

1. Can we address the challenges that our tax system faces by refining our current tax system? Alternatively, is more fundamental change required, and what might this look like?

Yes. A combination of increases of some tax and reductions or abolition of others should be implemented, so as to balance fairness and efficiency.

9. To what extent does taxation affect people's workforce participation decisions?

While I'd be open to reductions in income tax rates, the overall outcome of the tax system should be more, rather than less progressive. As income tax is one of the progressive elements of the current tax regime, any reductions in tax rates would have to be more than offset by increasing taxes on wealthier people. I.e. Introducing land taxes, or reducing concessional treatments of superannuation savings or capital gains.

19. To what extent is the rationale for the CGT discount, and the size of the discount, still appropriate?

The tax concession is unaffordable and should be reduced.

21. Do the CGT and negative gearing influence savings and investment decisions, and if so, how?

These concessional arrangements create major economic distortions. In particular, they are the primary reason for Australia's high housing prices. They should be cautiously wound back where there are opportunities to do so. The potential for negative unintended consequences in this is very high though, so incremental reforms are probably the best approach.

22. How appropriate are the tax arrangements for superannuation in terms of their fairness and complexity? How could they be improved?

Clearly, it is unfair, unsustainable and fundamentally inconsistent with the whole purpose of superannuation to allow the bulk of tax concessions to go to the very wealthy. Some moderate winding back of these concessions is the least that should be done.

51. To what extent are the tax settings (that is, the rate, base and administration) for the GST appropriate? What changes, if any, could be made to these settings to make a better tax system to deliver taxes that are lower, simpler, fairer?

Any increase in the rate of GST would be fundamentally regressive. This doesn't necessarily mean it shouldn't be done, as long as the tax and welfare systems as a whole remained progressive. I.e. You could increase the rate and coverage of the GST for the sake of efficiency, as long as you could compensate low and middle income earners, to be paid for by winding back capital gains and negative gearing concessions, and/or imposing higher land taxes.

62. Would there be benefits in integrating the administration of taxes across the Federation? If so, what would be required to realise these benefits?

There would be, as long as the Federal Government don't retain discretion about how money is to then be distributed.