



NSW NURSES AND MIDWIVES' ASSOCIATION

MEDIA RELEASE

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10 November, 2015

Report shows tax avoidance by US multinationals costing Australia

A group of Australian public sector trade unions have welcomed a new report, released in Europe overnight, which highlights the need for governments around the globe to urgently address international corporate tax system loopholes.

The NSW Nurses and Midwives' Association (NSWNMA), Community and Public Sector Union (CPSU), Community and Public Sector Union – State Public Service Federation (CPSU-SPSF), Electrical Trades Union (ETU) and Australian Services Union (ASU), collectively agreed the report was timely, given the Turnbull Liberal Government's current tax reform agenda.

The report, ['Still Broken'](#), illustrates how United States corporations have avoided an estimated \$US1.45 billion of tax in Australia each year by shifting their profits to low or no tax countries.

Assistant Secretary of the NSWNMA, Judith Kiejda, said it was imperative the Turnbull Government stumped up and addressed the issue of US multinationals avoiding tax in Australia.

"This report highlights how massive missing tax payments have a flow-on impact to the delivery of essential public services throughout Australia," Ms Kiejda said.

"Currently, we've got a huge cloud hanging over the future of our health funding and the Turnbull Government needs to prioritise clamping down on multinationals to pay their fair share. Why should Australians pay more for their health care when these rich companies avoid contributing?"

The Abbott Government played host to the G20 last year and indicated "wherever companies engage in extraordinary activity in order to avoid tax we will go after them", since then, however, the focus has been on increasing Australia's domestic Goods and Services Tax (GST).

Michael Whaites, Sub-Regional Secretary of Public Services International, said: "The Turnbull Government is doing everything it can to convince us we need a GST increase but as we can see, they allow multinationals to avoid paying billions of dollars in tax, money that is desperately needed by our public services on which communities rely."

ASU Assistant National Secretary, Greg Mclean, said: "The unpaid taxes by multinationals could have been spent on maintenance of public services and assets in our communities and for our families."

Michael Tull, Assistant National Secretary of the CPSU, highlighted: "We need everyone to contribute their fair share towards the essential services we all rely on. Even a small portion of this \$US1.45bn in unpaid tax could restore the hundreds of science jobs cut from the CSIRO, get more local stories and local voices on our ABC, reduce waiting times for Centrelink – and even make sure the Tax Office has the staff to chase the big tax avoiders. It would give us investment in our future, promote our culture, and provide the support people need in difficult times".

ETU National Secretary, Allen Hicks, added: "The revenue shortfall in Australia alone could train more than 15,000 electrical workers, equipping young people with the skills of the future."



“A shortage of workers to protect our vulnerable children is matched by the lack of revenue faced by governments around Australia to keep pace with demand for these and other vital services,” said Karen Batt, Secretary of the CPSU-SPSF.

All states now have mandatory child abuse reporting legislation, but there has been no related resources made available to protect children from being abused.

“If the US\$1.45 billion lost through corporate tax avoidance was spent on services for our community, it could employ an extra 24,000 child protectors around Australia,” Ms Batt said.

Although many developing countries have been the hardest hit by tax avoidance, the report shows G20 countries are losing the most tax revenue as a result of profit shifting. Australia is considered the 12th hardest hit.

As G20 nations gather in Turkey this week for the latest round of talks, Australian public sector trade unions are calling on the G20 to support further reforms to the global tax system that involve all countries on an equal footing. These reforms should effectively tackle harmful tax practices such as profit shifting and the use of corporate tax havens and should halt the race to the bottom in general corporate tax rates.

['Still Broken'](#) is a joint report by the Tax Justice Network, Oxfam, Global Alliance for Tax Justice and Public Services International based on a research paper conducted by Alex Cobham and Petr Janský, ['Measuring misalignment: The location of US multinationals economic activity versus the location of their profits'](#) (November 2015).

The paper illustrates why a more effective global tax system is needed to provide governments with the means to fund quality public services.

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