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Tax White Paper Task Force  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Task Force

I appreciate the opportunity to contribute to the review of our taxation system. I have provided my responses to the questions you raise but before that I would like to make several larger points on the taxation system as I believe that fundamental change is required to simplify the tax system and make it equitable..

### **1. GST**

I support an increase in GST to 12 % as soon as 1 February 2016 provided that the increase is part of a package of measures:

- All items imported or bought over the internet or bought in Australia (for all amounts) must be included. It is apparent that the proportion of goods and services purchased over the internet will increase over time and these must be taxed (to be fair and raise the taxation amounts needed);
- I do not accept the suggestion that we cannot tax small imported items (until recently costing less than \$1,000) because of the high cost of collecting the tax. If my company sells something for \$2 we have to charge, collect and remit GST (costing us more than \$2) and every supplier needs to face the same costs.
- Health, education etc should be included. I expect that these were originally excluded because they were largely government services, but this is no longer the case of many schools and hospitals are now private organizations. In any event a level playing field allows the consumers to make the optimum choices.
- The management and funding of health and education is rationalised between the Commonwealth and the States to minimise duplication and increase efficiency. For example, primary and secondary education should be the province of the States while tertiary and adult and on-line education should be the province of the Commonwealth. Similarly, hospitals, ambulances etc should be the province of the States while Medicare (and preventative or emergency health outbreaks) should be the province of the Commonwealth.

### **2. COMPANY TAXATION AND IMPUTATION CREDITS**

As the operator of a small company, it makes no difference whether company tax is 30 % or 28.5 % or 25 %: I do not change anything in response to the tax rate on profits, as that is a very minor issue in running a small company. In my view:

- Company tax should equal the second lowest individual tax rate.
- The dividend imputation system must be retained (I see the loss of franking credits by overseas shareholders as a benefit to Australia, and the imputation causes public companies to give more consideration to paying tax;
- As a matter of equity, companies, Trusts and individuals should pay the same initial rate.

### **3. HONESTY ON TAX RATES**

Can we ask for honesty in defining tax rates, without the devious arrangement of having a Medicare Levy (which does not pay for Medicare), a flood levy, budget repair levy etc. Let's just set out the rates as they really are.

I have a preference for having five fixed rates, 20 %, 30 %, 35 %, 40 % and 45 %, with the income at which they apply being fixed for 1 July each year. That would allow for regular adjustments when inflation returns in the future.

### **4. DELETE FRINGE BENEFITS TAX (AND A LOT OF OTHER MINOR ITEMS).**

Can we simplify the tax system by eliminating fringe benefits, allowances for hospital workers (now reduced to \$5,000) and a whole range of allowances. In a competitive market economy, these factors will naturally be compensated for through company charging and salary arrangements, and there is no need for the tax system to confuse the system.

### **5. ALIGN THE PENSION AND SUPERANNUATION ARRANGEMENTS**

It is becoming apparent that the Superannuation system has a number of deficiencies. These include:

- There are major differences in effort and risk between a pension and Super. To obtain a full pension a person need not work or save or take any risk. To obtain the equivalent sum from a super scheme a person must work, pay tax, assume risk, make decisions and yet is likely to still end up with no more than a pension.
- Those who spend all their money are given a pension; those who save (and end up with close to a \$million) miss out. In other words, the system transfers money from savers to spenders.
- There is relatively high leakage due to taxes and fees (as shown in the example below, almost two-thirds of the amount contributed to every Super Scheme is taken by tax and fees – the benefit comes mainly from the residual earnings);
- High risk all borne by the individuals – it is ridiculous to assume that old people with dementia can still effectively manage their Super schemes or make reasonable decisions;
- Loss of value of the funds to Australia – in my view the majority of the Superannuation Funds should be invested in Australian infrastructure with steady returns and a benefit to the nation. This would also greatly diminish the risk profile of Superannuation.
- Waste of money for low income earners. A low income worker on a wage of \$40,000 per year would contribute \$152,000 in 40 years of working and contributing, pay around \$53,000 in Super tax on contributions and earnings (equal to 35 % of contributions), pay around \$48,000 of management fees ((equal to 31 % of contributions) and end up with \$252,000 – not enough to equal a pension even before inflation is taken into account.
- Low income persons (at least all below the median income) would be better off by ignoring Super and accepting a pension.
- Different people earning the same total amount by varying by gender, length of holidays, child rearing, illness etc, receive considerably different amounts. Some investments are lucky, others are not. In summary, the current Super system is complex, confusing and unfair.

