



**Media Release
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Catholic Church body calls for change of direction in tax debate

The low paid have been the losers in tax reform over the past 40 years and the trend is set to continue unless there is a change of direction in the current taxation debate, the Catholic Church's employment relations body said today.

The Australian Catholic Commission for Employment Relations (ACCER) has released a discussion paper on the Tax Debate and Wages Policy.

The paper addresses two key points of the taxation debate.

"First, the debate has failed to recognise the need to integrate taxation policy with wages and work-related welfare policies," the paper says. "The three are inextricably linked."

"Second, the interests of the low paid have barely rated a mention in a debate dominated by proposals for a reduction in the top rate of taxation."

The paper goes on to explain the links between the government's proposed changes to wage fixing under its workplace relations reforms and the repercussions for both taxation policy and welfare policy. The paper includes an analysis of the changes in average and marginal tax rates over the past 40 years.

"The low paid have been the losers in the tax changes over the past 40 years and the trend has been reinforced since the introduction of the New Tax System on 1 July 2000," the paper says.

"The trend may continue unless there is a reorientation of the current taxation debate.

"We are also confronted with proposals to change Australia's wage-fixing procedures in a way that threatens to exacerbate the burden on low paid working families."

ACCER executive officer John Ryan called for a broad and informed debate within the community on taxation and wages policy.

"We look to the Commonwealth to make decisions which integrate wage, employment, taxation and welfare policies in a way that will promote economic growth and social justice," Mr Ryan said.

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