

## Submission

I believe that NG was a suitable and necessary policy in the past – that time has now gone. The economy and investment regime is far more sophisticated, mature and global than 30-40 years ago.

As a senior we have benefited from this policy in the past, but now the policy is working against the younger generation, affecting housing affordability particularly for new entrants. Joe Hockey's recent comments are particularly unhelpful and offensive even for myself- a liberal voter. I think I prefer Saul Eslake's view. The view that elementing NG will raise rents is unsupported and takes a simplistic view of the investment community. Simply some will continue to invest in housing for capital gain while others will switch investments to another form.

I also understand that to cease NG quickly could have a negative effect on the housing market especially jobs, and thus suggest that NG be phased out over a 10 year period. This could be done quite simply by keeping the entire tax structure of the tax but introduce legislation which says that in year 1 only 90% of NG claims be allowed, in year 2 80% etc – thru to year 10- 10%. Such a phased out would allow investors to rejig their portfolio's . There could also be break points built in to allow for review of impact and effectiveness and if necessary to suspend or quicken the pace of the reform.

In regards to other tax measures I also believe Australia should have a "super profits" Tax based on either or both a profits level – say above \$50m-\$100m or profits above a % of assets employed in order to discourage excessive price gouging. Again an " excessive wage tax" should be applied to those with incomes well above the norm and those who receive exceptional yearly increases and benefits. This could be applied on a level say above \$1m-\$2m pa.

In respect to international companies avoiding taxes in Australia the answer is much simpler. If they don't wish to play by Australian taxation rules then change the system to make them pay a penalty tax, instead of income tax, based solely on revenue earned. ATO have access to the revenue earned from GST records.

Petrol pricing- while this probably more a ACCC matter rather than tax, we should be outlawing a number of pricing tactics which have crept into the market place.

1. Petrol discounting cycles- there is no rational in such cycles other than to confuse the public. There is no such cycle in the production process which affects prices. It is simply a con on the public.
2. Petrol discounting against food bills should be banned. Again Companies are using this to manipulate prices across a wide range of products in order to increase profits. A form of price gouging.

If such matters were addressed but not complied with – again make them pay a penalty tax for a period of time or heavy fines which should be allocated to repairing the societal problems caused by their actions.

The above is just a summation of thoughts which could be expanded on in more detail. We need to make the system of taxes fairer regardless of the politics, politicians and bureaucrats who remain largely out of touch with the Australian people. A fairer tax system which endures beyond party politics should be our aim.

I hope this is of some interest

Regards Ian Zierk Point Lonsdale