I suggest a radically different system.

1. Retain the pension as the base option.
2. Retain the super scheme with no tax, and payment taken out by the taxation office for transfer to one of a number of pooled infrastructure schemes or Future Funds.
3. When the individual has accumulated enough to equal the present value of a pension, transfer that amount to the government pension account, and there is automatic eligibility for a self-funded government pension.
4. Allow each individual to accumulate up to two pensions – that is the payoff for extra saving. After that, the person is excused from the super system and extra savings are private and not tax-exempt (or tax advantaged).
5. In this way there will be equality in the base pension – equal amount and equal risk, with those who can save more able to achieve up to a double pension.
6. All income (including all pension payments are subject to the same tax rates as any other income).
7. As indicated above, all Super Fund savings should be invested in Australian infrastructure – not spread willy nilly across the financial landscape (and subject to unexpected loss).

The present Super scheme is sadly a failure, as shown by the expectation that after 50 years of operation over 75 % of aged people will still be on a pension. Under my radical re-arrangement, everyone would be on a pension, but most people will have contributed to it (within their earning and saving capacity) with a reward for those able and willing to save more. And everyone would be treated equally.

## **6. GOVERNMENT PAYMENTS**

Over the last few decades, the government has become involved far too much in making payments (of other people's money) to activities that the government deems a "good thing". The baby bonus is an example that comes to mind, but there are a whole range of payments to families and for children, which are greatly in need of rationalisation (as per McClure review).

A social safety net is essential and it should represent a transfer from the high income to low income groups. I suggest an over-arching principle should apply to government transfer payments: the top 15 % of income should pay extra tax to support the bottom 15 % of incomes. The middle 70 % should be left alone, with nothing taken from them for redistribution back to them. This will be a major step to equity and efficiency in the tax system.

While I appreciate that it will take some time to reform the system, and the simple ideal expressed above may never be able to be completely achieved, it should be a principle that we apply in designing an improved tax system.

The six points that I have listed above are part of my response to Question 1. In my view, this review is an opportunity to design the tax system for the next 50 years, and major changes are needed to achieve the equity, efficiency and credibility objectives that should be met by tax system.

My responses to the other questions are as follows.

QUESTION	ANSWER
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?	As explained in the introductory pages, I consider that major changes are required to the existing tax system.
2. How well does Australia's utilisation of its available taxes align with the evolving structure of Australia's economy and changes in the international economy?	<p>Australia is evolving as a service economy but we need to develop specialised production in agriculture, manufacturing and services to survive in the long term (ie, be a sustainable economy). Consideration also should be given to how the tax system supports the underlying Australian culture. We need to attract overseas investment (and personnel) that add to our development trajectory and avoid having a tax system that works against future national sustainability.</p> <p>Small firms and Contractors have become a large part of the economy – the tax system should provide a simple fair system that does not involve too much administration (eg, quarterly rather than monthly BAS) and minimise the number of deductions, special rules, etc. Personal and company tax rates should align (in the lowest step).</p> <p>The global media/electronic companies are a growing part of the economy. They can and will avoid paying a fair share of tax. We should levy tax based on 85 % of global profitability and then let them make an argument for a lower rate.</p>
3. How important is it to reform taxes to boost economic growth? What trade-offs need to be considered?	<p>The interaction between the tax system and boosting economic growth is over-rated. Tax is what is paid by successful (or lucky) enterprises and businesses. Need to have accelerated depreciation and avoid taxing cash-less growth (tax the profits).</p> <p>In our company, we find the highest tax rate (49 %) is now a disincentive to extra work by the high income earners – they now prefer extra time off. So I recommend the highest rate be 45 % and that there be five steps in individual taxation rates (retaining the large tax-free threshold). All income (including all pensions and government allowances should be taxed equally)</p>

