

RECOMMENDATION TO ELIMINATE ALL TAX AVOIDANCE TECHNIQUES AND RETURN AUSTRALIA TO A SURPLUS

My recommendation is to tax companies and individuals on their "gross" income, less any Australian Payroll Tax, Australian Superannuation Contributions and Australian Charity Donations. ALL other tax deductions should be eliminated. The new tax rate would be deduced by calculating the total gross income from all products and services sold in Australia by both local and international companies and then calculating what percentage of that amount would be required to give the government a surplus. This would completely solve Australia's financial problems forever! I suspect that this tax rate would be somewhere in the 10% to 20% range, which is lower than the rate currently paid by companies not avoiding tax and higher than the rate paid by companies using international tax avoidance procedures. As Australian payroll would be a legitimate deduction and overseas payroll would not, it would make it more attractive to employ people in Australia rather than overseas (e.g. call centres and back office functions!) thereby improving local employment. International companies would have to pay the full rate of tax on the gross value of the goods or services sold in Australia so things like "landed cost" or "booking orders in another country" would become irrelevant!