cheltenham: ch 14
- Chapman, B** (2018) 'HECS: A hybrid model for higher-education financing', in M. Fabian and R. Breunig (eds.), *Hybrid Public Policy Innovations: Contemporary Policy Beyond Ideology*, London, UK: Routledge: 119-133
- Chapman, B** (2019) 'The international revolution in higher education financing: Concepts, research and policy' (with Lorraine Dearden and Dung Doan), in C. Callender, W. Locke and S. Marginson (eds) *The Future of Higher Education*, London: Bloomsbury
- Davies, R and **Stewart, M** (2018) 'The Gatekeeper Court: For the Revenue or the Taxpayer?' in James Stellios and Pauline Ridge (eds), *The Federal Court's Contribution to Australian Law: Past, Present and Future* (Federation Press: Sydney) 213-236
- Hasan S, **Sinning, M** (2018) 'GST reform in Australia: Implications of estimating price elasticities of demand for food', *The Economic Record* 94, 239-254
- Ingles, D, Philips, B and **Stewart, M** (2019) 'From Guaranteed Minimum Income to Basic Income: What might it look like?' in Peter Saunders (ed) *Revisiting Henderson: Poverty, social security and basic income* (Melbourne University Press) 377-400
- Ingles, D and **Stewart, M** (2018) 'Australia's company tax: Options for fiscally sustainable reform', *Australian Tax Forum* Vol 33 Issue 1, 101-139
- Millane, E and **Stewart, M** (2019) 'Behavioural Insights in Tax Collection: Getting the legal settings right' vol 16(3) *eJournal of Tax Research* 500-535
- Galasso, V, Mazur, M, Redonda, A, **Stewart, M** and Whittaker, M (2019) T20 Policy Brief 'Taxation in Aging Societies: Increasing the Effectiveness and Fairness of Pension Systems'
- Gray, M, **Stanton, D**, Qu, L and Weston, R (2019) 'Fifty years of changing families: Implications for income support', Chapter 4, pp. 67-88, in P. Saunders (Ed), *Revisiting Henderson. Poverty, Social Security and Basic Income*, Melbourne University Press, Carlton, Victoria
- Regan, S, **Stanton, D** (2019) 'The Henderson poverty inquiry in context', Chapter 3, pp. 47-66, in P. Saunders (Ed), *Revisiting Henderson. Poverty, Social Security and Basic Income*, Melbourne University Press, Carlton, Victoria
- Stewart, M** (2019) 'Transparency, Tax and Human Rights: What is the Purpose of Transparency?', in Nikki Reisch and Philip Alston (eds) *Tax, Inequality and Human Rights* (Oxford Uni Press, New York), forthcoming
- Heron, A, **Whiteford, P** (2018) 'Non-standard workers in a tax-financed social protection system: The Case of Australia' in *The Future of Social Protection: What works for non-standard workers?* OECD, Paris
- Whiteford, P** (2019) 'Social Security since Henderson', in P. Saunders (Ed), *Social Security Reform: Revisiting Henderson and Basic Income*, Melbourne University Press, Melbourne
- Adema, W, Fron, P, Shin E, and **Whiteford, P** (2019) 'Extending coverage and the future of social protection in Asia and the Pacific', Chapter 2, *Society at a Glance: Asia/Pacific 2019*, OECD Publishing, Paris

## Reports

**Stewart, M.**, 'New approaches to tax and welfare in Australia and Korea', workshop two in Seoul 7-8 September 2018, funded by the Australia-Korea Foundation, DFAT.

## International research engagement

TTPI faculty have numerous links and engaged to develop research programs with a range of international academic and government organisations in 2018-2019 including:

- > National Institute for Public Finance, India
- > Korea Institute of Public Finance, Korea
- > University of Seoul, Department of Science in Taxation
- > London School of Economics, United Kingdom
- > University College London, United Kingdom
- > University of Oxford, England
- > Research with Impact (RWI) Essen, Germany
- > Institute for the Study of Labor (IZA) Bonn, Germany
- > University of Wellington, Public Finance, Business School
- > University of Indonesia
- > International Fiscal Association, Japan branch
- > Harvard Kennedy School
- > Alcalá University, Spain
- > National University of Singapore
- > Padjadjaran University, Indonesia
- > Nanyang Technological University, Singapore
- > Peking University, China
- > Indonesian Institute of Sciences
- > Harvard University, Cambridge MA/USA
- > Western University Law School, Ontario, Canada
- > Papua New Guinea internal revenue commission
- > International Budget Partnership, Washington, USA
- > University of Chile
- > University of Wisconsin-Madison, USA
- > University of International Business and Economics, Beijing
- > Jiangxi Agricultural University
- > Central University of Finance and Economics, Beijing
- > Asian and Australasian Society of Labour Economics
- > Hefei University of Technology

# ENGAGEMENT

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

The TTPI monthly newsletter has 1178 contacts, and of these 838 are subscribers. The newsletter is distributed in Australia and around the world across government, business and community sectors, informing them of new developments, visitors, events and publications. The Austaxpolicy blog and Twitter handle @Austaxpolicy experienced considerable growth, and exposure in 2018-2019.

TTPI conducts many activities in partnership with other research institutes at ANU, other universities, government departments and other entities. This collaboration is central to TTPI's ability to influence public policy.