4. To what extent should reducing complexity be a priority for tax reform?	Reducing complexity (and the number of allowances and calculations) is a high priority, as complexity leads to higher overheads (inefficiency) unfair elements of the tax system and to insiders benefiting while the general population is unaware of the opportunities. Simplicity is a great virtue in taxation.
5. What parts of the tax system are most important for maintaining fairness in the tax system? Are there areas where fairness in the tax system could be improved?	<p>Fairness is a most important consideration. .</p> <p>Key principles for fairness are:</p> <ol style="list-style-type: none"> <li>1. Equal taxation for equal income and equal sales and profit</li> <li>2. Same tax for different structures;</li> <li>3. Australians should pay the same or lower tax than overseas residents.</li> <li>4. Maintain a clear distinction between <b>taxation</b> (to collect income for government activities and <b>welfare</b> – redistribution of income from one group to another group). These aspects are becoming confused with welfare becoming a consideration in every payment – adding complexity and unfairness</li> </ol>
6. What should our individuals income tax system look like and why?	<p>The main elements of the present individual income tax system are fine:</p> <ol style="list-style-type: none"> <li>1. Threshold with zero tax (improves efficiency by getting low incomes out of tax administration);</li> <li>2. Progressively increasing tax rate as income increases.</li> </ol> <p>I have a preference for having five fixed rates, 20 %, 30 %, 35 %, 40 % and 45 %, with the income at which they apply being fixed for 1 July each year. That would allow for regular adjustments when inflation returns in the future. With this scale, the top group is paying just over twice the marginal tax rate of the bottom group, which seems reasonable to me.</p> <p>I believe we should stop these extra flood levies, budget repair levies, LITO etc. They are confusing and unfair.</p> <p>The Medicare Levy should be dropped and incorporated into the general tax rates of 20 to 45 %. The present arrangement of 1.5 % has no logical basis.</p>

7. What should our fringe benefits tax system look like and why?	The fringe benefits system should be eliminated. It is unfair. All personal tax should be paid by the individuals.
8. At what levels of income is it most important to deliver tax cuts and why?	<p>This is a welfare fairness question, not a tax efficiency question. However a suitable efficiency goal will be to expect income redistribution to the bottom 15 % of tax payers from the top 15 % of tax payers, and for 70 % of tax payers to simply pay their share of general national costs and be left alone.</p> <p>If people choose not to work because they decide the increment in income is “not enough” this is a flaw in the welfare system. There are many social benefits in being employed and it should not be a “personal choice” except if the person also chooses to opt out of the national income safety net.</p>
9. To what extent does taxation affect people's workforce participation decisions?	Not much - except perhaps for HECS. This drives a number of talented Australians to work overseas. There are issues for lower paid workers leaving welfare, but it seems a strange argument if a person chooses not to work because they do not wish to pay their share of tax. It suggests the welfare system is too generous.
10. To what extent are the interactions between the tax and transfer system straightforward for the people who deal with both systems?	They are not straightforward for almost everyone because of the complexity of the welfare system, with hundreds of payments and offsets. It would be a benefit to concentrate the tax system on raising money in a fair way, and then use the government payments system as the method for income re-distribution. The complexity in the tax system comes from trying to do both tasks at once in a confusing way.
11. How important is tax as a factor influencing people's decisions to work in other countries?	HECS drives a number of talented Australians to work overseas. Higher HECS will increase the problem.
12. To what extent is tax planning a problem in the individuals income tax system? Are existing integrity measures appropriate?	Tax planning often works out to be loss of money or (at best) deferral of tax to a later year). Personal/company tax planning can be reduced by aligning company and personal tax rates and retaining the dividend imputation system. I expect that the 30 % marginal tax rate for individuals would cover a wide range of incomes and align with the company tax rate.

