**Michael Gavin**

**Baby Support for Families budget, with no cost to Australia**

Parents of a new born child or adoption are offered a loan from the government.

The money will help families during the period when one parent stops work.

The money will be offered at a 10 year government bond rate, interest paid by the recipient. There may be a need to add a few base points to cover a staff or two in the administration of the fund.

No cost to Australian tax payers, simple system minimal staff and no income testing.

Incentive for parent to return to work, after the child birth or adoption, the parent that had the time off is entitled to 50 cents in the dollar of tax payable to be paid off loan. Time frames can be worked out, but example would be an incentive is available up to 1 1/2 years after birth of child, if another child comes along in that period then the time frame would extend 1 1/2 year from the birth date of the newest new born.

Remember if the parent does not return to work, then there is no tax paid. Therefore, we need parents to return to work. The loan will continue to be charged interest and may be paid back like HEC or like any other loan, from the estate if required but I would have a time frame of 10 years.

The main point is that it costs nothing to fund, except a few staff or staff hours and offers incentive for the parent to return to work to continue to pay tax.

Details on amount allowed to be borrowed and time frame for repayments can be worked out.

**Superannuation**

Super allows a person a tax effective method of saving for their own retirement, whilst removing the burden of the pension from the Australian tax payer.

We need to calculate, what is a fair amount for Australians to spend each year in their retirement? I think $125,000 per annum per person is fair tied to CPI.

Working backwards on a 5% return per annum, equals $2,500,000 in assets to produce $125,000 per annum.

Once someone has accumulated $2.5 Million in assets in their super fund, any further contributions to the fund would be taxed at the company tax rate, today being 30%, the proportions of earnings higher than that of $150,000 per annum would also be taxed at the company tax rate, today being 30%. $150,000 per annum allows for some better performance in some years.

This will help stop people passing assets to the next generation without paying their fair share in tax. The issue at present is someone that has just sold their business is entitled to either no CGT event or a 50% reduction from the CGT event and a further 50% reduction from selling a small business and then exempt from the remaining tax if they utilise super or another active asset is purchased. If super is used and they use the pension phase in their super fund, no tax is paid on the earnings of the super fund. This to me is now intergenerational wealth being transferred without tax being paid along the way.

With people living longer and the amount of money in super, we need to insure super is used for the purpose it was intended, a person’s retirement. If someone today had $2.5 million in super in pension phase, they pay tax only on the amount they with draw from the fund, the earnings in the fund itself are not taxed. This allows assets to sit for decades accumulating wealth and no tax being paid. I too will utilise this method if the rules are not changed, but I do think that is unfair to sit assets in a no tax environment where there is already ample in the fund to cover the cost of retirement.

Age base limits want to limit the overall amount an individual places in super. Then why not address this with a Super cap as described above.

Age base limits disincentive young by taxing people more on their contributions.

Super should be looked at as one of the preferred investment options for the young, age base contribution disincentives should be removed. Some events such as selling a business, developing a property, developing an App or a sports person may only come across this wealth at the early part of their life and this is the perfect time for such wealth to be invested in super. Currently this cannot be. A young single professional earning $300,000 per annum, early on in life is the perfect time to invest into super, before starting a family and the associated costs.

Australia could give a discount on tax paid in Superannuation if a percentage of the fund was invested into what Australia needed at that particular time. This may include infrastructure, Australian technology, Australia value adding to current primary asset.

We also need to address the issue of subcontractors and self-employed paying their super. As we know money invested over the long term will multiply, so each year that goes by without people correctly paying supper is another year which we the Australian tax payer will need to fund, this short fall will be paid when they retire in the form of welfare and we have seen those projections. Therefore, we need to ensure the correct amount of supper is being paid, today.

**Investing in Australia for Australians**

Australia has and should continue to invest in Universities, CSIRO and as such Labs and their people. However, Australia is a poor performer when it takes the concept, product or drug to market. In my opinion we sell our hard earned intellectual property to early, not realising the full potential of the asset. The Australian public has invested in the risky start up stage but the Australian government is selling an Asset under market value as they do not want to be seen as competing. I do not mind governments owning assets if it delivers a better Australia, though better services, lower taxes or a combination of theses. The end result is a better a Australia.

I would suggest that rather then set up a $2 Billion medical fund to further help the pharmaceutical companies gain even higher yields. By all means set up a $2 Billion Australian government company, but for the good of all Australians, that will take drugs and other ideas to market. Ensuring our assets achieve the correct valuations. Each Australian resident will be allocated shares and each Australian born will be entitled to shares. This will/should have support from all corners.

This is where I was going to end but then I forgot just how many taxes we have in Australia.

Pay Roll Tax

Any tax which has a business thinking they should not hire any more staff should be removed.

While I understand that is a guaranteed way of ensuring tax is paid and not minimised, the area of concern is somewhere else and should be addressed there.

Australia has a lot of small businesses and we should be helping them grow, not deterring them from hiring people. With this Tax, it is easy to see why Australian’s like to cut down the tall poppy.

**Stamp Duty**

Why is a rubber stamp worth so much? I thought this was going to be removed with the introduction of the GST.

Another tall poppy tax, you work hard and save to move from an apartment to your first house, well done **now its time to pay Stamp Duty**, work hard again and save, upgrade to a larger house well done **now its time to pay Stamp Duty**. Down size the family home and buy an apartment, you must have extra money, well done **now its time to pay Stamp Duty**.

Why do we want to charge people such an extravagant amount of Tax for a rubber stamp? If there is an issue of raising revenue though tax, fix that problem. If we do not want to double tax people surely we want to remove such Tax no matter what we call them.

**Land Tax**

**Another tall poppy tax. Well done you have invested in several Australian properties and will no doubt now employee Australians in further improvements, maintenance or constructing dwelling/s.**

**For your contribution for investing in Australia several times, you’ve be reward to pay a special tax.**

**Remove this tax. The Australian tax seems to me the more I invest in Australia the more special taxes Australia wants me to pay. But then identifies that this may be unfair so brings in Offsets and discounts to try to make it a bit fairer and so the investor continues to invest. Remember the A4 piece of paper, it should be that simple.**

**If the government was serious about true reform then they need to look at the budget itself.**

**Break down the budget into sectors and allocate the percentage as required. Let the Australian people know where there money is going and if extra money is needed in a sector then we, Australian’s know what we are raising taxes for. I do not expect the percentage raised to continue to climb but rather one off event. Ie Natural disaster, a fast train line to link eastern state, NBN, new defence equipment.**

**I am all for paying my fair share to live in this great country, but as the custodian of the Public’s finances I wish the government would first ask the question; If this was my money would I spend this amount for this outcome? Not the only test, but a good one to start with.**

**Joe,**

**I think the first thing is start with an A4 piece of paper and ask that the tax act to fit on that page.**

**Tax does not need to be overcomplicated; it is made so by trying to avoid injustices.**

**Who wants to work under a system where every hour you work you give half to the government?**

**Payroll Tax, Tax on wages, Tax as stamp duty, land Tax, petrol Tax then GSTax, it seems to me there is a lot of double dipping on the Australian resident for Tax. I thought the idea of the Australian tax system was not to double Tax.**

**Research most of shown Australians feel better, if smaller amounts are taken at different intervals?**

**We are Adults, tell us what is required.**

**Regarding the multinationals Tax, there are already laws in place which will treat movement of goods as avoidance and Tax is to be paid on the entire price. Likewise if a company sells their goods to person in Australia the sale has happened in Australia and Tax should be paid. Australia just needs to enforce their sovereign right.**

**Regards**

**Michael Gavin**