## Selected speeches and presentations

### Robert Breunig

'Taxpayer responsiveness to marginal tax rates: Bunching evidence from the Australian personal income tax system', Australian Conference of Economists, Canberra, July 2018

'Do earned income tax credits for older workers prolong labour market participation and boost earned income? Evidence from Australia's Mature Age Worker Tax Offset', Australian Conference of Economists, Canberra, July 2018

'Do earned income tax credits for older workers prolong labor market participation and boost earned income? Evidence from Australia's Mature Age Worker Tax Offset', Australia-Korea Tax and Welfare Workshop, Seoul, September 2018

'Priorities and challenges for tax reform in Australia', Australia-Korea Tax and Welfare Workshop, Seoul, September 2018

'The political economy of tax', Melbourne Institute Outlook Conference, Melbourne, October 2018

'Inequality, Poverty and Economic Growth', Jiangxi Agricultural University, Jiangxi, China, November 2018

'Inequality, Poverty and Economic Growth', Central University of Finance and Economics, Beijing, China, November 2018

'Inequality, Poverty and Economic Growth', Hefei University of Technology, Hefei, China, November 2018

'Playgrounds and property prices', Asian and Australasian Society of Labour Economics (AASLE), Seoul, South Korea, December 2018

'Inequality, Poverty and Economic Growth', Lee Kuan Yew School of Public Policy, National University of Singapore, April 2019

'Tax Policy Keynote Presentation: Tax and the Economy—Policy and Performance', 2019 Barossa Convention, The Tax Institute, Adelaide, South Australia, May 2019

### Paul J Burke

'Closures of coal-fired power stations in Australia: Local unemployment effects', National Institute of Public Finance and Policy, India, September 2018

'Long-term lock-in of fossil fuels: the carbon pricing key', Nanyang Technological University, January 2019

'Explaining spatial variation in small-scale solar uptake across Australia', National University of Singapore, January 2019

'Overcoming barriers to solar and wind energy adoption in Indonesia: Learnings from India', University of Indonesia, January 2019

'Overcoming barriers to solar and wind energy adoption in Indonesia: Learnings from India', Padjadjaran University, January 2019

'Explaining spatial variation in small-scale solar uptake across Australia', Indonesian Institute of Sciences (LIPI), January 2019

### Bruce Chapman

'The economics and public policy of student loans: Lessons for Vietnam', ANU/Vietnam Academy of Social Sciences conference, Higher education financing: the need and potential for reform in Vietnam, Hanoi, Vietnam, July 2018

'Student loans issues for Chile', at the government of Chile and CBE (ANU) forum, Higher education financing policy, Santiago, Chile, October 2018

'Higher education financing international experience: Lessons for Chile', at the University of Chile and CBE (ANU) conference, Student loan policy, Santiago, Chile, October 2018

'The international student loans situation', Australian embassy policy series, Kuala Lumpur, Malaysia, March 2019

'Student loans: An introduction', at the IPEA/ANU conference Income-contingent debt for higher education and beyond, Brasilia, Brazil, July 2019

### John Hewson

Official Monetary and Financial Institution, Singapore, 17 July 2018

Australian Institute of Family Studies, Melbourne, 25 July 2018

Australia Centre for Economic Studies, University of Adelaide 8 August 2018

PricewaterhouseCoopers, Business event, Mornington, 6 September 2018

Launch Social Return Accounting, UNSW, 10 September 2018

EGN Business Breakfast, Sydney, 11 September 2018

Press Conference, Australia Institute, Parliament House Canberra, 12 September 2018

General Services Administration (GSA) Economics briefing, Sydney, 18 September 2018



Festival of Dangerous Ideas, Sydney, 3 November 2018

Universities of Future, University of Sydney, 22 November 2018

Ernst & Young Business event, Sydney, 22 November 2018

TTPI Tax Summit, University of Sydney, 29 November 2018

Panel on Corporate Governance/Royal Commission, University of Sydney, 11 December 2018

ANU Public Policy panel, Canberra 25 January 2019

ACOSS/UNSW poverty and inequality partnership, Sydney, 19 February 2019

Fair Trade panel and Chair, Sydney, 6 March 2019

DFAT/Indonesia Conference, Jakarta, 10-13 March 2019

FX Week, Sydney, 27 March 2019

ANU Leadership Program, Canberra, 28 March 2019

Riverside Business Chamber, Sydney, 1 April 2019

PricewaterhouseCoopers Budget Breakfast, Brisbane, 3 April 2019

PricewaterhouseCoopers Budget Panel, Sydney, 3 April 2019

Launch CEDA Budget Analysis, 5 April 2019

EGN Business Breakfast, Newcastle, 8 April 2019

EGN Business Breakfast, Wollongong, 14 May 2019

ANU, National Press Club Election Panel, Canberra, 14 May 2019

British High Commission, UK Financial Conduct Authority, 15 May 2019

ANU Crawford, Executive Program, Canberra, 24 May 2019

Sir Roland Wilson Foundation Post Election panel, Canberra, 18 June 2019

ANU Leadership Forum Breakfast, Chair, Superannuation, Canberra, 24 June 2019

Future Shapers Dinner, Crawford ANU, 25 June 2019

Business Council of Co-operatives and Mutuals, Sydney, 26 June 2019

### **Chris Murphy**

'A Dynamic mini-CGETAX Model', paper presented to the 2018 Australian Conference of Economists, Canberra, 10-13 July 2018

### **David Stanton**

'Social security inquiries in Australia: A review'; Foundation for International Studies on Social Security (FISS) 26th International Research conference on 'Social security responses to national and global challenges: Actions and impacts the future', (co-author S Regan), Sigtuna, Sweden, 11 June 2019