13. What creates incentives for tax planning in the individuals income tax system? What could be done about these things?	Negative gearing is often mentioned as an issue – but it needs to be remembered that negative gearing led to massive losses in the recent GFC and no doubt will lead to a new bout of losses in the next financial downturn. Some limitation on the extent of negative gearing is desirable.
14. Under what circumstances is it appropriate for assistance to be delivered through tax offsets?	We should aim to eliminate all tax offsets. Modern family arrangements would make me steer away from offsets for spouses and children. I think family costs are the responsibility of people from their after-tax income. Government welfare expenditure should target only those genuinely in need, and get right out of child care for people who work. That is their problem to solve.
15. To what extent do our arrangements for work-related expense deductions strike the right balance between simplicity and fairness? What could be done to improve this?	Some compromise between efficiency and fairness should be adopted, Ideally only genuine expenses should be allowed but realistically the ATO can provide a schedule of default reasonable expenses based on occupation etc. in e-tax
16. To what extent does our fringe benefits tax system strike the right balance between simplicity and fairness? What could be done to improve this?	The fringe benefits system should be eliminated. It is unfair. All personal tax should be paid by the individuals
17. To what extent are the concessions and exemptions in the fringe benefits tax system appropriate?	The fringe benefits system should be eliminated. It is unfair. All personal tax should be paid by the individuals
18. What tax arrangements should apply to bank accounts and debt instruments held by individuals?	Some allowance for inflation is made when collecting capital gains tax and the same concept should be used in taxing income. Thus income from defined accounts (that are lent beneficially by third parties to advance the interests of the country and its residents) should have a deduction for inflation as calculated by the ATO in assessing taxable income.
19. To what extent is the rationale for the CGT discount, and the size of the discount, still appropriate?	The CGT discount is meant to account from inflation and the use of a 50 % discount is a particularly blunt stick compared to the previous version of accounting for the actual inflation over the period of ownership. I prefer to revert to the previous system of publishing an inflation index each quarter and using it to calculate capital gains (easily done automatically by e-tax)

<p>20. To what extent does the dividend imputation system impact savings decisions?</p>	<p>Dividend imputation has several advantages:</p> <ol style="list-style-type: none"> <li>1. Avoids paying tax twice;</li> <li>2. Encourages investments in Australian enterprises;</li> <li>3. Encourages Australian companies to pay tax;</li> <li>4. Gives investors the choice of where to invest each year instead of having this decision made by company managers;</li> <li>5. Ensures that Australian investors are treated at least as well as overseas investors (and overseas investors contribute their share of tax for the use of Australian resources).</li> </ol>
<p>21. Do the CGT and negative gearing influence savings and investment decisions, and if so, how?</p>	<p>Yes, they probably encourage property investment. But does this matter?</p>
<p>22. How appropriate are the tax arrangements for superannuation in terms of their fairness and complexity? How could they be improved?</p>	<p>Super is a great idea but our present super system is very inadequate.</p> <ol style="list-style-type: none"> <li>1. It involved very high fees (about 30 % of contributions disappear as fees);</li> <li>2. Two-thirds of the population will never achieve a self-funded pension;</li> <li>3. On the other hand, a few high income earners can accumulate large sums (even though this group does not need Super);</li> <li>4. Double dipping is a key feature;</li> <li>5. It is very complex, involving multiple balances of different types, frequent changes in rules, various limits, audits etc.</li> <li>6. Risk is carried by the individual (why should an elderly person still be carrying the risk of investments and required to make decisions about issues they may know about).</li> <li>7. It may be lower cost (and more equitable) to have a national pension scheme rather than the present scheme. So why continue with the present Super scheme?</li> </ol> <p>Super is very inequitable at every level. Different income groups get different tax benefits (although none of them compare to the tax benefit of a pension, where the tax benefit is, I suppose 100 %). Also a person receiving a pension bears no risk of investment performance or fraud, and has no risk of making a mistake.</p>



