



## Economics

Policy Category: G. Sustainable Economy

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### Principles

*The Australian Greens believe that:*

1. human economies exist within, and are dependent upon, natural systems; resource management is, therefore, central to good economic management.
2. equity of access to the essentials of life and promoting equality are central goals for a civilised society.
3. the free market economy, by externalising the environmental and social costs of greenhouse gas emissions is creating the greatest market failure of all time, namely climate change.
4. the cost of addressing climate change now is far less than the cost of failing to do so.
5. timely and cost effective solutions to social, environmental and economic challenges can be achieved by a cohesive industry policy.
6. the fulfilment of human potential and the enrichment of lives is best achieved when people work together for common goals.
7. sustainable, equitable economic progress is best achieved by government ownership of natural monopolies and new government investment in strategic assets.
8. government finances must be sustainable over the long run; budget deficits and surpluses must balance each other over the business cycle.
9. long term government borrowing is the preferred mechanism for funding long term infrastructure investments.
10. governments have an important role to play in regulating markets and correcting market failures, but markets where they function well have an important role to play in the allocation of resources.
11. social, political and economic institutions must allow individuals and communities to determine their own priorities.
12. the Goods and Services Tax (GST) is unfair, regressive and places an unfair burden on individuals and small business.
13. progressive taxes such as income taxes are preferable to regressive forms of taxation such as the GST.
14. national governments must not allow the pressures from the globalisation of trade to override the democratic preferences of their citizens.
15. international institutions such as the World Trade Organisation (WTO) the International Monetary Fund (IMF) and the World Bank must assist countries to achieve their democratically determined priorities within ecological constraints.

### Goals

*The Australian Greens want:*

16. an economy that meets human needs without unnecessarily damaging the natural environment.
17. full accountability of government and corporations to the broader community.
18. an equitable taxation system that generates the revenue necessary to fund public services at the appropriate level of government.
19. international trade regulations that ensure human rights and that protect the natural environment.

20. industry policy and major infrastructure decisions to be consistent with national environmental and social goals.
21. industry assistance, and the granting of tax concessions, that align industry development with national goals.

## Measures

*The Australian Greens will:*

### **Taxation**

22. reduce inequities in the current personal tax system by:
  - reducing tax breaks for high income earners;
  - removing Fringe Benefits Tax concessions which promote increased use of motor vehicles;
  - removing the concessional arrangements for Capital Gains Tax;
  - only allowing losses from an investment to be offset against income from the same investment;
  - abolishing the 30% Private Health Insurance Rebate in order to increase funding for public hospitals;
  - taxing family trusts in the same way as companies;
  - eliminating high rates of effective marginal taxation for those on welfare benefits; and
  - introduce a new top marginal tax rate of 50 per cent on incomes of \$1 million or over.
23. introduce an estate tax with full provisions to protect the family farm, the family home and small business with a threshold of \$5 million as indexed from the year 2010.
24. conduct an inquiry with a view to implementing changes to the tax system that address the negative impacts of the GST on:
  - income distribution;
  - environmental sustainability; and
  - business administration costs.
25. oppose any increase or extension to the GST.
26. implement a gradual and long term shift in the tax system from work based taxes to taxes on natural resources and pollution including:
  - a carbon tax levied on generators of mains-supplied electricity or gas;
  - a national carbon trading scheme; and
  - other ecological taxes and charges at a level sufficient enough that their prices reflect the full environmental cost of their production, use or disposal.
27. introduce a system of minimum personal and corporate tax legislation to reduce the opportunities for individuals and companies to use loopholes to minimise their tax obligations.
28. conduct a full review of the superannuation system with the aim of reducing its complexity and establishing progressive rates of superannuation taxation.
29. return the company tax rate to 33% and broaden the company tax base by reducing tax concessions.

30. limit tax deductibility for salaries & salary-related expenses for any individual employee to \$1million per year.
31. end subsidies and tax concessions to environmentally harmful industries.

### **Economic Governance and Industry Development**

32. implement triple bottom line accounting measures at all levels of government to incorporate social, environmental and financial impacts into policy development and assessment.
33. introduce broad measures of genuine national progress to supplement the current measures of GDP, including the production of a comprehensive national balance sheet that reflects this.
34. require all listed companies to report on standardised social and environmental indicators in their annual reports.
35. provide the Australian Competition and Consumer Commission with enhanced powers to prevent the formation of monopolies through 'creeping acquisitions' and to divest monopolies and oligopolies of assets if they are abusing their market power.
36. direct industry assistance towards the energy efficiency and renewable energy industries.
37. require major proposals to be subject to climate change impact assessment with the aim of reducing greenhouse gases.

### **Investment and Overseas Relations**

38. strengthen the regulatory framework for banks and financial institutions to ensure that consumers and investors are better protected.
39. ensure that natural monopolies and other essential public services are under public ownership.
40. reduce Australia's foreign debt and foreign ownership through use of trade, financial and regulatory measures to ensure more productive use of foreign capital and strengthening of Australian manufacturing, recognising the need to support economies in developing countries.
41. require the Foreign Investment Review Board to broaden its assessment of the national interest to explicitly include Australia's long run energy security.
42. revoke sections of the National Competition Policy that seek to impose market values in public, social and environmental areas of Australian life.

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