'The ministerial task force on child support in Australia: An example of evidence informed policy development', Foundation for International Studies on Social Security (FISS) 26th International Research conference on 'Social security responses to national and global challenges: Actions and impacts the future', (co-author S Regan) Sigtuna, Sweden, 11 June 2019

'Overview of the Australian social security system and welfare conditionality', International Symposium on Welfare Conditionality, University of York, (co-author M Gray) 30 January 2019

### **Mathias Sinning**

'Nudging businesses to pay their taxes: Does timing matter?' conference of the Association for Public Policy Analysis and Management (APPAM), Washington, DC/USA, November 2018

'Nudging businesses to pay their taxes: Does timing matter?' seminar, La Follette School of Public Affairs, University of Wisconsin-Madison, Madison, WI/USA, November 2018

'Nudging businesses to pay their taxes: Does timing matter?' Asian and Australasian Society of Labour Economics (AASLE), Seoul/South Korea, December 2018

'Nudging businesses to pay their taxes: Does timing matter?' seminar, University of International Business and Economics (UIBE), Beijing/China, April 2019

### **Miranda Stewart**

'Tax in the tank', tax and modelling panel, Australian Conference of Economists, Canberra, 13 July 2018

'A basic income for Australia? Rationale, design and cost', Treasury, Canberra, (co-authors David Ingles, Ben Phillips) 3 August 2018

'*Hybrid public policy*', book launch, Department of Prime Minister and Cabinet, 12 July 2018

'Basic income: Feasibility and cost', Economists' lunch, The Australian National University, 3 August 2018

'Childcare and effective marginal tax rates', Department of Prime Minister and Cabinet, Canberra, 9 August 2018

'Behavioural insights, tax and public policy', Behavioural Economics and Public Policy conference, Crawford School of Public Policy, The Australian National University, 10 August 2018

'A basic income for Australia? Rationale, design and cost', Australia-Korea Foundation workshop, New approaches to tax and welfare in Australia and Korea, Seoul, Korea, 8 September 2018

'What is the purpose of tax transparency?' International Fiscal Association Japan branch, Tokyo, Japan, 11 September 2018

'Gender, participation, care and work participation', Economic and social participation network, ESPrit workshop, University of Melbourne, 9 October 2018

'The political economy of tax', Melbourne Institute/The Australian Economic and Social Outlook conference, Melbourne, 12 October 2018

'Policy roundtable and briefings', with Professor Mariana Mazzucato, CPD-Monash, Melbourne, 12 December 2018

'Distribution between rich and poor countries', IBFD knowledge transfer seminar, International Bureau of Fiscal Documentation, Amsterdam, The Netherlands 4 February 2019

'How far does EU influence in tax extend? The view from Australia', UC Louvain seminar series: The influence of EU economic law in the world? – How soft? How global? Brussels, Belgium, 6 February 2019

## 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.

### Selected media

'Good times, bad times' *Inside Story*, by Peter Whiteford, 5 July 2018

'Are you a top earner in your city?' *Daily Telegraph*, by Charis Chang (Robert Breunig comments) 13 July 2018

'Better budgeting: public participation is Australia's 'weakest link', *The Mandarin*, by David Donaldson (Teck Chi Wong and Miranda Stewart comment) 2 October 2018

'Relax. The divide between the taxed and the 'taxed-nots' isn't new and doesn't buy elections', *The Conversation*, by Peter Whiteford, 2 October 2018

'Researchers says wealth tax an incentive to work', *The Australian*, co-author Miranda Stewart, 11 October 2018

'Have we lost our stomach for tax reform?' *The Sydney Morning Herald*, by Jessica Irvine (Miranda Stewart comments) 17 October 2018

'FactCheck: is the Coalition spending '\$1 billion extra, every year' on aged care?', *The Conversation*, by Peter Whiteford, 22 October 2018

'Traditional culture may help Indigenous households manage money better', *The Conversation*, by Robert Breunig and Boyd Hunter, 31 October 2018

'Tinkering can achieve a lot. Politics isn't broken', *The Conversation*, by Emily Millane, 5 November 2018

'Labor wants to name and shame dodgy phoenix directors', *ABC News*, by Nassim Khadem, (reference to Chris Leech's paper, TTPI seconded 2016-17) 7 November 2018

'We need tax reform', *ANUreporter*, by Robert Breunig and Kristen Sobock, Volume 49, November 2018

'Why social policy counts', *Inside Story*, by Peter Whiteford, 30 November 2018

'It's not just Newstart. Single patents are \$271 per fortnight worse off. Labor needs an overarching review', *The Conversation*, by David Stanton, Peter Whiteford, Ben Phillips, Bruce Bradbury, Matthew Gray, and Miranda Stewart, December 2018

'New figures put it beyond doubt. When it comes to company tax, we are a high-tax country, in part because it works well for us', *The Conversation*, by Miranda Stewart, 16 January 2019

'OECD gets Australia's effective corporate tax very wrong', *The NEW DAILY*, by Michael Pascoe (Miranda Stewart comments) 16 January 2019

'A 'Fresh Approach to Universal Credit' – Are There Lessons from Australia?' by Peter Whiteford, Australian National University and Jane Millar, University of Bath., *IPR Blog*, 5 March 2019

'Future budgets are going to have to spend more on welfare, which is fine. It's spending on us', *The Conversation*, by Peter Whiteford, 6 March 2019

'The government is right - immigration helps us rather than harms us', *The Conversation*, by Robert Breunig, 20 March 2019

