

Following is based on personal tax.

- I don't know the 'ins and outs' of the economy or tax system but surely it needs to be more transparent to the average person.
- Emphasis needs to be placed on consumption, user pays and savings for the future so there is less of a burden on the government in later years.
- There are too many tax structures available to reduce income, i.e those that have the means and should be paying more are able to legally reduce their taxable income therefore not contributing equitably.

Suggestions:

Ø Tax free threshold **\$18,000**

Ø Flat income tax thereafter of **20%**

- therefore not such a need for higher income earners to creatively reduce their tax!
- incentive to increase income and not lose so much in tax

Ø GST **15% on ALL** goods and services

- therefore doesn't matter what structure has been established to reduce tax what is purchased/accessed is taxed.
- those on low incomes and welfare recipients should have this tax reduced/refunded or be issued credits.

### **Superannuation**

Ø Maintain concessional and non-concessional contributions and caps with indexing

Ø Tax concessional contributions at **10%** going into the fund – therefore more to grow in the fund.

Ø Accumulation phase - tax **10% on income and capital gain** (assets held for more than a year). NO tax on growth in the accumulation stage – more to grow.

Ø Pension phase - **No** tax on income, sale of assets or growth in pension phase while in the fund.

Ø Tax of **10% on the growth and concessional** component upon withdrawal of funds from superannuation.

Ø Look at limiting withdrawals from the fund eg 20% of total fund in a year to discourage drawing huge lump sums then accessing government welfare early in retirement.

## Summary

§ Reduce income tax

§ Increase GST

- therefore those not paying tax due to various tax structures, negative gearing, salary sacrifice, trusts, cash in hand payments for goods and services, whether it be jobs for the boys or shady transaction **will be contributing when they spend!**

§ Allow money in the superannuation structure to grow at a greater rate therefore reducing the dependency on welfare later in life.

§ Encourages people to want to work, become more qualified as they are not disadvantaged by increased taxation on their earnings.