

	<b>Albert Anderson</b> [removed for privacy reasons]	« without prejudice »
Revision 3.02 30 April 2009	Taxation... is an individuals greatest fiscal lifetime expense,, unless you have the resources to continually restructure it.	Author : Albert Anderson

FORMAL SUBMISSION TO THE AUSTRALIAN GOVERNMENTAL  
TAXATION REVIEW PANEL, 2009

*Australia's future tax system...*

By: Albert Anderson

[removed for privacy reasons]

	<b>Albert Anderson</b> [removed for privacy reasons]	« without prejudice «
Revision 3.02 30 April 2009	Taxation... is an individuals greatest fiscal lifetime expense,, unless you have the resources to continually restructure it.	Author : Albert Anderson

## 1.0 Introduction

This submission is based upon the actual life experience of this "Jim" with reference to an almost lifetime of input into the Australian taxation system via both employment and small business activity. This submission will be short and to the point and there is nothing of an academic nature to deal with.

The Taxation Review 2009 has been established for one reason and one reason only.

➔ **The present taxation system has failed and is beyond repair.**

The government, economists, bureaucrats, academics and taxation polocists all know this however fail to acknowledge. That failure to acknowledge curtails the capacity for remedy.

The academic spin encompassed within the review documents and processes are a sideline issue only and should be discarded as a distraction to the actual problem.

As a technician by trade with over 30 years experience "Jim" will treat this submission in the form of a system failure that needs attention and with the same approach to that of any system type failure.

## 2.0 Analysis & Remedy

### 2.1 Basically "Jim" would need to :-

#### 2.1.1 *Be made aware of the failure.*

Failure of the system is and has been evident over a long period of time and was highlighted recently by none other than the Chair of this review panel Dr. Ken Henry during his speech in November to 2008 to the National Press Club in Canberra where he highlighted the present system as being complex, creates risk and uncertainty and thereby a loss of trust.

The inability of the current system to provide the source income to adequately sustain the nation continually is obvious through recent outrageous proposed borrowings. These are but two of many indications of systemic failure of the current taxation system.

**Canberra,, we have a failure !!**

#### 2.1.2 *Acknowledge that there is a problem and assess it.*

Having determined a failure of the system, a collective acknowledgement at all levels is required in order to move on to appropriate assessment. The assessment must be open and dynamic with no restraints being applied to proposed solutions.

The hamstringing of this review by 'terms of reference' and 'the GST shall not be part of the review' are clear examples of a failure to acknowledge the basic problem and therefore resolve of this failure is impossible from this point on by way of this review.

**Thus, the review 2009 process itself is inherently flawed as was the design of the Titanic.**

#### 2.1.3 *Determine the severity of the failure.*

One does not have to look too far to determine the level of this failure... the current fiscal position of the nation is pure evidence. (and please don't try to blame global fiscal meltdown for this)

A lifetime of personal and business input into this current system by the general populace of the nation has been unable to be support the needs of this nation when it most needs it.

**Severity of failure - Catastrophic**

	<b>Albert Anderson</b> <b>[removed for privacy reasons]</b>	« without prejudice «
Revision 3.02 30 April 2009	Taxation... is an individuals greatest fiscal lifetime expense,, unless you have the resources to continually restructure it.	Author : Albert Anderson

#### 2.1.4 *Isolate any possible faulty system components.*

Well,, this is and has been for a long period time quite impossible with the current taxation system.

The leviathan is too big, too complex and simply impossible to fault find because of this, coupled with the lack of coherent system design in the first place.

Continual 'taxation reviews' similar to this 2009 version are evidence of this... they were also failures as demonstrated by the position bureaucratic policy makers, economists of note, and governmental taxation experts have place Australia and it's peoples in right now.

"... no fewer than 125 taxes. It turns out that are more taxes in Australia than there are northern hairy nosed wombats." reveals Dr. Ken Henry.

Over 4000 severely convoluted pages of academic rubbish contained within the Income Tax Assessment Act 1936 alone. That is but one of the 'no fewer than 125 taxes'.

**Chances of isolating faulty system components - NONE**

#### 2.1.5 *Test and re-test suspect system components.*

Don't think that this needs visiting.

Previous analysis and prognosis has determined...

**No point in wasting time and resources in doing this !!.**

#### 2.1.6 *Remove faulty components once identified.*

As above...

**No point in wasting time and resources in doing this !!.**

#### 2.1.7 *Decision time... fix or replace ?*

mmm... this is the test of the diligence and honesty of this whole process.

**It is now obvious to "Jim" and also blind Freddie that the only solution to this failed system is the complete and unreserved REPLACEMENT of the system as a whole.**

There is nothing worth saving, unless of course you want to put yourself in exactly the same position at a later point in time which has once again been evidenced by the continuum of taxation review and patch up, review and patch up type methodology as employed in the past.

#### 2.1.8 *Assess both the physical and financial practicality of repair / replacement of the failed system.*

Both physically and financially the present system is far too complex and too unwieldy to even continue to contemplate a repair then overhaul. An independent and unencumbered terms of reality type cost to benefit analysis would quite quickly reveal this.

**The replacement of the failed current taxation system is the only financially viable option worthy of considering.**

	<b>Albert Anderson</b> [removed for privacy reasons]	« without prejudice «
Revision 3.02 30 April 2009	Taxation... is an individuals greatest fiscal lifetime expense,, unless you have the resources to continually restructure it.	Author : Albert Anderson

### 2.1.9 *Propose a solution that will overcome the system failure.*

Well,, we are all well aware of what does not work and that is the current poorly designed and maintained Income based taxation system.

