

Although I understand the review specifically excludes a review of GST, it is obviously an important component of the overall government income stream. The current tax system is incredibly complicated and expensive to administer. It is also rife with loopholes for individuals and corporations which enable the avoidance or underpayment of tax.

The government employ a large number of staff to work on the system to ensure payment is made. Citizens spend a large amount of money to have tax returns prepared each year.

Tourists and visitors to this country pay minimal taxes that may help in maintaining the very things they come here to see.

An obvious solution to all these things is a consumption tax (GST) set at a rate that compensates for ALL other tax revenue (this may be 50%+). Imagine the first country in the world to have NO INCOME TAX.

Corporations could be charged a GST surcharge on all their purchases to compensate for the loss of payroll tax etc.

This way EVERYBODY would pay, the more they spend the more they pay. If they are wealthy and buy expensive items and large cars etc, they pay more. They purchase more fuel they pay more. This system of taxation taxes those with the most disposable income (therefore earning the most) more than others. An eminently fair system of taxation. It also encourages people to save.

Imagine getting a pay packet with NO TAX taken out.

Imagine the money the government would save by not employing tax men!

Obviously citizens on fixed incomes will need to be compensated (or be able to claim the tax back), but I am sure this could be worked out.

Children's clothes, educational materials etc could be free of GST (as in the UK) which means that couples with children will not be disadvantaged.

Food should stay free of GST to ensure the poorer citizens can still afford to eat.

David Henderson