	<p>The greatest flaw of the present Super scheme is that, it does not work. Less than 25 % of people will veer generate a self-funded pension (and a proportion of them will suffer from fraud and poor investments and fall back on the pension).</p> <p>I suggest a radically different system.</p> <ol style="list-style-type: none"> <li>1. Retain the pension as the base option.</li> <li>2. Retain the super scheme with no tax, and payment taken out by the taxation office for transfer to one of a number of pooled infrastructure schemes or Future Funds.</li> <li>3. When the individual has accumulated enough to equal the present value of a pension, transfer that amount to the government pension account, and there is automatic eligibility for a self-funded government pension.</li> <li>4. Allow each individual to accumulate up to two pensions – that is the payoff for extra saving. After that, the person is excused from the super system and extra savings are private and not tax-exempt (or tax advantaged).</li> <li>5. In this way there will be equality in the base pension – equal amount and equal risk, with those who can save more able to achieve up to a double pension.</li> <li>6. All income (including all pension payments are subject to the same tax rates as any other income).</li> <li>7. As indicated above, all Super Fund savings should be invested in Australian infrastructure – not spread willy nilly across the financial landscape (and subject to unexpected loss).</li> </ol> <p>. Under my radical re-arrangement, everyone would be on a pension, but most people will have contributed to it (within their earning and saving capacity) with a reward for those able and willing to save more. And everyone would be treated equally.</p>
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23. What other ways to improve the taxation of domestic savings should be considered? How could they be applied in the Australian context?	Allow for inflation (if savings held in appropriate accounts)
24. How important is Australia's corporate tax rate in attracting foreign investment? How should Australia respond to the global trend of reduced corporate tax rates?	I am not sure but I expect that the corporate tax rate is actually a minor issue compared to other issues (labour costs, skills, availability of necessary backup, profitability, security etc).
25. Is the dividend imputation system continuing to serve Australia well as our economy becomes increasingly open? Could the taxation of dividends be improved?	Some of the statements in the document do not seem to be correct. Imputation DOES NOT effectively increase the rate of return for Australian investors (not in my company). In the end Australian shareholders pay the same tax whether or not the company exists. The company provides limited liability and several other important administrative benefits. Overseas investors do not get the benefit of imputation, which is OK, as a lot of overseas-owned companies do not pay much tax. Imputation keeps companies honest.
26. To what extent would Australia benefit from the mutual recognition of imputation credits between Australia and New Zealand?	This is a minor issue
27. To what extent does the tax treatment of capital assets affect the level or composition of investment? Would alternative approaches be preferable and, if so, why?	-
28. How complex is the tax treatment of capital assets and are the costs of compliance significant?	-
29. To what extent does the tax treatment of losses discourage risk-taking and innovation and hinder businesses restructuring? Would alternative approaches be preferable and, if so, why?	-
30. How could the current tax treatment of intangible assets be improved?	There are no correct answers to this question.
31. To what extent should the tax system be designed to attract particular forms of inbound investment (for example, by distinguishing between active and passive or portfolio and non-portfolio)? If so, what principles should inform this?	The tax system should NOT be designed to attract particular forms of inbound investment – it should be neutral.
32. To what extent does the tax treatment of foreign income distort investment decisions?	There is partial allowance for foreign tax paid, which is OK.
33. To what extent should the tax system be designed to encourage	The tax system should NOT be designed to

particular forms of outbound investment (for example, by distinguishing between active and passive or portfolio and non-portfolio)? If so, what principles should inform this?	attract particular forms of outbound investment – it should be neutral.
34. How can tax avoidance practices such as transfer pricing be addressed without imposing an excessive regulatory burden and discouraging investment?	We need to be vigilant on transfer pricing as it is a growing problem – I suggest we levy tax at 85 % of the global average and await discussions
35. Should the tax system provide a more neutral treatment of different financing arrangements (debt, equity and retained earnings), and if so, how? What principles should inform the approaches?	Yes, the tax system should be neutral.
36. Should the tax system provide a more neutral treatment of income earned on revenue account and capital account? Does the distinction create significant compliance costs for business and, if so, how could it be simplified?	Yes, the tax system should be neutral.
37. Are there other important issues in the business tax system, not covered in this section, which should be considered as part of the Tax White Paper process?	As an owner of a small company, I find the ATO reasonable and professional and the quarterly GST system also is satisfactory. Their response time is good, so I do not see any significant issues for small companies.
38. In what circumstances is it appropriate for certain types of businesses to be subject to special provisions? How can special treatment be balanced with the goal of a fair and simple tax system?	Averaging over four years is OK for agriculture and insurance.
39. Does the R&D tax incentive encourage companies to conduct R&D activities that would otherwise not be conducted in the absence of government support? Would alternative approaches better achieve this objective and, if so, how?	Not really, we conduct R&D as it is a business imperative and we consider it a normal type of expense.
40. What other taxation incentives, including changes to existing measures, are appropriate to encourage investment in innovation and entrepreneurship?	Some allowance for cash flow problems could be considered (but it would have to involve a nominal interest rate and a personal guarantee).
41. What effect is the tax system having on choice of business structure for small businesses?	None, other than the administrative burden. However Super is a major nuisance as it involves more and more administration