'High-income Canberra leads nation on superannuation balances', *The Canberra Times*, by Doug Dingwall (Robert Breunig comments) 30 March 2019

'In it together: why receiving benefits is far more common than we think', *Social Policy Association Blog*, 50 for 50, No. 44, by Peter Whiteford, 8 April 2019

'The Coalition's record on social policy: big on promises, short on follow-through', *The Conversation*, by Peter Whiteford, 9 April 2019

'What will the Coalition be remembered for on tax? Tinkering, blunders and lost opportunities', *The Conversation*, by Robert Breunig and Kristen Sobock, 9 April 2019,

'The joy of tax', *The Economists ABC*, Peter Martin, Gigi Foster and Robert Breunig, 18 April 2019

'Tax cut will drive up effective tax rate for middle income earners, analysis shows', *The Canberra Times*, by Shane Wright (Steven Hamilton, TTPI Research Affiliate comments) 24 April 2019

'Labor promises to raise childcare wages if elected', *ABC News - The World Today* with Sarah Whyte (comments by Jesita McGowen, Sara Charlesworth and Robert Breunig) 29 April 2019

'Expecting the Unexpected', *Inside Story*, by Peter Whiteford, 30 April 2019

Federal election 2019: Labor's childcare proposal 'a really big deal for typical families', says Grattan Institute, *ABC News* by Emma Alberici (Miranda Stewart comments) 5 May 2019

'Dissecting tax policies ahead of the election', *Radio National Drive*, with Patricia Karvelas Miranda Stewart comments, 9 May 2019

Federal Election 2019: Labor's childcare wages pledge risks being 'a handout to big business', *ABC News* by Madeleine Morris (Robert Breunig comments) 13 May 2019

'Why childcare is an election battleground', *ABC News 7.30 Report* with Leigh Sales and reporter Madeleine Morris (Robert Breunig comments) 14 May 2019

Federal Election 2019: Labor's capital gains tax plan with have 'bigger impact' on house prices than negative gearing, *ABC News* by Carrington Clarke (Miranda Stewart comments) 15 May 2019

'Key challenges for the re-elected coalition government: our experts respond', *The Conversation*, by Corey JA Bradshaw, Miranda Stewart, Peter Goss, Phillip O'Neill and Stephen Duckett, 19 May 2019

'Company tax reform could be ScoMo's GST', Australian *Financial Review*, by Steven Hamilton, TTPI Research Affiliate, 26 May 2019

'A rising tide that hasn't lifted all boats', *Inside Story*, by Peter Whiteford, 31 May 2019

'A snapshot of life in the middle class', *The Canberra Times*, by Peter Whiteford, 8 June 2019

### **John Hewson**

'PBO predicts workers will take on a higher portion of tax', *ABC Radio RN*, Hamish McDonald speaks with John Hewson, 19 July 2018

'It's about doing the right thing': Government will pursue company tax cuts, *2GB radio*, Ross Greenwood (John Hewson interview) 30 July 2018

'Rising household financial stress requires urgent action', *Newcastle Herald*, 2 August 2018

Panel discussion, *The Drum, ABC News*, Peter Lewis, Christine Forster, John Hewson, Shalailah Medhora, 14 September 2018

Panel discussion, *The Drum, ABC News*, Host: Kathryn Robinson; Panel: Brooke Boney, Alan Kirkland, Amanda Rose and John Hewson, 20 December 2018

'Hewson's view: The increased irrelevance of machine politics', *Newcastle Herald*, 31 January 2019

'A fish rots from the head': can banking's culture problem be fixed? ANU College of Asia and the Pacific, 7 February 2019

'We're at a global debt precipice and our central banks are failing us', *The Sydney Morning Herald*, 15 March 2019

'Self-absorbed' government threatens the economy, *Your Money*, interview with John Hewson, 27 March 2019

'Frydenberg looks ridiculous as government gets into a pickle', *The Sydney Morning Herald*, 10 April 2019

'John Hewson speaks to Rachel Pupazzoni', *ABC News*, The Business, 17 May 2019

'Labor loss should not kill tax reform', Australian *Financial Review*, by John Kehoe (John Hewson comments) 19 May 2019

Podcast: 'The Auspolicy issue - what the country voted for', panel: Liz Allen, Paul Burke, John Hewson, Warwick McKibbin, Bob Cotton, Quentin Grafton, Asia and the Pacific Policy Society, 24 May 2019

'There's too much emphasis on economic growth', *Southern Highland News*, 6 June 2019

'A recession may be inevitable – even desirable', *The Sydney Morning Herald*, 6 June 2019

'I personally doubt they are affordable': Former Liberal leader sledges tax cuts, *The Canberra Times*, by Katie Burgess, John Hewson comments, 18 June 2019

'Blowing in the wind: Australia's China policy is all over the shop', *The Sydney Morning Herald*, 20 June 2019

### *Southern Highland News, Hewson's View:*

- > A contrast between division and national unity' 11 July 2018
- > 'Rising household financial stress requires urgent action' 2 August 2018
- > 'Is this the end of government by major parties?' 25 October 2018
- > 'Can our PR PM accept economic reality?' 6 December 2018
- > 'Political messes around the world' 13 December 2018
- > 'Coalition forfeits right to govern without effective climate action plan' 28 February 2019
- > 'You can only spin the economy for so long' 7 March 2019
- > 'In it for themselves, not the nation' 14 March 2019
- > 'Election gambles' 4 April 2019
- > 'An uninspiring election campaign' 18 April 2019
- > 'The campaign is not resonating' 25 April 2019
- > 'Our nation deserves better' 2 May 2019
- > 'No surprise about waning confidence' 13 June 2019



## Austaxpolicy.com blog and @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 TTPI launched the Austaxpolicy Blog at Austaxpolicy.com and accompanying Twitter account, @Austaxpolicy. Austaxpolicy is edited by Miranda Stewart, Mathias Sinning and Sonali Walpola, with editorial support by Teck Chi Wong, Maria Sandoval Guzman and interns. In April 2018, Austaxpolicy also extended its presence to Facebook to reach a broader audience.

