



Australian
National
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TAX AND TRANSFER POLICY INSTITUTE
CRAWFORD SCHOOL OF PUBLIC POLICY

Annual report

For the fiscal years 2013 and 2014

TAX AND TRANSFER POLICY INSTITUTE

ANNUAL REPORT

Period 1 May 2013 - 30 June 2014

Certification by the Director of Crawford School

I hereby certify that the information provided to the Department of Treasury by ANU in:

- > the Tax and Transfer Policy Institute's Annual Report
- > the performance data and Information
- > the financial tables

provides a true and fair view of the matters reported on therein.

I certify that the Commonwealth funding contributions were applied for the activities of the Tax and Transfer Policy Institute as specified in the Funding Agreement.

Professor Tom Kompas

Director, Crawford School of Public Policy

31 August 2014

FOREWORD

I am pleased to present this first Annual Report for the Tax and Transfer Policy Institute.

The Tax and Transfer Policy Institute (TTPI) is an independent federally endowed research and policy institute at Crawford School of Public Policy, The Australian National University in Canberra, Australia.



TTPI was launched in June 2013 by the Hon David Bradbury MP. A little over a year after that launch TTPI has established itself as a leading voice in policy debate on tax and transfer issues. Working quickly to establish a solid group of advisors, staff and fellows, TTPI has been able to forge relationships with many key stakeholders, in particular bridging the gap between both Federal government and state public servants and academics through research strategy and agenda-setting meetings with senior public servants, and through our post-doctoral fellowship program.

TTPI has also been active in informing, influencing and engaging in public debate on tax and transfer issues. The TTPI team have written more than 20 opinion pieces which have been published in mainstream media, spoken at dozen or so conferences and given evidence to a Senate Select Committee.

We've also been working to develop a series of events targeting tax and transfer issues, and have a number of exciting events in the works. Our plans for next year will build on these first steps with a range of new initiatives, an ever-increasing public presence and research projects which ensure the best possible research and analysis base for Australian tax and transfer policy.

This Annual Report covers the period:

- > 1 May – 30 June 2013 (2012 - 2013 fiscal year)
- > 1 July 2013 – 30 June 2014 (2013 - 2014 fiscal year)

Professor Miranda Stewart
Director, Tax and Transfer Policy Institute

Aims of TTPI

TTPI aims to carry out and support independent research and policy development in taxes and transfers for public benefit to achieve state and national goals in Australia and throughout the region, over the long term. This contribution to research and policy in taxes and transfers will foster informed public debate through activities that build a better understanding of the nature and potential future impact of tax and transfer systems, principally in Australia but also through supporting research of tax systems in Asia, the Pacific and throughout the world.

Strategy

To achieve its aims, TTPI will:

- > Carry out and support excellent research to support tax and transfer policy formulation for public benefit in the short, medium and long term.
- > Build tax and transfer research expertise in all disciplines through establishment of postgraduate, doctoral and postdoctoral research positions and through secondments and exchanges between academic, government and private sector agencies.
- > Form partnerships with other universities in Australia and throughout the world to harness the best expertise on taxes and transfers.
- > Publish research and policy comment widely in both academic and public fora to inform, enhance and influence public knowledge and debate about taxes and transfers.
- > Learn from and communicate research to policymakers on real-life policy concerns.
- > Hold public and invitational events on tax and transfer policy to inform, engage and influence policymakers, stakeholders and the broad public and to further academic research.
- > Develop and support a strong academic base in tax and transfer research in Australia through establishing a network of fellows across relevant academic disciplines including public finance economics, law, accounting, political science, psychology, governance and philosophy.
- > Build research projects on key topics in tax and transfer policy, with short and longer term goals.
- > Seek to raise funds as needed to support independent research into tax and transfer policy, from governments, businesses, foundation and research grants.

Engagement with White Papers on tax and federalism

In 2014, the Australian government announced it will carry out two significant tax and transfer policy and political reviews and reform processes: a White Paper on the Federation and a White Paper on Tax Reform. In addition, the Government has commissioned the McLure Welfare Review which will examine the operation of Australia's transfer system.

TTPI will engage actively in these White Paper and Review processes through events, research, policy engagement, education and public commentary with the aim of informing the public and political debate about these important issues.

People

TTPI was established with the advice of an Advisory Board of academic and policy leaders in the field:

Dr Ken Henry AC (Chair)
Professor John Piggott

Dr John Hewson AM
Professor Miranda Stewart

Professor Tom Kompas
Professor Robert (Bob) Breunig

During the 2013-2014 year, Crawford School carried out a global search for an internationally recognised professor in tax and public finance, to direct TTPI. In addition, Crawford School commenced building a research and professional team for TTPI. At 30 June 2014, the team included:

Director

In February 2014, Professor Miranda Stewart of Melbourne University was appointed as the inaugural Director of TTPI. Professor Stewart took up the position on 15 May 2014.