It seems now fairly obvious to this "Jim" that a really possible and viable solution to this major system failure would be something that is based purely on SIMPLICITY.

Solutions to problems do not have to be complex as recently demonstrated quite beautifully by the 'flat bottomed Taco shell'.

**My proposal as a solution to this system failure is the introduction and use of an inherently broadbased FANCIAL TRANSACTION form of taxation system as soon as practically possible..**

**There are many methods most worthy of appraisal for this application and this is what this Taxation Review Panel of 2009 should be investigating post haste.**

**Many individuals and Taxation interest groups have already submitted proposals to the review panel detailing some of those methods.**

**They should be taken seriously.**

## 3.0 Conclusion

The following in conclusion form my own personal thoughts and observations as experienced by myself in respect of my own participation in the payment of taxation in support of Australia as a nation during the whole of my working life of some 38 years thus far.

Most recent are observations and reaction in respect of my involvement with this Taxation Review 2009 both in research of the review documentation and in public participation at the Review Panel public roadshow that was held at Sydney in March 2009 .

My intentions are critical review only and I do not wish to cause harm, embarrassment or hurt to any person or entity in this writing, however should I do so, I unreservedly apologise in advance.

### **Australia's future tax system**

Going through the Consultation paper summary, December 2008 and trolling through the myriad of website references to the review I find nothing that excites me to consider that this review is actually about a *future* taxation system for this modern and most wonderful nation.

The same rhetoric of past reviews remains a feature of this version.

Consultation once again revolves around 'the moving of the deck chairs about the Titanic'.

There is nothing '*new*' in this review process and as such one would have to be rather sceptical about the intent of the review process itself.

My personal view as a result is that this Taxation Review 2009 is nothing more than official Governmental method of going through the motions and '*ticking the boxes*' of a so call '*public*' review process.

It is all smoke and mirrors.

My challenge to all involved with the Review Panel in particular is to prove me wrong... I will gladly accept this.

	<b>Albert Anderson</b> [removed for privacy reasons]	« without prejudice «
Revision 3.02 30 April 2009	Taxation... is an individuals greatest fiscal lifetime expense,, unless you have the resources to continually restructure it.	Author : Albert Anderson

My reasoning for the my rather apparent scepticism is formed by some points which I would like to put forward as the following :-

- o The low level public advertisement of this review from the very start would indicate that the Australian taxpaying public weren't really wanted as participants of the review process.
- o The blatant political hamstringing of the review process by the application of rather restrictive terms of reference indicate that the government is not prepared to be open and honest in approach to the delivery of taxation for Australia and it's peoples.
- o The selection and makeup of the review panel itself which consists of and features academics and governmental bureaucratic representatives only indicates that the "Jim's" of the Australian taxpaying community really do not matter. This is a serious mistake.
- o The selection of Dr Ken Henry as chair of this review committee in particular is also rather anomalous to me as it is Dr Henry that has presided over the implementation of taxation policy for the Commonwealth of Australia for approximately the past 30 years or so in his many taxation policy related appointments.

It must be held therefore, as I see it, that it is Dr Henry that should bare full responsibility for the failure of the current taxation system and the incumbent mess that now befalls the Australian taxation system as a whole.

- o The deliberate non-inclusion of the Australian media at 'public' events related to this review process would also suggest a level of bureaucratic mis-trust with the capability of the ordinary Australian to participate and a reluctance a advertise the outcomes of such events.
- o Events and seminar type functions are continually being held as part of the review process for specific industry related self interest type organisations by review panellists which tends to indicate preferential treatment for these entities at the expense of general public interest type groups... this just doesn't look good.

### **Enough of the negativity and my apologies but some things just need to be said...**

Above all of this, I remain heartened by the strength of the Australian personality to succeed where it seems impossible.

I am also heartened with the apparent recognition by Dr. Ken Henry of the "Jim's" in the room.

I would implore that the review panel as a whole have a hard look, a really hard look at themselves in this process and throw out the academic in the room and listen, really listen to the multitude of practical "Jim's" in the room.

These are the real personal affect people of taxation and they are the majority by far.

I believe that Ken Henry is on the right track here and that this needs to be more fully explored within this review.

I commend him for his open exposure of this very real aspect regarding "the personal cost of complexity" at the National Press Club speech in November of last year.

	<b>Albert Anderson</b> [removed for privacy reasons]	« without prejudice «
Revision 3.02 30 April 2009	Taxation... is an individuals greatest fiscal lifetime expense,, unless you have the resources to continually restructure it.	Author : Albert Anderson

In the finishing up of this submission I would ask and invite the taxation policy maker to step into the ever changing world of the technician and breathe the life of technology into the taxation system,, after all - this is the 21<sup>st</sup> Century and we are all fast heading for the future wether we like it or not.

Dispense with the old 1936 & 1900's models and move on with the obvious solution to FUTURE taxation policy that will continue to seamlessly supply the demand of the future fiscal loads of the Australian nation.

*Slick Taxation Technology – Transaction taxation...*

With kind regards and good intent only...

*Albert Anderson*

Albert Anderson - taxpayer  
[removed for privacy reasons]

Contact details:  
[removed for privacy reasons]