Austaxpolicy features insight and analysis from experts of all disciplines writing on tax and welfare, budget policy, intergovernmental financial relations and public finance. Austaxpolicy publishes blog articles from academic and policy experts across a range of disciplines and topics in the field, including regular contributions from staff and fellows at TTPI. As well as publishing leading Australian and international experts, Austaxpolicy supports early career researchers and PhD students by encouraging them to present their research to a wider audience.

The year 2018-2019 is our third full year of operation for the blog and it has been a year of considerable growth, exposure and public value. During the year, we published 90 articles from 111 authors, including internationally well-known scholars such as Alberto Alesina (Harvard), Peter Egger (ETH Zurich) and Jane Millar (Bath) as well as Australian scholars such as John Taylor (UNSW) and Helen Hodgson (Curtin).

The number of visitors increased by 57% to more than 30,000 and the number of page views increased 43.7% to almost 60,000. In particular, we saw a strong build up of traffic in the months before the 2019 Australian federal election and May was our best month ever with more than 7,000 page views

recorded. Our top article for the year is a three year old article by TTPI's own Research Fellow, Peter Varela, 'Brief: Progressive and regressive taxes' (24 February 2016), which received 2,556 hits. For articles posted during the year, 'Increase in Newstart Allowance Long Overdue', by TTPI Chair John Hewson (published on 31 January 2017) is the most popular, receiving 741 page views.

While more than half of our readers were from Australia and the United States, traffic from Asian countries has been increasing at a faster rate. Malaysia is now the third largest source by country, followed by India, the United Kingdom and the Philippines. China also entered the top ten for the first time, now ranked at 8th. Sydney and Melbourne are the largest traffic sources by city, while administrative capitals like Canberra, Washington (US) and Quezon City (Philippines) also generated considerable traffic.

In December 2017, Crawford School Director Professor Helen Sullivan committed the School to gender balance in its public events program. During the last year, 78 (70%) of our contributors were men, while 33 (30%) were women. Our overall statistics are a little better: of 89 substantive blog articles, nearly half had at least one female author, although 48 (53.9%) had only male authors. Our readership is pretty close to equal; men (52%) were only slightly more likely to read Austaxpolicy than women (48%). Austaxpolicy will actively seek to improve the gender balance of contributions in future years.

Many of our readers access Austaxpolicy through Twitter and Facebook. Our twitter handle, @Austaxpolicy, expanded our following to 1,064 during the year and tweeted 1,292 times. Our largest tweet impressions were achieved during November 2018, when we received 89,447 impressions. In total, we recorded 761,047 tweet impressions during the year.

# AUSTAXPOLICY

Research and analysis of tax and transfer policy for public benefit



### Top ten Austaxpolicy articles in 2018-2019

**Hewson, J** 'Increase in Newstart Allowance Long Overdue', (741 page views) 31 January 2019

**Breunig, R & Sobeck, K** 'Pay Disclosure: Information Is Power for Employers and Empowers Employees', (658 page views) 23 July 2018

**Pawson, I** "Crowding Out' Evidence-Based Policy: The Case of Negative Gearing', (620 page views) 24 January 2019

**Hoy, C** 'Coalition and Labor Voters Share Policy Priorities When They Are Informed About Inequality', (577 page views) 11 April 2018

**Leigh, A** 'Tax Havens: The Little Islands That Are Costing You Big Money', (521 page views) 25 September 2018

**Walpola, S & Ping, Y** 'Tax Offsets and Equity in the Scheme for Taxing Resident Individuals', (498 page views) 17 April 2019

**Günther, S** 'Politics of Taxation in the Roman Empire', (494 page views) 28 February 2019

**Tran, C & Zakariyya, N** 'Tax Progressivity in Australia: Things Aren't as Simple as They Seem', (473 page views) 28 March 2019

