

The Secretariat.

I would like the committee to consider the following when making recommendations for a fairer tax system.

Taxing household income rather than individual income. At the moment there are inconsistencies in that we tax income individually, but for benefits and retirements, assets and income from both parties are combined. At the moment business can employ and pay one partner and split their income with the other who may add little or no work for the income.

Stay at home parents get no recognition but income earning parents get government assistance with day-care fees. The current system is unfair to mothers who want to bond with their children and who voluntarily help out as school assistants with school and sport functions.

The practice of having a second party getting a tax concession on a motor car that is not used in business should stop or at least given a minimum allowance. A \$100,000 car which ferries kids to school and takes mum shopping and to social events is not fair taxing.

Special concessions for the purchase of new 4wd road vehicles should be abolished.

Taxing of listed property trusts should be made simpler, particularly in the hands of the shareholder. The current system causes delays and extra tax agent expense by the holder.

An alcohol tax should be established and all products containing alcohol should be taxed equally per volume.

The taxation concessions for establishing an agricultural commodity should be withdrawn on areas of full supply. It is ridiculous to have a tax concession for example on grape growing when there is a glut of wine grapes. This may also be the case for some other industries.

A lot more consideration should be given in respect to the baby bonus. It should be more closely directed to the needs of the child.

At the moment much of the bonus is spent on alcohol gambling, overseas holidays for the parents. Many pregnancies are only to claim the benefit and the child goes on to then be a further expense to the taxpayer.

Every effort should be made to encourage superannuation saving even if concessions are made to lower income earners. Fees (e.g exit, churning and commissions) taken from the fund minimised, franking credits maintained and taxes minimised. Exit fees reduce the affect of competition.

There must be incentives to save rather than be a burden on the taxpayer in later life. Salary sacrifice should only be allowed for superannuation. SS contributions allowed up to \$25,000 PA.

The First Home Owners Grant should be slowly phased out and the home savings account scheme strengthened and advertised so that the young are encouraged to become responsible with their income and saving for their first home rather than blowing it and then expecting the government to make a major contribution.

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