Professor and Chair

In February 2014, Dr John Hewson AM was appointed as the inaugural Professor and Chair in TTPI to contribute to leading the development of the research agenda, education and policy engagement of TTPI.

Senior Lecturer

Dr Mathias Sinning was appointed as a senior lecturer and economic researcher in TTPI. Dr Sinning takes up his position in January 2015.

Post-Doctoral Fellow

In February 2014, the TTPI post-doctoral fellowship was established. Dr Andre Moore was seconded to TTPI as a Visiting Fellow full-time for the six month period 1 February to 31 July, from his role as a senior analyst in the Australian Treasury. Dr Moore's primary research project has been to carry out a major stocktake of tax reforms and changes in the tax context since the *Henry Tax Review* (2009).

Research Assistant

Peter Varela, PhD Candidate

Senior Project Officer

Olivia Wenholz
Diane Paul

Fellows

TTPI has commenced establishing a network of research and policy fellows within The Australian National University and externally both in Australia and internationally. In the year ahead TTPI will expand this network to other Universities nationally and internationally.

TTPI fellows at Crawford School are:

Professor Bruce Chapman
Professor Warwick McKibbin
Professor Peter Whiteford

Professor Trevor Breusch
Professor Bob Breunig

People (cont.)

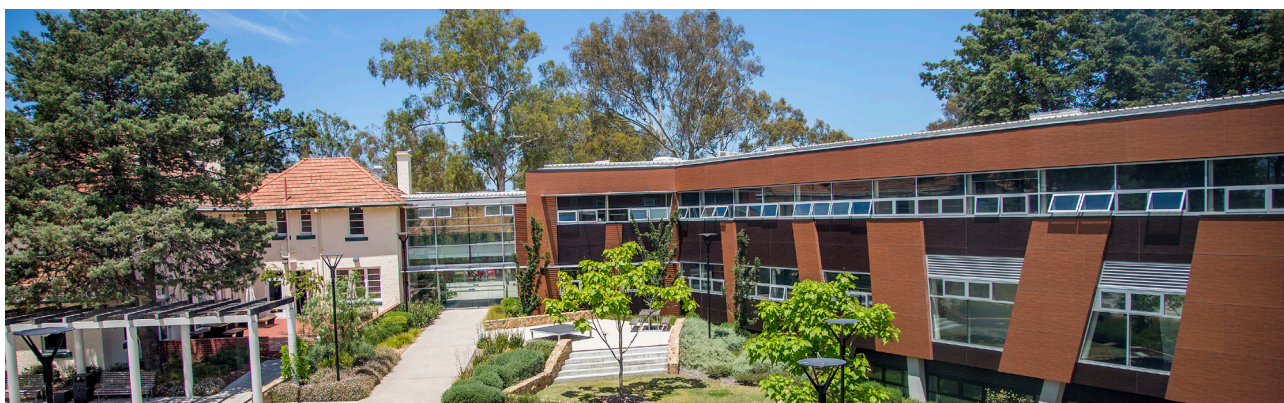
International Fellows

Sir James Mirrlees, Cambridge University, United Kingdom
Professor Alan Auerbach, University of California, Berkeley
Professor John Whalley, Western University, Canada

PhD students

Doctoral students carrying out tax and transfer research at ANU who are associated with TTPI include:

Shane Johnson
Wendy Heatley
Peter Varela



Building the network and research partnerships

Initial engagement with tax and transfer research institutions nationally and internationally has been carried out with:

National

- > Ross Parsons Centre of Commercial, Corporate and Taxation Law - University of Sydney
- > School of Taxation and Business Law - University of New South Wales
- > National Centre for Social and Economic Modelling (NATSEM) - University of Canberra

International

- > Max Planck Institute for Tax Law and Public Finance - Munich, Germany
- > WU Global Tax Policy Center - Vienna, Austria
- > Urban-Brookings Tax Policy Center - Washington DC, USA
- > Oxford Centre for Business Taxation - Oxford, United Kingdom
- > Institute for Fiscal Studies - London, United Kingdom
- > Centre for Accounting, Governance and Taxation Research - Victorian University of Wellington, New Zealand

In 2014 - 2015, it is proposed to broaden the research network through a small grants program inviting applications; the expanded Fellows program; and by targeted partnerships with researchers in other academic institutions.

Government stakeholder relationships

The Director and Chair of TTPI have established initial relationships with key government stakeholders in a range of relevant agencies, through initial consultation and agenda setting meetings.