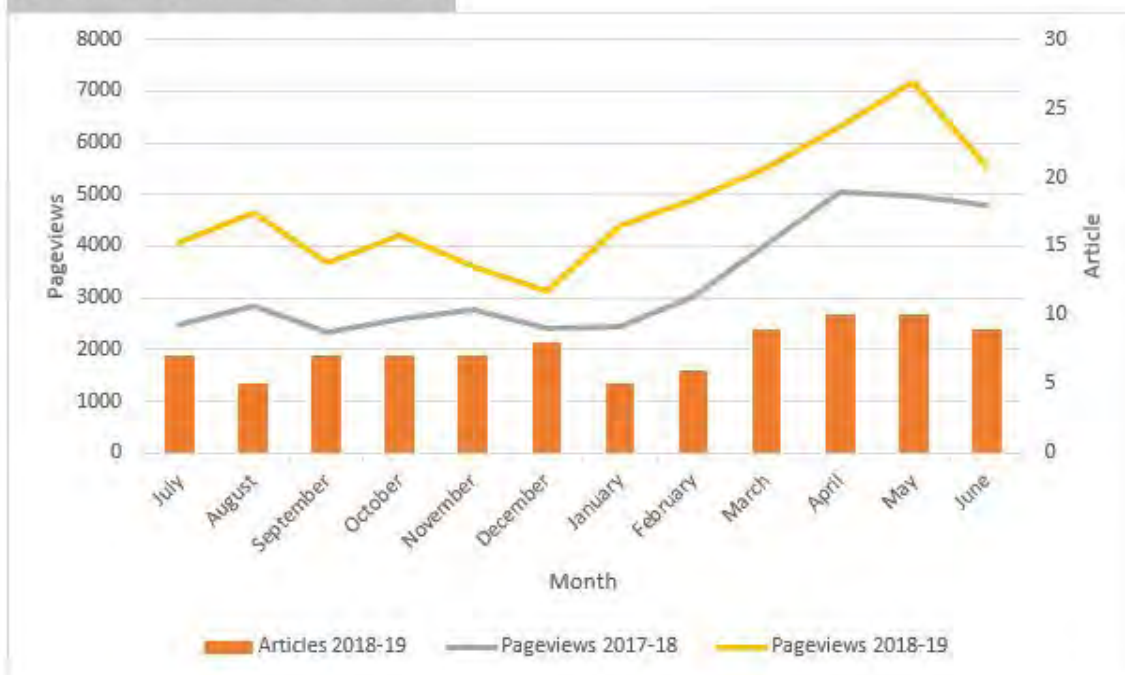
**Breunig, R & Carter, A** 'Australia's Mature Age Worker Tax Offset: The Employment Effects and Fiscal Cost Consequences', (381 page views) 15 October 2018

**Highfield, R** 'Mind the (Tax) Gap—It's Bigger Than You Probably Think!', (348 page views) 5 February 2019

### Facebook

TTPI's Facebook page (@Austaxpolicy) has continued to grow throughout the 2018-2019 period. The page published 373 posts, reaching 12,721 people. Peak periods of reader engagement were noted during the Behavioural Economics and Public Policy (TTPI-BEPP) conference held in August 2018, and the April-May 2019 pre-federal budget and election period. This activity was organically achieved without paid promotion, and additionally in collaboration with the Crawford School's Facebook page (@CrawfordSchool). Promotion of TTPI's various events during 2018-2019 attracted 11,131 people to the page.

Figure: Austaxpolicy traffic in 2018-19



# EDUCATION

Staff, fellows and visitors associated with TTPI teach in a range of graduate and executive education courses. Our aim in 2018-2019 was to build on our existing high quality public finance graduate and executive education courses to deliver the new Public Finance specialisation in Crawford School's Master of Public Policy program, which will be unique in Australia and the region. In addition, TTPI staff and fellows build advanced research capacity in the field by supervising a large number of PhD students in diverse disciplines, researching topics on public finance, tax and transfers. Our PhD students are listed in our "People" section (p.8).

## Master degree programs

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 Master 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.

Our public finance students are drawn from federal, state and territory governments in Australia and from departments of finance in Indonesia, the Philippines, Pakistan, Bhutan and Papua New Guinea as well as Latin America, Africa and Europe. Selected courses relevant to the specialisation are listed below. More information about the subjects available and Master degrees is at <https://crawford.anu.edu.au/study/graduate-degrees>.

### Public Finance: Fiscal Policy, Globalization and Development

POGO8048

Professor Miranda Stewart

This course is aimed at students who are interested in fiscal policy including tax and expenditure law, and policy concerning how to fund government effectively. It examines the key challenges of fiscal policy in achieving sufficient revenues, economic prosperity and development, and in addressing social justice and inequality in a context of globalisation.

The course provides an introduction to public finance law and policy; tax policy principles; and tax reform and law design principles. We then examine several topical case studies of particular fiscal systems and tax or expenditure reforms or policies in Australia, the Asia-Pacific region and the world. The subject takes a critical approach to examining the principles, processes and outcomes of fiscal policy. Students do not need to have a detailed knowledge of tax law or economics to do this subject.

### Social Policy Analysis

POGO8025

Professor Peter Whiteford

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.

### Principles of Social Policy

POGO8084

Professor Peter Whiteford

This course aims to provide an introduction to the main principles of social policy in a comparative context as a foundation for further studies in the social policy area. It discusses the parameters of social policy and how social policy intersects with other aspects of government policy, such as labour policy, taxation policy and health policy. It analyses varying models of social welfare provision and social protection as well as fundamental policy issues, such as the merits of targeting versus universality, horizontal versus vertical equity, and rights-based versus discretionary entitlements. The course then considers social protection in the context of key groups of potential beneficiaries, including the unemployed, children and families, retirees, and the Indigenous. Emphasis is on a comparative approach, comparing Australian social policy with that of other OECD countries and of other countries in the Asia and Pacific region.

### Economics for Government

POGO8081

Professor Robert Breunig

This subject seeks to provide a policy officer's or public sector manager's guide to basic economic principles and their application to public sector activities. To achieve this, the subject will:

- > emphasise the nature of decision making by individuals, firms and governments and their effect on the allocation of resources. The idea of the efficiency of resource allocation will be emphasised and developed. This will be achieved by providing concrete examples and applications.
- > ensure participants understand the nature and role of markets. This is done by providing an overview of basic economic principles. This will take the form of introduction to the basic language, methods, concepts and frameworks that underpin economic reasoning and logic. This will mostly cover supply and demand of markets (microeconomics), though we will also touch on measurement, growth and operation of the aggregate economy (macroeconomics).

