

16 March 2017

AUSTRALIAN TAXATION OFFICE VINDICATES IPA RESEARCH AND ADMITS CORPORATE TAX AVOIDANCE IS “RELATIVELY MODEST”

“Comments made today by the Tax Commissioner Chris Jordan that corporate tax avoidance is a minor issue vindicate Institute of Public Affairs research”, said Chris Berg, postdoctoral fellow at RMIT and senior fellow at the Institute of Public Affairs.

In comments reported by the *Australian Financial Review* today, [Commissioner Jordan argued](#) that while “everyone is focusing on the large multinationals and the large corporates” the gap between what corporations should be paying and what they are paying is “is relatively modest” and eliminating it would not “make a dent” in reducing the overall tax gap.

Dr Berg published with Professor Sinclair Davidson a peer-reviewed paper in *Econ Journal Watch* in January 2017, “[Stop This Greed: The Tax-Avoidance Political Campaign in the OECD and Australia](#)”. The paper argued that there was little evidence that corporate tax avoidance in Australia is widespread and fiscally significant.

“Commissioner Jordan’s comments expose the corporate tax avoidance debate for what it always was – a moral panic intended to divert blame away from the Australian parliament’s inability to balance the budget.

“Unfortunately moral panics have consequences. The Turnbull government’s introduction of a ‘Google tax’ on multinational firms operating in Australia is likely to make Australia a less welcoming place for foreign investment, undermining the Australian economy and ultimately Australian jobs.

“As a series of Commonwealth Treasurers have noted, Australia has some of the strongest general anti-tax avoidance provisions in the world. Parliament should rely on the professionalism of the Australian Taxation Office and our strong rule of law framework rather than kowtowing to populist tax activists claiming multinational firms are not paying their fair share,” said Dr Berg.

Dr Berg and Professor Davidson's paper “Stop This Greed”: The Tax-Avoidance Political Campaign in the OECD and Australia’ is available [here](#).

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