

This is my third (and late) submission on the tax and transfer system and related benefits. My previous submissions referred to reform of superannuation. I would like to add that the proportioning rule should be amended or repealed. It allows someone who starts an income stream with a lump sum that only has a taxfree component to have all future payments, both income stream and death benefit to be treated as taxfree.

Many young low income earners do not make use of the co-contribution scheme. An alternative is for Government to make a contribution to all low income earners and possibly to people not in the workforce. This could be means tested on family income.