- > ensure participants understand the economic role of government. This will be achieved by providing a framework for understanding both the strengths and limits of markets as a form of social organisation and for identifying the precise nature of market failure, the objectives of public policy and the form of intervention, including via regulation, service provision, and redistribution.
- > understand the nature of the economic way of thinking, through developing frameworks for determining the relative roles of market and state. This will be done by way of providing particular economic problems as illustrations and by conveying the nature of the tool-kit that the economic profession brings to examination of issues, both economic and beyond economics.

### **Public Sector Ethics**

POGO8021

Emeritus Professor Richard Mulgan

How can public leaders exercise ethical leadership, and how can we promote clean government, given the many excuses for 'dirty hands' made by government leaders? This course provides students with an introduction to debates over public sector ethics, focusing on the roles and responsibilities of public servants and their relationships to politicians and others sharing public power. The unit uses practical examples and case studies of ethical problems from across the public sector, blending Australian and international material so that students can learn from a variety of policy frameworks appropriate to the regulation of public conduct. Students will examine core theories of ethics with the aim of relating these to prevailing theories of public policy and practices of public administration. They will also examine various approaches to codifying and enforcing public sector ethics.

### **Public Sector Management**

POGO8062

Emeritus Professor Richard Mulgan

The course takes a comparative and thematic approach to issues in public sector management, and encourages students to consider their relevance to their own countries and workplaces. The course gives particular emphasis to issues of public sector reform and draws on leading-edge research by academic staff at the Crawford School

### **The Economic Way of Thinking 1**

POGO8016

Dr Shiro Armstrong

Microeconomics examines how consumers and firms make decisions under conditions of scarcity and how they interact with each other in markets. It also examines the effects of government policy and actions on market outcomes. The economic way of thinking provides a decision-making framework for individuals, corporate managers, and policy-makers. This course aims to provide students with a solid understanding of basic microeconomic principles and the ability to apply

those tools and ideas. Topics include comparative advantage, consumer and firm decision-making, supply and demand, market structure, international trade, and market failure.

### **Participating in Public Policy**

POGO8136

Professor Carolyn Hendriks

One of the central challenges in public policy is understanding and responding to the needs and interests of diverse publics. This course explores how governments and citizens tackle this challenge. Taught in an interactive mode, students in this course consider questions, such as: How do policy makers engage citizens in the policy process? How do citizens themselves seek to voice their concerns and exert influence on the policy process? What happens when their interests are misrepresented, misunderstood or ignored? What does meaningful citizen participation look like in an era of 24/7 news cycles and social media? In focusing on 'public' aspects of public policy, this course engages students in various democratic issues that surface in the public policy process. Through applied examples and case studies, students reflect on how democratic ideals, such as inclusion, participation, representation and legitimacy may be realised in contemporary governance. Practical attempts at participatory policy making will be examined and critiqued, including deliberative forums, community meetings, petitions, online engagement and social media.

### **Foundations in Public Policy**

POGO8401

Sue Regan

This course introduces students to the fundamentals of contemporary public policy making. Students will explore core debates in policy studies and consider concepts, models and tools for making, implementing and evaluating public policy. To provide a deeper understanding of the policy process, students will be introduced to analytical perspectives on various stages of the policy process with the aim of provoking critical inquiry into policy practices and outcomes. Students will consider the variety of policy actors and networks in the policy process, and reflect on how competing values and interests influence what issues get policy attention, how they shape decisions, outcomes and evaluation procedures. Students will also debate the different approaches to policy decision making (incrementalism or rational approaches), the implications of governance arrangements between state and non-state actors, and the internationalisation and globalisation of public policy.

### **Organisational Finance and Budgeting**

POGO8080

Emeritus Professor Keith Houghton

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, you will acquire confidence in using the concepts and vocabulary of accounting



and finance, and an ability to analyse organisational performance and resource allocation. You will become familiar with the format and use of financial statements and the role of accounting in making decisions

### **Policy Advocacy**

POGO8083

Dr Amanda Smullen

Policy Advocacy is a graduate course in policy communication, requiring no specialist knowledge or experience of public policy or administration. The course examines strategies and tactics used by policy advocates inside and outside government when marshalling argument and evidence to promote their preferred outcomes. The course is designed to strengthen students' understanding of the nature of advocacy and of place of policy advocacy in the policy process. The course materials draw on many disciplines: rhetoric, philosophy, policy analysis and public administration. Examples include many Australian, as well as international and transnational cases, but the aim is more general: to stimulate learning about the many ways that policy advocacy is pursued and seeks to shape policy choice, especially in political systems with open forms of deliberative democracy.

### **Microeconomic Analysis and Policy**

IDEC8016

Dr Xue Sarah Dong

Microeconomic Analysis and Policy is a Masters course in modern microeconomic theory. The course covers consumption theory, production theory, theories of the competitive market, general equilibrium theory, and externalities and public goods. Principles will be applied to important policy areas such as tax policy, the role of government, and management of the environment.

### **Empirical Public Finance**

IDEC8025

Associate Professor Mathias Sinning

This course is an introduction to the economic analysis of incentives generated by tax systems and income transfer programs. 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 discussion on key design elements of those policies are expected to foster students' understanding of important trade-offs involved in implementing government policies. It covers the following topics: tax incidence, efficiency and optimal taxation, income taxation and labour supply, taxes on consumption, taxes on savings, taxes on investment and corporate taxation. Examples are drawn from taxes and income transfer programs implemented in Australia and internationally. Particular attention will be paid to the application of quasi-experimental methods to public finance. By reading articles that apply quasi-experiments for each topic, students are expected to develop a practical understanding of issues involved in taking econometric models to the real world. Students will be exposed to varieties of estimation techniques.

