

10 July 2015

Tax White Paper Task Force

The Treasury

Langton Crescent

PARKES ACT 2600

Dear Sir/Madam

Tax Discussion Paper

We have a few comments on the Tax Discussion Paper.

- The basic economic and social unit of society is the family and most family payment arrangements are assessed on a household income basis. Our tax system, however, is almost exclusively focused on the individual.
- This system is inefficient because families make decisions as a unit. Tax rates should not be different between parents, because when they are that changes who looks after children. We should not have a tax system that tries to engineer parental choices.
- These tax arrangements also make it more difficult for some families to maximise their household income.
- This system is unfair because families with similar incomes can pay vastly different amounts of net tax.
 - A single income family on \$80,000 pays around \$6,000 more net tax every year than a double income family on the same income.
 - A double income family could earn up to \$172,000 a year before they pay the same average tax rate as a single income family on just \$86,000 a year.
- Various changes to income taxes and family benefits have meant that single income families on middle incomes (of around \$60,000 to \$120,000) have seen their relative situation worsen by between \$1,000 and \$4,000 per year since 2007.
- Australia's tax system penalises single income households relative to double income households by a greater margin than most countries. Overall, Australia has the fifth most discriminatory tax system for single income families in the OECD.
 - Around half of OECD countries offer some kind of joint taxation treatment between the members of a family.
- Multiple studies demonstrate that full time parental care is the best for children, and long periods in day care for children can adversely affect a child's development, hence a society of children with attachment, abandonment and emotional issues!
- A more neutral tax system would allow husbands and wives to make household decisions for them and their children, without the tax and welfare system interfering with those choices.
- It will also return more choice about who works and how children are looked after to the people best placed to make that decision — the mother and father of the children.
- Government focus on workplace participation can neglect the common good by not valuing work that is outside the paid workforce, like parents choosing to stay at home to look after their children. Families are vital to the community and should be supported through the tax system, whether they decide to have two parents in the paid workforce or one.

Australia's tax system is the fifth worst in the developed world for single income families! We believe that our tax system should not seek to socially engineer parental decisions. If parents want to look after their own children they should not be discriminated against.

With our tax system in general the government taxes families and people too much. Yes, we do need good roads and hospitals etc, but rather than taxing the people more why don't politicians and other government organisations more than half their salaries and stop wasting money through unnecessary programs and middle/top management.

Of course we need certain programs to be run to look after the poor, keep peace and protect our shores but so much money is wasted unnecessarily. Please see below for recent figures of what politicians cost us and what do they really do to show for it? The last few months have been embarrassing how much time they have wasted trying to destroy marriage, absolutely shameful.

We need a government that stands for freedom and liberty above all else.

You should not tax retirement income anymore than you already are. Why don't you have a blanket \$60k per year for politicians and slash middle and top government positions to free up money for roads and hospitals.

GST was added with the plug that income tax would be abolished. Why has this not happened? Why do we even have income tax when we have so many other taxes?

The current government is on the right track when they say they want to run the government in the black, like any good family or business, but it should go further, we should actually have a budget that is reasonable and not include so much income from families.

Yours Sincerely,

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Change the Entitlements

I absolutely agree, if a pension isn't an entitlement, neither is theirs. They keep telling us that paying us an aged pension isn't sustainable.

Paying politicians all the perks they get is even less sustainable! The politicians themselves, in Canberra, brought it up, that the Age of Entitlements is over:

The author is asking each addressee to forward this email to a minimum of twenty people on their address list; in turn ask each of those to do likewise. In three days, most people in Australia will have this message. This is one idea that really should be passed around because the rot has to stop somewhere.

Proposals to make politicians shoulder their share of the weight now that the Age of Entitlement is over:

1. Scrap political pensions.

Politicians can purchase their own retirement plan, just as most other working Australians

are expected to do.

2. Retired politicians (past, present & future) participate in Centrelink.

A Politician collects a substantial salary while in office but should receive no salary when they're out of office. Terminated politicians under 70 can go get a job or apply for Centrelink unemployment benefits like ordinary Australians. Terminated politicians under 70 can negotiate with Centrelink like the rest of the Australian people.

3. Funds already allocated to the Politicians' retirement fund be returned immediately to Consolidated Revenue. This money is to be used to pay down debt they created which they expect us and our grandchildren to repay for them.

4. Politicians will no longer vote themselves a pay raise. Politicians pay will rise by the lower of, either the CPI or 3%.

5. Politicians lose their privileged health care system and participate in the same health care system as ordinary Australian people. I.e. Politicians either pay for private cover from their own funds or accept ordinary Medicare.

6. Politicians must equally abide by all laws they impose on the Australian people.

7. All contracts with past and present Politicians men/women are void effective 31/12/14.

The Australian people did not agree to provide perks to Politicians, that burden was thrust upon them. Politicians devised all these contracts to benefit themselves.

Serving in Parliament is an honour not a career.

The Founding Fathers envisioned citizen legislators, so our politicians should serve their term(s), then go home and back to work.

