

TAX INCENTIVE.

Most small private enterprises have a tendency to limit their output in that, over a certain level it becomes risky to increase performance with no commensurate reward if it does not work out. To put it in plain language, you go out on a limb and if it works out you give 47% of it to the Government. If it does not you are the only one who loses. No one come to the party and slaps you on the shoulder to say: "Well done".

My idea would be to give an incentive to those who have the possibility to increase their performance by giving them a tangible reward.

The average small business employing up to ten men or women have an average yearly net income between one hundred and one hundred and fifty thousands dollars. In order to increase that income they would have to augment their staff, probably also their plant and facilities. This in itself is already a possible risk. Add to that, the fact that The Australian Taxation Office is your biggest partner if you make a success of it and expects its big share, but gives you nothing if you made a mistake does not exactly spells: "Its worth the risk"

My suggestion would be to put a limit to the taxable income. You pay income tax up the a revenue of... (This could be determined by experts) and after that the rest is tax free.

Since presently most of these small private enterprises do not reach that tax free level anyway, it would not be a loss to the Government but it certainly would be an incentive to them to give it a go. And do not forget that their greed would inevitably demand more employees thus creating more jobs.

The system could be set up by expert taxation officers to be adapted to all sorts of businesses and enterprises. It is not taking away money from the Government, what the Government is getting now it would still get but it would attract many to seek access to this tax free income level and with it creating a lot of jobs.

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