

## DELIVERY DATE

The Hon. Julia Gillard MP  
Prime Minister of Australia  
Parliament House  
Canberra

Re: Proposal in G20 for Financial Transactions Tax

Dear Prime Minister,

On behalf of civil society organisations in Australia and internationally, we are writing to urge you and your Government to consider support for the financial transactions tax initiative at the G20 this year.

We note your address on 20 March to the G20 Heads of Mission, where you stated that the G20 has responsibility to ensure sufficient international economic reform to avoid another global financial crisis (GFC). This requires leadership and innovative solutions to address some of the root causes of the GFC - sub-prime mortgages and secondary finance markets spiralling beyond their value in the real economy, creating volatility across the global finance sector.

We firmly believe that a financial transactions tax (FTT), which is among the priorities that French President Nicolas Sarkozy is championing during his G20 presidency, is a vital step towards slowing speculative markets and to increase much needed revenue for domestic and international public goods. It is a small tax averaging 0.05% across all wholesale financial transactions. It could raise billions of dollars annually for climate change, international development, and domestic social and environmental public spending. It is technically feasible to implement. It targets “socially useless” speculation. It is a small but strategic tax whose time has come.

Globally, the burden of the GFC is being borne by the most vulnerable through cutbacks in wages for civil servants, pensions, vital public services, labour demands and international aid programs. Oxfam Great Britain have found that the GFC created a \$65 billion fiscal hole in developing nations' budgets, significantly impeding realisation of the Millennium Development Goals. The UN Food and Agriculture Organisation record that one in seven of the world's population go hungry, a slight decline from the 2010 peak in world hunger.

As nations seek to provide for citizens and avoid another devastating financial crisis, we need action now to raise funds for real social needs in developed and developing countries, and to reduce speculation. As Australia builds its profile as a financial hub, we will need a stable and strong global economy in which to participate. As the developed world grapples with how to source the billions of dollars they are legally obligated to raise to support developing countries dealing with climate change, new sources of revenue are needed. All these ambitions are interconnected. Members of the Eurozone are proposing to implement a regional FTT to contribute to these ambitions of market stability and revenue raising. The G20 is the appropriate forum to debate how this initiative can benefit the global economy.

We concur with your call for the leaders of the G20 to step up to the ambitious agenda of creating collective solutions. You reminded the leaders' that their “task is to deliver for the people of the countries that have elected us to represent them”. We agree that political leaders must give priority to protecting the interests of all citizens, and in particular to generating new revenue streams and reducing incentives for the hyper-speculative and risky market behaviour that led to the GFC.

We therefore urge you and the Australian Government to enable debate and forward movement on the FTT concept at the G20 in this year.

Sincerely,

## ***Australian organisations***

Jeff Lawrence, Secretary, **Australian Council of Trade Unions**

Cam Walker, National Liaison Officer, **Friends of the Earth Australia**

Alistair Gee, Executive Director, **Act for Peace – National Council of Churches Australia**

Matthew Maury, National Director, **TEAR Australia**

Adele Webb, Executive Director, **Jubilee Australia**

Jo-Anne Schofield, Executive Director, **Catalyst Australia**

Bill Bowtell, Executive Director, **Pacific Friends of the Global Fund (Australia)**

David Carey, Federal Secretary, **CPSU-SPSF (Community and Public Sector Union – State Public Services Federation)**

Susan Hopgood, Federal Secretary, **Australian Education Union**

Paul Bastian, National President, **Australian Manufacturing Workers Union**

Marc Purcell, Executive Director, **Australian Council for International Development (ACFID)**

