

Extreme Greens snatch tax reform narrative amid leadership vacuum



(L to R) Greens Senator Larissa Waters, party leader Adam Bandt and Max Chandler-Mather during a press conference in Brisbane. Picture: Dan Peled



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In recent years, both major political parties have quietly vacated the field of serious tax reform. This dereliction is more than a political convenience – it's a national tragedy in the making. With our economic foundations groaning under demographic pressures, productivity stagnation, and a narrowing revenue base, we are in urgent need of a comprehensive, bipartisan tax reform agenda.

Instead, as the current federal election campaign has laid bare, tax debate in this country has been reduced to retail politics – modest gestures designed for immediate appeal rather than long-term reform. Whether it's the Albanese government's instant \$1000 tax deduction or Dutton's targeted interest deductibility for first home buyers, these are measures that may offer short term relief but do little to address the structural inefficiencies in our system.

This is the fiscal equivalent of owning a glorious but decaying mansion – the columns are cracked, the roof leaks, and the wiring's a hazard – yet somehow the debate has centred on whether we should put the new couch in the living room or splurge on a dining table. Meanwhile, the house is falling down.

The greater danger of this leadership vacuum is that it invites fringe parties to dominate the tax reform narrative. And none has been more eager to seize that opportunity than the Greens.

Adam Bandt, leader of the Greens, took to the stage at the National Press Club last week with his usual theatrical flair, presenting what he called a bold plan to reshape Australia's tax system. What he actually offered was a gory platter of economically destructive, wealth-punitive taxes that would kneecap investment, incentivise capital flight, and ultimately reduce the tax base they purport to expand.



Anthony Albanese and Opposition Leader Peter Dutton attend the 7NEWS leaders' debate.

Chief among these proposals is the so-called “billionaire tax” – an annual 10 per cent levy on the net wealth of Australia's top 150 billionaires. The Greens frame this as a moral crusade, a Robin Hood policy designed to redistribute the excessive fortunes of the few. But let's be clear: this is not wealth redistribution – it's capital destruction. And it is based on a fundamental misreading of how wealth is held, generated, and reinvested in modern economies.

The Greens' plan would tax individuals not on income, but on the market value of illiquid assets – property, business interests, and equity stakes – irrespective of whether those assets produce actual cash flow. A 10 per cent annual impost on net wealth is, by any global comparison, extreme. It would force asset sell-downs, trigger defensive restructuring, and ultimately encourage the departure of mobile capital – and the productive individuals who steward it.

To pre-empt this entirely predictable response, the Greens have come up with a characteristically authoritarian twist: a 10 per cent cap on capital flight. Let that sink in. If you're wealthy and you want to leave the country with your capital, you may only take 10 per cent of it per year. This is not tax reform – it's economic hostage-taking.

The Greens would no doubt point to other nations with wealth taxes as precedents. But recent international experience demonstrates why this model is so problematic. Norway, for instance, has long levied a modest wealth tax. In 2022, its centre-left government raised the rate to 1.1 per cent for those with assets exceeding AUD \$3 million. The result? More than 30 of the country's wealthiest individuals left the country, taking with them investment capital, jobs, and tax revenue. Rather than raising more money, the policy shrank the base.

It's tempting to dismiss the Greens' platform as the kind of performative policy designed to stir applause on social media rather than shape national agendas. But complacency would be a mistake. The real danger is that ideas like this – untested, economically reckless, and ideologically driven – begin to seep into the platforms of the major parties under pressure from preference deals or shifting public sentiment.

In fact, we are already seeing the early signs of this seepage. Labor's proposal to tax unrealised capital gains within superannuation funds is, functionally, a form of wealth taxation. It would require funds to pay tax on notional paper gains – again, without any corresponding cash flow. And across the states, we're seeing a steady uptick in land tax rates and measures – another creeping form of wealth taxation masquerading as fair revenue raising.

This is not reform. This is drift. A patchwork of reactive, politically expedient measures that collectively amount to wealth tax by stealth.

Australia's economic resilience has long rested on a relatively efficient, broadbased tax system that rewards investment, supports enterprise, and avoids punishing capital accumulation. That model is under threat. If the political centre does not reassert itself as the custodian of rational, growth-oriented tax policy, the vacuum will be filled by populist policies that chase headlines instead of prosperity.

It's time for Australia to reclaim tax reform as a serious, nation-building project. Without it, we risk losing not only our competitiveness, but the very economic freedoms that underpin our prosperity.

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