

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

PRESS RELEASE 570#

ASX 200 COMPANY TAX AVOIDANCE:

COMPANIES SHOULD PAY TAX FOR OUR PUBLIC EDUCATION SYSTEMS, NOT CAPTURE THEM FOR PROFITEERING

Our great and fearless leaders in Canberra are wedded to the 'Funding is not the problem' mantra.

Rubbish!

Proper Funding of Public Education does matter.

There are two reasons why Public Education in Australia faces a funding crisis.

1. Public Funding has been diverted – billions of it in fact – into the private, religious sector, This has dire consequences for the educational standards of our nation and social cohesion of our nation.
2. The wealthy, particularly the wealthy multinational companies

DOGS note that if the top 200 companies listed on the Australian Stock Exchange – not to mention wealthy churches - paid their tax, the Australian PAYG taxpayers could expect a first class public education system. There would be no need for Gonski to pull the lid off the garbage tin of gross inequalities.

So, thanks to the Tax Justice Network of Australia has pulled the lid off the stinking inequities in our tax system itself. And thanks to the Fairfax Media that gave it coverage.

Australia does not have a spending problem, it has a revenue problem and it must be fixed," write the authors of the report, *Who Pays For Our Common Wealth?* Almost a third of Australia's largest companies are paying less than 10¢ in the dollar in corporate tax. This exposes a gaping hole in government revenues over the past decade.

This 90-page look at the tax contributions of the S&P/ASX 200 **between 2004 and 2013** – the first research of its kind attempted – claims **up to \$80 billion was foregone by the taxman** over that period; a sum of money that could all but wipe out the government's past two budget deficits.

The Report details the widespread and growing use of subsidiaries in tax havens and so-called "thin capitalisation", where local entities are saddled with huge debts to reduce tax liabilities in Australia.

Almost 60 per cent of the ASX 200 declare subsidiaries in tax havens. For example, global broadcaster 21st Century Fox has 117 and logistics group Toll Holdings 72 in low-tax jurisdictions, including Bermuda, the British Virgin Islands and Singapore.

Five top companies that pay no tax are :

| Compny | Profit | Tax paid |
|-------------------------------------|-----------------------|----------|
| James Hardie – | \$203,663,000 profit, | \$0 |
| Commonwealth Property Office Fund - | \$150,960,000, | \$0 |
| Spark Infrastructure Group - | \$101,993,000, | \$0 |
| Envestra Ltd - | \$54,976,000, | \$0 |
| BWP Trust - | \$51,262,000, | \$0 |

Almost a third of Australia's largest companies are paying less than 10¢ in the dollar in Labor assistant treasury spokesman Andrew Leigh said: This data suggests that if all ASX 200 companies paid the full 30 per cent rate of company tax, the budget would gain around \$8.4 billion more revenue a year. corporate tax. If State Aid was also clawed back from religious schools, Australia could pay for a first class public education system.

Proper taxation and proper funding of a public education system for a proper Democracy DOES matter.

See <http://taxjustice.org.au/wp-content/uploads/2014/09/Who-Pays-ASX-200-Full-Report.pdf>

Read more: <http://www.smh.com.au/business/the-economy/asx-200-company-tax-avoidance-bleeds-commonwealth-coffers-of-billions-a-year-report-finds-20140928-10n3n3.html#ixzz3Ew5lmjxn>

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