Dear Treasurer,

Thank you for the opportunity of commenting on the Tax Discussion paper. Here are my comments in the simplest terms :

1. Discard the motto "Simpler, Fairer and Lower Taxes". It is PR speak, tendentious and alienating for the reader. More importantly, it "dumbs down" the substantive debate by failing to recognise the required balance between competing priorities and the need for offsets.

-Fairness- yes, always.

-Lower taxes- Not lower overall tax take, in fact a slightly higher overall tax take. But modest overall tax reduction in personal income and small/medium business income.

-Simpler Taxes- yes, wherever possible. But where efficiency, fairness and fitness for purpose are compromised by simplicity, the complexity of the necessary arrangements needs to be managed to the best of the Government's capacity.

2. Superannuation tax concessions are grossly inequitable among beneficiaries, unsustainable for the current taxpayer and the national budget and the system is expensive to administer for the most part, especially the retail for profit sector.

For my full analysis and a range of improvement proposals for superannuation in relation to this tax paper, please visit the website [www.justiceinsuper.org](http://www.justiceinsuper.org)

3. Negative gearing entitlements should only credited against the activity on which the loss was made and not against unrelated income. Housing affordability is out of control in this nation, especially for younger generations.

4. The capital gains tax discount introduced by PM Howard should be abolished. The problem of housing affordability is also applicable here.

5. If, and only if superannuation tax concessions for top earners are addressed, the ACOSS proposal for tightening the means test for the aged pension should be favourably considered. The proposal to index down the Aged Pension and related social service payments to the CPI should be discarded. All Australians can sacrifice a little here so the poor do not become destitute.

6. Low but comprehensive property tax, including PPOR, should be favourably considered. Stamp duty should be abolished and compensation in the form of discounts should be offered to recents purhasurers should be considered.

7. The GST should be not be raised nor extended in scope because of its regressive nature.

8. Finally, every effort must be made to tackle international profit shifting and HNWI tax evasion.

Thank you again for the opportunity to contribute to this consultation.

Michael Clanchy