Tim Costello, Executive Director, **World Vision Australia**

John Jeffries, National Director, **Christian Blind Mission**

Archie Law, Chief Executive Officer, **ActionAid Australia**

Peter Murphy, Coordinator, **Search Foundation**

Jack de Groot, Chief Executive Officer, **Caritas Australia**

Rev. Alistair Macrae, President, **Uniting Church in Australia**

Misha Coleman, Chief Executive Officer, **Anglicord – Anglican Overseas Aid**

Peter Jennings, Executive Officer, **Union Aid Abroad-APHEDA**

**Pine Rivers Climate Action Network**, Australia

**St Johns Wood Sustainability Group**, Australia

**Sustainable Jamboree**, Australia

**Transition Kenmore**, Australia

**Transition Kurilpa**, Australia

**University of Queensland Climate for Change**, Australia

## ***International Organisations***

Sharan Burrow, General Secretary, **International Trade Union Confederation**

Owen Tudor, Head of European Union and International Relations, **Trades Union Congress** Great Britain

Don K. Marut, **International NGO Forum on Indonesian Development (INFID)** Indonesia

Simekina Kaluzi, **Council for NGOs in Malawi / GCAP Malawi**, Malawi

Hansha Sanjya, **Global South Initiative**, Nepal

Nicola Bullard, Senior Associate, **Focus on the Global South** India, Philippines, and Thailand

Dimpos Manalu, **KSPPM (Kelompok Studi dan Pengembangan Prakarsa Masyarakat, Study Group for People's Initiative Development)** Indonesia.

**PIAR NTT (Perkumpulan Pengembangan Inisiatif dan Advokasi Rakyat Nusa Tenggara Timur, Community Development Initiatives and Advocacy of Nusa Tenggara Timur)**, Indonesia.

**Perhimpunan Maluku Untuk Kemanusiaan, Maluku Union for Humanity**. Indonesia.

Rivani Noor, **CAPPA-Ecological Justice**. Indonesia

Ethel Pengel, Chair Person, **Double Positive Foundation, NGO for women and young girls living with HIV**. Paramaribo-Suriname

Nila Wardani, Managing Director, **Ruang Mitra Perempuan (RUMPUN)/ Space for Women Friendship**, Indonesia

Erich Pica, President, **Friends of the Earth U.S.**

Peter Walh, **World Economy, Ecology & Development Association** Germany

Magda Stoczkiewicz, Director, **Friends of the Earth Europe**

Moi Lee Liow, Executive Director, **Asia Pacific Council of AIDS Service Organizations (APCASO)**

Soren Ambrose, Policy Manager, **Action Aid International**

Sarah Anderson, Global Economy Project Director, **Institute for Policy Studies, Global Economy Project** United States of America

## ***International Coalitions***

**Zero Zero Cinque Coalition**, Italy - including Acli, ActionAid Italia, Adiconsum Nazionale, Adiconsum Basilicata, Amref, Arci, Attac Italia, Azione Cattolica, Banca Popolare Etica, CRBM - Campagna per la Riforma della Banca Mondiale, CGIL, CINI - Coordinamento Italiano Network Internazionali, CISP, CISA - Comitato Italiano per la Sovranità Alimentare, CISL, Cittadinanzattiva, CAE - Consorzio Città dell'Altra Economia,

Consorzio Sociale Goel, CVX Italia, Daquialà, Economia Alternativa, Equociquà, FLGC - Fa' La Cosa Giusta, FAIR, FIBA CISL, FOCSIV – Volontari nel mondo, FCRE - Fondazione Culturale Responsabilità Etica, GCAP - Coalizione Italiana Contro la Povertà, Legambiente, LMS - Lega Missionaria Studenti, LeG - Libertà e Giustizia, Lunaria, Microdanisma, Mani Tese, Mag Verona, Mag4 Piemonte, Oxfam Italia, Reorient, RTM - Reggio Terzo Mondo, Save the Children, Sbilanciamoci, Social Watch Italia, UIL, Un ponte per, Volontari Terzo Mondo – Magis, WWF Italia.

**Global Council, Global Call to Action Against Poverty (GCAP)**

### ***Individuals***

Colin Richardson

Adjunct Professor of Economics, Centre for International Security Studies | Faculty of Arts and Social Sciences, The University of Sydney

Professor John Langmore

School of Social and Political Sciences, University of Melbourne.