

Tax discussion paper
Submitted by email to bettertax@treasury.gov.au

18th May 2015

Dear sir/madam,

RE: Tax discussion paper

I write as an Australian voter, taxpayer and an Australian with a young family as I would like to make a submission to the tax discussion paper. I would like to also state I do not work in the real estate industry at all or the taxation industry. I'm not a vested interest and I want to declare that, I'm just an ordinary Australian who wants to see a fair taxation system where everyone including multi nationals and investors pay their fair share.

Really we don't need another inquiry into taxation, what we need is a government that lets the inquiry do its job and then passes judgement, not like Wayne Swan did with Australia's future tax system discussion paper in 2008. Where Mr Swan made statements and ruled out some changes before the inquiry had even finished taking submissions like changes to negative gearing. Then Mr Swan cherry picked items to back his own opinions and then rolled over when the going got tough like with the mining tax. The ALP government wasted all the time of all the concerned Australians that made submissions and the time of the committee and that is a great pity. Mr Swan's handling of the whole matter was a total and utter disgrace and that is why I will never vote for a party that Mr Swan as a member.

As I state above we don't need another inquiry into taxation what we need is action from these inquiries.

Re: Undermining the inquiry

As Mr Swan did before them, Mr Abbott and Joe Hockey have done it again by already ruling out so called extra taxes and any changes to negative gearing, I know exactly what has happened people have been in their ears and the ears of other ministers. The biggest problem with tax reform is the people and organisations (vested interests) that don't make submissions and meet with ministers behind closed doors or make political donations and push their own vested interests.

I feel that this will be another wasted inquiry and another waste of people and organisations time to make submissions that don't get listened to or do but just get dismissed by short sighted and ill-informed ministers and prime ministers.

The tax debate is always controlled by vested interests like the Housing Industry Association that commissions (pays for) so called independent research that backs their calls for no changes to negative gearing to John Symond from Aussie Home loans backing negative gearing.

These are vested interests and should be seen for what they are.

I would like to state to the inquiry a million people use negative gearing, guess what one million live in poverty as has come out in a recent report from the Committee for Economic Development of Australia. Why not stop negative gearing and give these families a tax break? That would be a great outcome.

Lower property prices = Lower rents and that is another benefit for a lot of families that are struggling.

If one millions use negative that means 22 million are getting no benefit from it and the government is losing billions and billions from tax revenue because of it.

Re: Negative gearing is a government intervention through tax deductions for speculation.

First thing I would like to do is quote a paragraph from a recent article titled "Call to scrap tax breaks for the rich that quotes. "It would have been fairer if they had gone after tax breaks such as negative gearing, non-compulsory contributions to superannuation, concessions on the rate of capital gains and the concessional rate of company cars." "The US and UK don't allow negative gearing. They don't have generous discounts for capital gains. Our tax concessions for superannuation are also very generous by international standards."

The take home message for the committee is that "The US and UK don't allow negative gearing" so why do we allow it in Australia? It is worlds best practice to not allow it.

This must be stopped or controlled or restricted or phased out as it is taxpayer subsidised speculation and leads to a massive loss of government revenue and destroys affordable housing.

I would even be happy if the government only allowed new properties to be negative geared?

I can hear it now from the real estate industry if the inquiry recommends the removal of negative gearing that no one will invest in property and it will lead to no rental properties being available. Or the industry will say that is was tried in the 80's and failed, that was 30 years ago and a lot has changed, where are the facts to say what happened in the 80's will happen today?

These people (investors) that speculate in established properties that I believe make up 90% of properties that are negative geared make nothing and employ no body and are making millions and millions. As a tax payer I take great offence that I have to pay a lot of tax while these speculators pay a lot less and gain more and employ no one. It is not fair and is a national disgrace.

Let's see what really happens, let's not speculate of what may happen, let's see what really happens. Let's ban negative gearing. Please I beg you recommend that the government stop wasting tax payers money and for going revenue on supporting the real estate industry and unaffordable housing.

I do not understand how a Government can let tens of thousands of jobs to go in Manufacturing and the car industry as they say the age of entitlement is over but that is a load of rubbish as look at the real estate industry and property tax perks?

Re: Being able to minimise taxation through buying property through self managed superfunds is another government intervention

Please recommend this be stopped or controlled. I refer to a recent article I read called "Warnings sound on DIY super property that states "The Financial System inquiry warned gearing could "create vulnerabilities" for the financial system if allowed to grow", adding it should not be a core focus of "any superannuation fund" and is "inconsistent with Australia's retirement income policy." This must be controlled Now.

RE: The property holdings of members of parliament

I was shocked and very concerned to read an article entitled “**Are the property holdings of our federal politicians negatively influencing policy and causing them to ignore evidence.**” I think the author may have a point with the below quote from the article.

“It is evident that politicians are heavily invested in the property game, with the 226 members in both houses of parliament with an ownership stake in a total of 563 properties – an average of 2.5 properties per member, conservatively estimated at around \$300 million (563 multiplied by the median dwelling price of \$560,000 as of July 2014.)

Senator Xenophon maintains an impressive portfolio of eight investment properties, along with Senator Barry O’Sullivan from the National Party who owns an incredible fifty properties. The high concentration of landed gentry in the Senate acts as a vested interest to pass policies which inflates housing (land) prices.

Re: Please make recommendations about changing negative gearing

I know Mr Abbott has said he wants no new taxes so the inquiry should do what he does by making recommendation and not call them taxes. Call them something other than a tax like a levy etc. then under Mr Abbotts definition it is a not a tax so he can’t say they are taxes. Good enough for Mr Abbott, then it should be good enough for the inquiry.

Anyway removing tax perks is not new taxes it just takes away a tax deduction like negative gearing. Maybe call it the “the end of the age of entitlement to negative gear”.

At the very least can you please make recommended some caps/controls on negative gearing.

Re: Senate inquiry into Australian housing affordability

Can you also consider supporting The Senate Economics references committee report on Australian housing affordability challenge and the call for a study of the influence of negative gearing and capital gains tax discounts on home purchase affordability,

I call on the committee to be bold and recommend changes and then the government can accept or reject them but at least you had the guts to stand up and make them.

Yours sincerely,

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