

# Why the Tories don't want to close the Tax Gap - my spe...

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I made this speech (or something very like it) at the PCS conference in Brighton this afternoon.

My focus was, of course on the tax gap, but the big news issue I explored is why the Tories don't want to close it - because if they did the case for austerity would be shattered for good:

*Friends, I think it only fair to start my talk today with a warning. As many of you will now know, I am now according to this government a 'dangerous' man.*

*I know, that sounds absurd. The words 'dangerous' and 'chartered accountant' don't generally mix. But then there aren't many chartered accountants who can rely on Mark Serwotka to defend them in the FT either. So friends, let me tell you something right now in case I forget to do it later. If defending your jobs, and demanding that you be spared from redundancy and if saying that giving jobs back to your colleagues who have been sacked makes me a dangerous man, well then I'm proud to be dangerous. And yes, I'm proud too to have a friend like Mark.*

*Because let's be clear why HMRC described my work as dangerous last week in their official - and therefore no doubt minister approved - report to parliament on the tax gap. David Gauke - whose Tory hands have the feeling of having been all over this report - no doubt wanted to achieve three things.*

*The first was to say the tax gap was no big deal. And let's be honest, he's got to say that. How else can he justify sacking 10,000 more PCS members over the next three years unless he can argue the work you're doing is unimportant? The fact that the HMRC Board admit the tax gap is £35 billion - with it being bound to rise again as the increased VAT rates kick in in the future - shows just how stupid - and friends I use the word advisedly — this claim Gauke is making really is. But if he's going to sack you he's really got no choice but say the tax gap's no big deal.*

*Second, the David Gauke and the Tories had to reassure their friends in big business*

*that they're not going to come along any time soon for the money they really owe to HMRC. You know, I know, the recent Panorama on tax avoidance and even the Tax Journal, which is aimed at tax professionals, knows that the lame excuses that HMRC make that my work on the corporate tax gap might simply be put down to business claiming capital allowances is ludicrous. We all know that's not possible. And that it's not what I measured.*

*There's no doubt that the biggest part of what I measured was profit that should have been taxed in the UK and wasn't. That tax gap is down to Vodafone, and Google, and Amazon, and GSK and PricewaterhouseCoopers and all those other names we all know and love who've been darned sure they shift their profits out of the UK. Even the Daily Mail gets that now. But oddly — and as the Tax Journal noted this week — none of that tax avoidance even comes near featuring in HMRC's estimate of the tax gap, but all of it is in mine.*

*And that's what really upsets the Tories. Sure as heck it would be dangerous for Gauke to upset his friends by agreeing that HMRC have to include their tax shifting shenanigans in the tax gap. Then he might have to ask HMRC to do something about it, and he's not stupid enough to do that when right now a cosy little deal will sweep everything under the carpet. No wonder I'm dangerous for drawing attention to that fact.*

*But third, and much more sinister is the fact that what's really dangerous about what I've said - and what you as a union are saying - is that we could actually collect a big chunk of the tax gap. Now I'm being realistic; I'm not going to pretend we could ever get it all. Tax cheats will, I'm afraid, always be with us. But what I've proposed are real reforms - and easily deliverable reforms - that could radically increase the amount of tax we could collect in this country.*

*I hate it when I see ARC members, working at Gauke's bidding, having to explain why more tax staff, country-by-country reporting, reform of the law which would let us know which small companies were really trading so we could concentrate resources on those who are cheating and more — all of which are explained in today's new report - would not help us collect tax when to ask them to do so is the equivalent of asking them to say black is white. They are being made to look stupid by Gauke, and there's a reason for that.*

*You see, the Tories don't want to collect the tax we know could be collected. They don't want that tax because they know that if that tax was collected it would destroy the case austerity.*

*But that would mean they couldn't shrink the size of government. And it would mean they couldn't threaten a workforce sick of unemployment into accepting poverty wages and a loss of pension rights in jobs the Tories want their friends who've bought newly privatised companies to offer.*

*And collecting the tax that we all know is out there and is owing would also mean they'd have to deliver a fair deal to the old, give all young people the chance of a free education to the limits of their ability and it would mean we could have the best NHS we've ever had instead of a privatised apology for something that was once great. And let's be clear; the Tories don't want those things.*

*Never forget the Tories aren't like us. We believe in equality. We believe in fairness. We respect each other. We want the best for others as well as ourselves.*

*The Tories don't do that. They want inequality. Just read this week's flat tax report from their favourite think tank — the Taxpayers' Alliance — and you'll see exactly what I mean. They praise inequality. They think it's just fine that education for some is better than that available for all. They want an unequal society.*

*And to deliver that the Tories need to destroy the state. Their austerity programme is their way of doing that. They want to destroy hope. They want to deny people affordable housing. They want people to be frightened of their old age, unemployment, sickness, child care costs, and so much more. And that's because they want people to be so frightened that they'll do whatever the market demands at the lowest possible price. And they can only be sure that will happen if they can destroy the welfare state. And there are plenty of Tories in parliament who want to do just that, just as the Taxpayers' Alliance demand.*

*That's why I'm dangerous. And that's why you're dangerous. What we're saying, together, is that we know that this government's austerity programme is not needed. We know that we can deliver an alternative. We know that by working to close the tax gap we can turn this economy around.*

*And we know that is we could close that tax gap people would not need to live in fear of losing their job — because we know that the state could afford to put people to work if only the tax due in this country was collected by an invigorated H M Revenue & Customs that really believed it was its job to get each and every one to pay the tax they owe — and no more.*

*But that totally realistic demand — that you be allowed to get on with your jobs — and that you have the right number of colleagues beside you doing their jobs — destroys the Tory myth — Gauke's myth, Osborne's myth, Cameron's myth — that there is no alternative. We're dangerous because we know that's wrong.*

*It was more than two hundred years ago that the French philosopher Voltaire said "It's dangerous to be right when those in power are wrong". Well I'll tell you why I'm dangerous then. I'm right and you're right. And this government is wrong.*

*Friends, we know austerity is failing.*

*And we know the tax gap is growing.*

*We know that HMRC's management — dominated as it is by big business people who think they're running a company and not a public service — have called this one wrong.*

*And we know we have friends in the union movement, the labour movement, civil society and the press who know we're right and the government is wrong.*

*It's our job to make sure we come together. To protect PCS member's jobs. To demand reform in HMRC. To demand more tax officials. To demand the laws and reforms we need to close the tax gap. To challenge the government. And to show that it is them, and not us, who are a danger to the people of this country. Because never doubt it: we're right, and they're wrong — and the very future of our jobs, our services, and even our democracy is at stake here — and that's why we're winning this argument already, and why we have to get the changes we demand for the sake of all the honest people of this country.*