42. What other options, such as a flow-through entity (like an S-Corporation), would decrease the overall complexity and costs for small business involved with choosing a business structure? How would such an entity provide a net benefit to small businesses?	No significant benefit
43. Is the interaction of the personal and business tax systems a problem? What can be done to manage the personal-business tax interactions?	Align the marginal tax rates, as I have suggested. Keep dividend imputation and stop making changes in tax rates (change the income thresholds)
44. What are the most significant drivers of tax law compliance activities and costs for small business?	Tax is not such a big issue for business as accounts have to be done monthly and quarterly to watch profitability and cash flow.
45. How effective is the current range of tax concessions (such as CGT and industry specific concessions) at supporting small business engagement with the tax system? To what extent do the benefits they provide outweigh the compliance, complexity and revenue costs they introduce?	In reality they are too much trouble for operating small business and only of interest to start-up businesses.
46. What other mechanisms (such as a single lower tax rate, improved technology deployment or other non-tax mechanisms) could assist small businesses to engage with the tax system while decreasing compliance and complexity costs?	For small business, our major issues are maternity leave and high rates for weekend work. These are not issues for the tax review.
47. Are the current tax arrangements for the NFP sector appropriate? Why or why not?	Cease all the GST benefits and fringe tax benefits, make it easier and equal for everyone with low administration costs.
48. To what extent do the tax arrangements for the NFP sector raise particular concerns about competitive advantage compared to the tax arrangements for for-profit organisations?	This is a major concern as the boundary between public and private organizations is blurring. I think it would be most equitable to cease all the GST benefits and fringe tax benefits to the NFP sector. Perhaps also charge tax (should not be an issue if the do not make profits),
49. What, if any, administrative arrangements could be simplified that would result in similar outcomes, but with reduced compliance costs?	Answered elsewhere
50. What, if any, changes could be made to the current tax arrangements for the NFP sector that would enable the sector to deliver benefits to the Australian community more efficiently or effectively?	Answered elsewhere

<p>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?</p>	<p>I support an increase in GST to 12 % as soon as 1 February 2016 provided that the increase is part of a package of measures:</p> <ul style="list-style-type: none"> <li>• All items imported or bought over the internet or bought in Australia (for all amounts) must be included. It is apparent that the proportion of goods and services purchased over the internet will increase over time and these must be taxed (to be fair and raise the taxation amounts needed);</li> <li>• I do not accept the suggestion that we cannot tax small imported items (until recently costing less than \$1,000) because of the high cost of collecting the tax. If my company sells something for \$2 we have to charge, collect and remit GST (costing us more than \$2) and every supplier needs to face the same costs.</li> <li>• Health, education etc should be included. I expect that these were originally excluded because they were largely government services, but this is no longer the case of many schools and hospitals are now private organizations. In any event a level playing field allows the consumers to make the optimum choices.</li> <li>• The management and funding of health and education is rationalised between the Commonwealth and the States to minimise duplication and increase efficiency. For example, primary and secondary education should be the province of the States while tertiary and adult and on-line education should be the province of the Commonwealth. Similarly, hospitals, ambulances etc should be the province of the States while Medicare (and preventative or emergency health outbreaks) should be the province of the Commonwealth.</li> </ul>
<p>52. What are the relative priorities for state and local tax reform and why? In considering reform opportunities for particular state taxes, what are the broader considerations that need to be taken into account to balance</p>	<p>This is a separate issue to Commonwealth tax reform. However payroll tax should be deleted as it can just as easily be collected in the tax of profits.</p>

equity, efficiency and transitional costs?	
53. Does each level of government have access to tax revenue bases to finance new spending decisions? If not	This is a separate issue to Commonwealth tax reform.
54. To what extent does Australia have the appropriate mix of taxes on specific goods and services? What changes are appropriate.	<p>While I consider the initial exemptions on fresh food, health etc were appropriate at first, we have moved on from then and changes are warranted.</p> <p>We should be adopting the NZ system for GST and charge it on everything, INCLUDING ALL IMPORTS (no exemptions). It is not fair to allow overseas organizations to sell the same goods at a lower tax rate than Australian companies. It is not fair to have some Australian paying more than other more compute-savvy people to buy the same good. It is not fail to require high OHS and environmental standards in Australia and, effectively, encourage by lower taxation, purchases from companies with lower OHS and environmental standards.</p> <p>I am in favour of increasing the GST to 12 % provided it is done in a package that splits responsibilities for delivery of health, education and other services between State and federal Government, so duplication and overlap is greatly reduced.,</p>