Key agencies include:

- > Treasury
- > Board of Taxation
- > Australian Bureau of Statistics
- > Parliamentary Budget Office
- > Offices of the Treasurer and Shadow Treasurer
- > Australian Taxation Office, Revenue Analysis and Statistics Branch: Tax Counsel and Law Design; Behavioural/Compliance Unit
- > State treasuries

Events

- > Tax and Transfer Policy Institute Launch - 27 June 2013
The Hon David Bradbury MP; approximately 60 attendees



- > TTPI Advisory Council meeting - 27 June 2013; approximately 20 attendees
- > TTPI research strategy meeting - 6 December 2013; Chair Dr Ken Henry AC, Professor Quentin Grafton, Rob Heferen, Collin Brown; approximately 20 attendees
- > Asia and the Pacific Policy Society Conference: G20's policy challenges for Asia and the Pacific, expert session on taxation reform and policy - 11-12 March 2014; Chair Dr Ken Henry AC, ANU Public Policy Fellows program. The politics of tax reform: Dr John Hewson, TTPI Professor and Chair. Taxation challenges in developing economies: Dr Michael Carnahan, Chief Economist (Development) Department of Foreign Affairs and Trade. Tax reform, rising inequality and demographic change: Professor Patricia Apps, Professor of Public Economics, University of Sydney. International tax challenges for Asia and the G20: competition and coordination; Professor Miranda Stewart, Director, Tax and Transfer Policy Institute

Events (cont.)

- > Advance Policy Series - 22 May 2014; Dr John Hewson, approximately 15 attendees
- > TTPI/government stakeholders meeting - 28 May 2014; approximately 20 attendees
- > Tax and Transfer Seminar Series: Professor Rachel Griffiths, Manchester University and Institute of Fiscal Studies, UK - 1st July 2014; multinational firms, intellectual property and taxation, in partnership with the Australian Treasury; approximately 80 attendees
- > Tax and Transfer Seminar Series: Professor Flavio Rubinstein, FGV University Law School, Sao Paulo, Brazil - 6 Aug 2014; A BRICS response to base erosion and profit shifting: the view from Brazil on international tax reform, in partnership with the Australian branch of the International Fiscal Association; approximately 20 attendees

Forthcoming events in 2014

- > Public Policy Week, panel debate, A resilient tax system for the future - 16 September 2014; Commissioner of Taxation, Chris Jordan; Professor Kerrie Sadiq (QUT), Richard Denniss, The Australia Institute
- > Renewing Australian fiscal federalism: Starting the Conversation - 2 October 2014; in partnership with *The Conversation* and the University of Melbourne School of Government
- > International and Corporate Tax: Finalising and Implementing the BEPS Agenda - 17-18 November 2014; in partnership with the University of Sydney
- > New Empirical Research in Tax workshop - 20 November 2014

Publications, presentations and public engagements

TTPI is developing a Working Paper series and other publications to bring research on taxes and transfers to a wide audience. In 2013-2014, we have established the TTPI website which will be the base for publication of working papers, news and events, fact sheets and resources on tax and transfer policy. The web site contains a substantial resources page including links to national and international research institutes with a focus on tax and transfer policy, as well as other tax resources.

In 2014-15, it is proposed to expand the website significantly and/or build a blog to publish:

- > Working Papers
- > Summary in accessible language of each working paper and on each research project
- > Fact Sheets about different aspects of taxes and transfers

Publications, presentations and public engagements (cont.)

In 2014, TTPI worked with Crawford School's Engagement Team to develop two opinion piece articles for the School's quarterly public policy magazine, *Advance*. These two pieces by TTPI Director Miranda Stewart and Professor and Chair in TTPI Dr John Hewson were both published in the magazine and on the Crawford website.

The magazine is distributed electronically to an audience of around 10,000 people, including politicians, members of the public service, researchers and the policy-engaged public. The publication of both pieces was supported with social media through Crawford School's channels, including Facebook and Twitter, where it reached an additional Facebook audience of around 1000 people, and appeared on the Twitter feed of Crawford's 1800 followers.

Dr Hewson's piece was also republished on ABC's *The Drum* website, where it attracted more than 300 comments and numerous additional mentions on social media.

Professor Miranda Stewart

'Independent fiscal rules: new rules for the dark arts of budgeting'
International Monetary Fund, Washington DC, USA – 27 February 2014

'Corporate and international tax workshop: an Australian perspective'
Tax Policy Center, Washington DC, USA – 28 February 2014

'Tax avoidance and general anti-avoidance rules: a Commonwealth perspective'
Victoria University of Wellington Law School, with Professor Vern Krishna, University of Ottawa and Professor John Prebble, Victoria University – 5 March 2014

'International tax challenges for Asia and the G20: competition and coordination'
APPS policy Conference - 11-12 March 2014

'Australia's general anti-avoidance rule – interpretation and reform'
Auckland University Business School – 10 April 2014

'Discussant on Raskolnikov'
Participant as International Research Fellow, Oxford Centre for Business Taxation Annual Fellows Symposium - 26 June 2014

'The fiscal state, benefit and legitimacy'
Cambridge Tax Law History Conference, Cambridge, UK – 30 June 2014

'Navigating international tax'
Advance, Crawford School's quarterly public policy magazine - June-August 2014

'Past and future of the tax state'
Max Planck Institute for Tax Law and Public Finance, Tax Day Guest Lecture – 8 July 2014

Publications, presentations and public engagements (cont.)