### **Managing Government Finances**

POGO8057

Professor John Wanna

The course 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 investigates the roles carried out by managers in government agencies in managing public financial resources, and the political and administrative setting in which government finances are managed. It steers between:

- > the methodologies of financial decision-making and analysis
- > description or analysis of the Australian government system, and
- > development in public sector financial management theory and practice.

### **Executive education and other teaching**

Staff and fellows of 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 forums.

#### **Robert Breunig**

'Beginner's guide to macroeconomics for the public sector', Crawford School of Public Policy Executive Education (July 2018)

'Getting started: Analyzing HILDA with R', Australian Treasury, (August 2018)

'Getting started: Analyzing HILDA with STATA', Melbourne Institute of Applied Economic and Social Research (September 2018)

'Beginner's guide to macroeconomics for the public sector', special course for the Department of Industry (August 2018)

'Beginner's guide to microeconomics for the public sector', special course for the Department of Industry (September 2018)

'Introduction to Panel Data Analysis', with the Melbourne Institute of Applied Economic and Social Research, Melbourne (September 2018)

'Introduction to Economics', course delivered for the Commonwealth Department of Prime Minister and Cabinet (October 2018)

'Economic Literacy for Non-Economists', course delivered for the Commonwealth Department of Foreign Affairs and Trade, (four courses, October - November 2018)

'Economic Literacy for Non-Economists', course delivered for the Office for Women in Department of Prime Minister and Cabinet, co-presenter Kristen Sobock (December 2018)

'Introduction to the economics of tax policy', Executive Education Program, Crawford School of Public Policy, ANU (6-7 March 2019)

'Introduction to Economics', course delivered for the Commonwealth Department of Prime Minister and Cabinet (April 2019)

'Getting started: Analyzing HILDA with STATA', Melbourne Institute of Applied Economic and Social Research, Canberra (April 2019)

'Essentials of Economic Thinking and Economic Development', course delivered for the Regional Network, Indigenous Affairs Group of the Commonwealth Department of Prime Minister and Cabinet (April - May 2019)

'Economic growth', Executive Education Program, Crawford School of Public Policy, ANU co-presenter Omer Majeed (May 2019)

'Introduction to Economics', Course delivered for the Commonwealth Department of Prime Minister and Cabinet (June 2019)

### **Michael Kobetsky**

'Tax treaties and Transfer pricing', Western University Law School, Ontario, Canada, (January 2019)

### **Mathias Sinning**

Institute for Quantitative Social Sciences (IQSS), Harvard University, Cambridge, MA/USA, March 2019 (1 Week)

'Behavioural Economics: concepts, tools and applications', Executive Education Program, Crawford School of Public Policy, ANU, co presenter Uwe Dulleck (8-9 May 2019)

'Policy evaluation', Executive Education Program, Crawford School of Public Policy, ANU (8 May 2019)

### **Miranda Stewart**

'Gender analysis of public policy', Executive Education Program, Crawford School of Public Policy, ANU, co-presenter Maria Sandoval Guzman (30 April 2019)

**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, 2018 to 30 June, 2019**

	<b>Current Period</b>
	<b>\$</b>
<b>Unspent Balance as at 01 July, 2018</b>	<b>111.99</b>
<b><u>Add</u></b>	
Income from Contracts	34,031.64
Income from Executive Education	217.20
Transfer from TTPI investment account	315,190.67
Internal income support from ANU VC	279,000.00
<b>Total Income</b>	<b>628,439.51</b>
<b>Total Available Funds Before Expenditure</b>	<b>\$628,551.50</b>
<b><u>Less</u></b>	
Salaries & Related Costs	493,621.93
Equipment - Non-Capital	2,145.72
Utilities & Maintenance	121.64
Travel Field & Survey Expenses	27,268.18
Consultancies	35,550.00
Consumables	2,732.81
Internal Purchases	995.86
Other Expenses	11,458.65
<b>Total Expenditure</b>	<b>573,894.79</b>
<b>Unspent Balance as at 30 June, 2019</b>	<b>\$54,656.71</b>
<b>ANU/Crawford cash and inkind contribution</b>	<b>\$1,896,431.84</b>

I certify that the above statement accurately summarises the financial records of the grant and that these records have been properly maintained so as to record accurately the Income and Expenditure of the grant.



Helen Sullivan  
Director  
Crawford School of Public Policy

**Fund No:** D5335501  
**Project:** Tax Transfer Policy Institute

**Donor Ref:**  
**Chief Investigator:**

**STATEMENT OF INCOME AND EXPENDITURE**  
**For the Period 01 July, 2018 to 30 June, 2019**

	<b>Current Period</b>
	<b>\$</b>
<b>Unspent Balance as at 01 July, 2018</b>	2,376,181.23
<b><u>Add</u></b>	
Crawford School Contribution	132,056.30
ANU Contribution	700,000.00
Investment Income	102,455.67
<b>Total Income</b>	<b>934,511.97</b>
<b>Total Available Funds Before Expenditure</b>	<b>\$3,310,693.20</b>
<b><u>Less</u></b>	
Transfer to Long Term Investment Pool	3,000,000.00
Transfers to operation account S5335501	304,318.46
<b>Total Expenditure</b>	<b>3,304,318.46</b>
 <b>Unspent Balance as at 30 June, 2019</b>	 <b>\$6,374.74</b>





# CONTACT US

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