

## GENERAL COMMENTS

Government can have no more than two legitimate purposes:

- 1) the suppression of injustice against individuals within the community
- 2) the common defense against external invasion

Restrict government activity to these two activities and reduce the tax burden.

In ancient Egypt, the people worked for 3 months of the year for the Pharaoh while the Nile was in flood. Australian tax day came in May this year. We work for more than 3 months to pay all our taxes, longer than the peasants of ancient Egypt.

The wealth of a nation comes from primary production (agriculture and mining,) and from secondary production (refining, processing, and manufacturing.) Service industries consume wealth (government is a service industry.)

The way to increase the nation's wealth is to increase production. The most effective way to increase production is to reduce the taxes on productive enterprises. During certain periods, tax rates in the United States and in Japan were reduced, and the total collected tax increased as a result of the increase in production.

## GOODS AND SERVICES TAX

This is fair tax only as long as the tax is not applied to the necessities of life: food, electricity, water, rent, rates and land tax.

## SUPERANNUATION

People need to save for their retirement. Money paid into superannuation savings should be tax free, and the superannuation fund earnings should be tax free. Pensions and withdrawals could then be taxed as earned income when retirement age was reached.

## NEGATIVE GEARING

Paying interest on a loan is a business expense. If you are in the business of rental property, then paying interest on a loan is still a business expense.

## INCOME TAX

Abolish the capital gains tax to encourage business investment. Reduce government activities and income tax rates. Let us keep what we earn!