If each person contacts a minimum of twenty people, then it will only take three or so days for most Australians to receive the message. Don't you think it's time?

THIS IS HOW YOU FIX Parliament and help bring fairness back into this country!

If you agree with the above, pass it on. If not, just delete.

If you wonder why the above individuals are asking for your help look at the figures below.

REMUNERATION – SPECIFIED STATUTORY OFFICES

Date of Effect 1 July 2014

Specified Statutory Office

Base Salary (per annum)

Total Remuneration for office (per annum)

Chief of the Defence Force > \$535,100 - \$764,420

Commissioner of Taxation > \$518,000 - \$740,000

Chief Executive Officer, Australian Customs

And Border Protection Service > \$483,840 - \$691,200

Auditor-General for Australia > \$469,150 - \$670,210

Australian Statistician > \$469,150 - \$670,210

“PAY FREEZE, NOT FAIR. SOB, SOB”

Salaries of retired Prime Minister and Politicians

Office	Additional salary (%)	Salary as of 1 July
Prime Minister	160	\$507,338
Deputy Prime Minister	105	\$400,016
Treasurer	87.5	\$365,868
Leader of the Opposition	85.0	\$360,990
House of Reps Speaker	75.0	\$341,477
Leader of the House	75.0	\$341,477
Minister in Cabinet	72.5	\$336,599
Parliamentary secretary	25.0	\$243,912
Other ministers	57.5	\$307,329
Shadow minister	25.0	\$243,912

Source: Remuneration Tribunal.

So if I press all the right buttons, the TOTAL <u>annual</u> wages for the 150 seats in the Parliament are:		
Prime Minister	\$507,338	
Deputy Prime Minister	\$400,016	
Treasurer	\$365,868	
Leader of the Opposition	\$360,990	
House of Reps Speaker	\$341,477	
Leader of the House	\$341,477	
Minister in Cabinet	\$336,599	
Parliamentary secretary	\$243,912	
Other ministers*	$307,329 \times 71 = \text{A\$}21,820,359$	
Shadow ministers*	$\$243,912 \times 71 = \text{A\$}17,317,752$	
<p>The TOTAL ANNUAL SALARIES (for 150 seats) = \$41,694,311 - PER YEAR!</p> <p>And that's just the Federal Politicians, no one else!</p> <p>For the 'lifetime' payment example (below) I used the scenario that:</p> <ol style="list-style-type: none"> 1. They are paid 'lifetime' salaries the same as their last working year and 2. After retiring, the 'average' polliie's life expectancy is an additional 20 years (which is not unreasonable). <p>It's worth remembering that this is <i>EXCLUDING</i> all their other perks!</p> <p><u>SO, for a 20 years 'lifetime' payment (excluding wages paid while a Parliamentarian)</u></p>		

Prime Minister @ \$507,338 = A\$10,146,760

Deputy Prime Minister @ \$400,016 = A\$8,000,320

Treasurer @ \$365,868 = A\$7,317,360

Leader of the Opposition @ \$360,990 = A\$7,219,800

House of Reps Speaker @ \$341,477 = A\$6,829,540

Leader of the House @ \$341,477 = A\$6,829,540

Minister in Cabinet @ \$336,599 = A\$6,731,980

Parliamentary Secretary @ \$243,912 = A\$4,782,240

Other ministers @ \$307,329 = A\$6,146,580 x 71 = A\$436,407,180**

Shadow ministers @ \$243,912 = A\$4,878,240 x 71 = A\$346,355,040**

Conclusions:

TOTAL 'life time' (20 year) payments, (*excluding* wages paid while in parliament)

= A\$833,886,220 – OVER \$833 MILLION

Julia Gillard, Kevin Rudd, John Howard, Paul Keating, Malcolm Fraser, Bob Hawke,

et al, add nauseum, are receiving \$10 MILLION + EXTRA at taxpayer expense.

Should an elected PM serve 4 years and then decide to retire, each year (of the 4 years) will

have cost taxpayers an EXTRA Two and a half million bucks a year! A\$2,536,690 to be precise.

A 2 year retirement payment cut-off will SAVE our Oz bottom line A\$792,201,909

*** **NEARLY \$800 MILLION.**

There are 150 seats in House, minus the 8 above = 142 seats, divided equally for example

= 71 each for both shadow and elected ministers.

This example *excludes* all wages paid while a parliamentarian AND all perks on top of that

- travel, hotels, Secretarial staff, speech writers, restaurants, offices, chauffeured limos, security, etc. etc.

150 seats, 20-year payment of A\$833,886,220 less annual salary x 2 years of A\$83,388,622.

[\$41,694,311 x 2]

“Instead of giving a politician the keys to the city, it might be better to change the locks.”

Doug Larson (English middle-distance runner who won gold medals at the 1924 Olympic

Games in Paris, 1902-1981)

YOU'RE RIGHT, YOU HAVE FOUND WHERE THE CUTS SHOULD BE MADE!

ACTION: Push for a MAX 2 year post retirement payment (*give 'em time to get a real job*).

Spread it far and wide folks. People should know.