

rushed to the region, urging Russia to end the hostilities and enter peace talks.  
Unfortunately it may be all too late for the people of Georgia.

## BORN TODAY

August 13

**Fidel Castro (1926-).**  
Cuban revolutionary and politician  
After leading two unsuccessful coups on Cuba's Batista dictatorship, he became prime minister in 1959. He became president in 1976 after the office of prime minister was scrapped. Amid growing concerns about his health, Castro stepped down from the presidency in February 2008.



## HISTORY

1885 - BHP is incorporated in Australia as a business.  
1914 - Australian Red Cross is established.  
1942 - Walt Disney's animated feature *Bambi* (pictured) premieres in New York.  
1946 - Death of HG Wells, British writer.  
1961 - East Germany seals off border between East and West Berlin, closing Brandenburg Gate.



REUTERS

# Let needs lead tax reform

FORGETTING to involve the community in the Federal Government's tax review panel is a bit like forgetting to include women in the 2020 Ideas summit leadership team.

Just as we need to be on the case for gender inclusion, we also have to challenge the forgetfulness of social inclusion.

The Federal Government's tax panel will no doubt result in a new, complex negotiation process about how we tax, who taxes and how much we tax. But it won't contribute much unless it involves a conversation about what services people expect and need from government. The real reform issue is the level of services, not how funds are collected.

A real reform process would place social and community values at the heart of our economic system - where they belong.

It would begin by asking what our schools, universities, and health services need and what the creative fields need to inspire and stimulate our culture. It would ask what our businesses and workplaces need to provide good, secure

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jobs that support a decent standard of living.

Most importantly, it would ask what is needed to sustain our natural and physical environment.

These questions are best answered by the whole community, not just tax experts.

Take tax cuts. Poll after poll has reaffirmed that people don't want tax cuts - they want improved government spending, on services that benefit the whole community - especially in health, transport and education.

It's surely time to challenge the view the economy exists in some kind of parallel universe to the rest of our lives.

This parallel universe thinking became entrenched

during the Howard years.

It never asks why taxes are collected if they aren't needed, or, if they are needed, why they are handed back.

Yet the parallel universe of economic thinking tells us surplus funds must be handed back - mostly to compensate us for market failure.

Tax cuts help families struggling with high mortgages, but the real driver of mortgage stress is the lack of investment in affordable housing.

The same applies to welfare policies.

Welfare transfers are made to help households cope with the collapse of local services, regional economies and labour markets. They simply mask a lack of investment in jobs,

transport and education in many communities.

The success of the 2020 Ideas summit presented an opportunity to "do policy" differently. If the Federal Government is serious it needs to reach out beyond the experts and policy insiders.

Tax policies are vital and must be closely aligned with our social and community priorities.

A reform process that involved the community in a meaningful way would help us know what growth we need to sustain us into the future and make the economic allocation process more transparent so we could tell if the economy was meeting our needs.

So let's develop a list for the panel. Let's start with health and well-being, education, our physical and creative opportunity, our environment, transport, workplaces, communities and our combined dreams and aspirations.

Then let's talk about the best system to pay for them.

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