Professor John Hewson

'The politics of tax reform in Australia'

Asia and Pacific Studies, based on *Advance* Policy Forum - 11 March 2014

'Gamechanger'

Advance, Crawford School's quarterly public policy magazine - June-August 2014

'Audit Commission can't ignore tax expenditures', *Australian Financial Review* - 10 March 2014

'Changing the GST: how to get the politics right', *Australian Financial Review* - 9 April 2014

'End super distortion before raising pension age', *Australian Financial Review* (with Jeremy Nguyen) - 23 April 2014

'How to help parents return to work sooner', *The Drum* - 7 July 2014

John Hewson's Weekly View in Fairfax *Southern Highland News*

'Time to fix the tax system' - 14 March 2014

'Just doesn't add up' - 28 March 2014

'The elephant in the room' - 4 April 2014

'Pensions and superannuation' - 25 April 2014

'Budget happiness? Misery?' - 9 May 2014

'Budget bues – no State of Origin' - 23 May 2014

'Education – The cornerstone of democracy' - 30 May 2014

'Good policy should be good politics' - 27 June 2014

Selected speeches submissions and media

Professor Hewson has presented a large number of speeches, submissions and media commentaries on tax and transfer issues since his appointment in February 2014.

'Advance Australia Fair: What to do about inequality in Australia' for Australia 21, Parliament House, Canberra - 11 June 2014

Testimony before Senate Select Committee into the Commission of Audit on tax expenditures - 15 April 2014

Member, GAP Task Force on the North, Agriculture and the Environment

Extensive weekly media that often covers tax and transfer issues – SKY, ABC TV and Radio, commercial TV, radio, and newspaper comments.



Project: S5335501
**DoT - Establishment of the Tax and Transfer
Policy Institute**


**STATEMENT OF INCOME AND EXPENDITURE
For the Period 01 May, 2013 to 30 June, 2014**

	Current Period \$
Unspent Balance as at 01 May, 2013	0.00
Add	
Start-Up Funding from the Department of Treasury	3,000,000.00
Contribution from the College of Asia and the Pacific	200,000.00
Contribution from the HC Coombs Policy Forum	50,000.00
Contribution from the Australian National Institute of Public Policy (ANIPP)	50,000.00
Contribution from the Crawford School of Public Policy	200,000.00
Additional Funding	
Enhancing Crawford, ANIPP	200,000.00
Public Policy Chair Set-Up Funding	100,000.00
Investment Income	7,154.45
Total Income	3,807,154.45
Total Available Funds Before Expenditure	\$3,807,154.45
Less	
Consultancies	32,869.98
Consumables	920.00
Workshops and Meetings	15,330.52
Salaries & Related Costs	836.54
Travel Field & Survey Expenses	1,080.68
Other Expenses	8,648.24
Total Expenditure	59,685.96
Unspent Balance after Operating Expenditure	\$3,747,468.49
 Less Transfer to TTPI Endowment Fund to Start-Up Funding Treasury	 3,000,000.00
Unspent Balance as at 30 June, 2014	\$747,468.49
 Crawford School Contributions	 \$783,766.78

Endowment Report Attached

I certify the following statements:

- (i) all funding, Crawford School Contributions and any other third party contributions provided to the TTPI have been spent or used in accordance with the Grant Arrangement;
- (ii) the Crawford School has complied with the Grant Arrangement; and
- (iii) the financial statements are accurate.


Professor Tom Kompas
Director
Crawford School of Public Policy

Fund No: E5397401
Project: Tax Transfer Policy Institute

STATEMENT OF INCOME AND EXPENDITURE
For the Period 01 May, 2013 to 30 June, 2014

	Current Period
	\$
Unspent Balance as at 01 May, 2013	0.00
Add	
Transfer from S5335501 - Operating Grant	3,000,000.00
Investment Income	86,769.49
Total Income	3,086,769.49
Total Available Funds Before Expenditure	\$3,086,769.49
Less	
Investment in Term Deposits >90 Days	3,051,123.29
Total Expenditure	3,051,123.29
Unspent Balance as at 30 June, 2014	\$35,646.20

CONTACT US

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