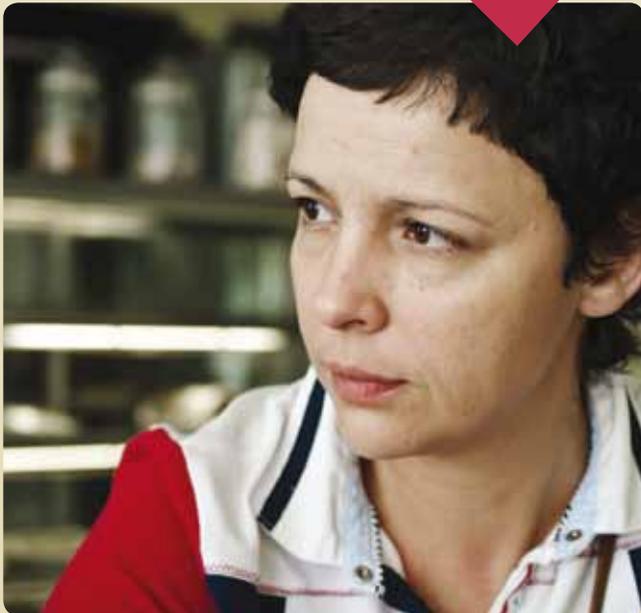


Taxes pay for vital services

While no-one likes to pay more tax than they should, taxes pay for all the services that our community needs, like schools, hospitals, roads, police and support for vulnerable members of our community.

Without taxes, the vital services we all take for granted simply disappear....

“I know the government can't pay for everything, but I just wish politicians wouldn't promise tax cuts when it means that vital services disappear”



As South Australians, we all want a tax system that is fair, simple and sustainable so we can plan and fund all the services we want as a community.

It's time to stop talking about 'tax cuts'...

and start having a thoughtful conversation about the services and infrastructure we need, and a fair way to generate the revenue to sustain this investment.

“Taxes go in, and services come out. Starve one, and you starve the other”

Tim Colebatch, Economics Editor (The Age)
24 Sept, 2013



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Primary Schools Health Promotion
Hospitals Counselling Buses
Arts Roads
Aboriginal Services Emergency Relief
Health Care Courts Police

Without taxes, vital services disappear

Concessions Consumer Protection
Trains TAFE Mental Health
Fire Fighters Industry Assistance
Legal Aid Foster Care
Family Support Secondary Schools
Public Housing Community Centres
Financial Assistance Nursing
Universities Victim Support
Disability Support Prisons
Tourism Promotion Public Events
Migrant Services National Parks
Rehab Services

AUSTRALIA + SA = LOW TAXING = LESS SERVICES

Tax as a Share of GDP - Selected Countries



Compared with other places, Australia is not a high taxing and spending country. As a share of the overall economy, Australia is the 4th lowest taxing nation in the OECD.

Likewise, South Australia is not a high taxing state. According to SA Budget figures, per head of population state taxes in South Australia are about \$450 a year less than the national average.

State Taxes per capita 2012-13



“Total government revenues remain historically low and are falling as a share of the economy”
Govt of SA, Budget Paper No.3, 2013, p.4

If SA state taxes had remained at pre-GFC levels (as a % of the economy), we would have had

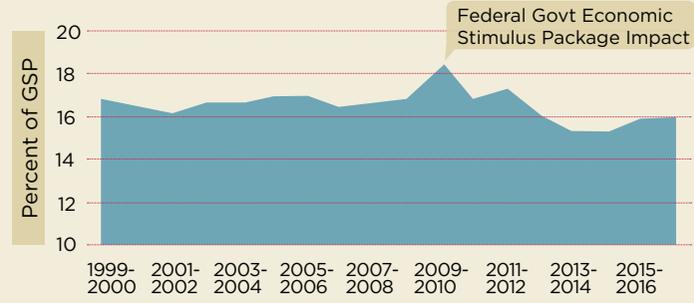
\$1.1 BILLION

more to spend on government services and infrastructure over the last 5 years.

Australia is an economically strong and wealthy nation – one of the best performers globally. However the taxation system that we all rely on is not working well, particularly at the state level.

It is not providing the money to fund our essential services and infrastructure, and it is not always fair or simple.

State Government Revenue as Proportion of the State Economy



Adjusted for inflation, last year South Australians paid about \$90 less per person in state taxes than we did before the GFC.

We Need a Tax System that is Fair, Simple and Sustainable

A tax system that:

- > Ensures those who can afford it pay the most
- > Raises enough money to meet community needs
- > Collects money efficiently with minimum costs to tax payers
- > Is simple to understand and discourages dodgy tax schemes