

Colin & Anne Law

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AFTS Secretariat
 The Treasury
 Langton Crescent
PARKES ACT 2600
 Email: AFTSubmissions@treasury.gov.au

Re: Submissions to Australia's Future Tax system.

Dear Sir

Please accept our following submissions, which in view of the current world financial collapse is now of the utmost importance.

AUSTRALIA'S FUTURE TAX SYSTEM

OBJECTIVES AND SCOPE:

1. The tax system serves an important role in funding the quality public services that benefit individual members of the community as well as the economy more broadly. Through its design it can have an important impact on the growth rate and allocation of resources in the economy.
2. Raising revenue should be done so as to do least harm to economic efficiency, provide equity, and minimise complexity for taxpayers and the community.

The current tax system has not worked; all it has achieved is price driven inflation and burgeoning national debt. To achieve these objectives a complete change in direction is required.

Complete reform of the tax system, is the only way to resolve the inequities, complexities, disincentives & punishing nature of the current tax system that imposes too much burden on the shoulders of low & middle income earners & seniors, whilst large multinational companies are exempt from paying tax in Australia. It benefits fully imported products, at the expense of Australian jobs.

The proposal is to replace the current tax system with the 21st Century Electronic Debit Tax that will remove all the inequities, supply sufficient revenue direct to treasury, & eliminate taxation as a political issue. Banking & currency will return to government control, value of the dollar will be controlled by the wealth of our resources & not foreign speculation, restrictions on other Australian financial institutions will be removed, especially credit unions, A National Superannuation fund will be set up, to invest in national development, as an alternative to private funds.

THE 21ST CENTURY ELECTRONIC DEBIT-TAX

To understand the DEBIT-TAX entails a reversal of the normal concept of imposing a tax. As an accepted practice, taxes have been imposed on ownership, duties, goods & services, & in later years, on income. Now with the modern computer, it is possible to impose a tax on intent to use an amount of money withdrawn from a bank account, rather than on the ability to pay, as has been practiced from the beginning of time.

Unlike all other taxation systems the Debit-Tax does not require you or any business or organization to give an account of transactions to the Government. At the moment of withdrawal, the Treasury department identifies the debit column in a bank account number, & automatically collects by EFT an added minuscule tax of EG; (1 cent, per dollar or \$1 per \$100), from the account, & instantaneously deposits it into the National Treasury.

The Treasury Department is the only tax collector operating through a chain of computers linked to all banks & financial institutions & programmed as part of the monetary system. With the chip, the computer & E-money, it is possible to completely change the present method of taxation.

The **21ST CENTURY ELECTRONIC DEBIT TAX** system is the most efficient tax system ever devised by man to fund the National Treasury of any developed nation.

Tax collecting now becomes the function of a programmed computer linked to the banking system under the control of the Treasury Department. Individuals, businesses, & corporations will no longer be required to be self tax collectors as they are today, thus eliminating potential sources of injustice & corruption.

Most assuring to the ordinary citizen is the knowledge that he will no longer be faced with the possibility of losing his present possessions because he is unable to pay his Income Tax. Neither will he be daunted or even terrorized by the thought of fines or imprisonment because of a delinquent tax.

It will allow for the introduction of such things as free health care & a secure liveable pension for seniors without means test. Also the introduction of a Natural Disaster Scheme plus other incentives.

The banking industry is not involved in the Debit-Tax system. Government payments that emanate from the Federal Reserve Bank are not subject to the Debit-Tax.

The Debit-Tax is not usable or collectable by a city, municipality, or state as these governments are not a part of the monetary system.

THE 21ST CENTURY ELECTRONIC DEBIT TAX, provides the following advantages:

1. It replaces all existing Revenue Tax Laws for the support of the Australian Government all other Federal taxes.
2. It will supply the necessary revenue for full financial support of the Australian Government.
3. No more filling of individual or corporate Income Tax Returns or Business Activity Statements will be required.
4. There is no tax on profits, Capital Gains, Assets or Savings. An incentive to save for retirement.
5. There will be no tax on Goods & Services.
6. There is only one collector, the National Treasury & only one minuscule tax rate (**One Percent**) for all. (**NO FAVOURS**), linked to all banks & financial institutions.
7. There is no accounting to the Government on the status of our wealth.
8. Personal wealth will no longer be public knowledge.
9. Tax delays, cheating, fraud & tax avoidance or evasion are impossible.
10. Through automation, tax delinquents & delays are not possible.
11. Not having to pay Income Tax is a great incentive to investors.
12. An immediate increase in the value of the Australian dollar will occur.
13. The exclusive use of cash currency becomes counterproductive.
14. The DEBIT-TAX. is welcome, as it does not interfere with banking operations.
15. There will be a continuous flow of Revenue 24 hours a day, every day, collected by EFT, which is the ultimate in efficiency.
16. The DEBIT-TAX. is constitutional & an integral part of our modern monetary tax system, never possible before the computer.
17. It will allow for the introduction of such things as free health & education for all.
18. Also the introduction of a National Natural Disaster Scheme plus other incentives.
19. Unemployment will be eliminated. With no taxation barriers, business can employ more people.
20. The Taxation Office is abolished, saving pa, \$1,635,536,000.00

21. Will also extinguish our Foreign Debt.
(For further details contact www.debittaxglobal.org)

GUIDE TO FORMULATING AUSTRALIAN REVENUE

On the basis to bank payments supplied by the Australian Reserve Bank, the Tax Rate is determined as follows: -
The revenue required per year Divided by Bank payments/withdrawals In Australia \$70,000 billion dollars are withdrawn annually from account numbers through the banking industry.
\$70,000 billion withdrawals @ 1 cent Tax Rate produces \$700 billion in Revenue per year.
Totals Tax Collected 2002-2003 \$206.2 billion + GST \$31.3 billion.
Total \$237.5 billion. DEBIT-Tax provides an additional \$462.5 billion in revenue.

Questions & answers on Debit-Tax;

Q: How will the Debit-tax affect share trading?

There might be some resistance initially as all share trading is completely tax-free at present. (One only gets taxed on profits generated from share trading). Under the e-tax system all profits are tax free (as there will be no tax on income) & the 1% will be paid by the buyer, not the seller, you buy shares today, pay 1% tax & when you sell the shares in say, 10 years time, there is no tax on your profit or your capital gains.

Q: How will this system affect the thousands of public servants currently employed by the present tax system?

This will be the golden opportunity for our public workers to target the money launderers, the black market economy & other illegal transactions, which are currently sucking so much out of our economy. Also, the new system will be creating so much employment that those who wish to leave the public service will be able to do so to follow their own private ventures.

Q: How will Superannuation work?

Superannuation will no longer have to be paid by employers. Great news for small business. As the employees are not being taxed on their income (they only get taxed 1% on their withdrawals) the current 9% Superannuation levy will come off their gross earnings & go into a Government Fund which will be managed by the Treasury or a Ministry of Finance to ensure that the returns from each individual are the same or even better than the Multinational Superannuation funds currently managing these funds. This money shall be invested in local industry, thus providing growth in all sectors including that of employment. Employees will still have the option to further invest in other private superannuation funds of their choice to increase retirement savings. This system will create more jobs as well as guaranteeing the future of the Australian workers.

In brief, an employee who earns \$1000 a week will invest 8% (\$80) into the Government Superfund & take home \$920, if he or she spends the full amount of the balance it will only cost them a further 1% (\$9.20) thus their NET PAY will be \$910.80 instead of \$670 which they are currently taking home. (You don't have to have a PhD in Economics to realize what this extra net income will do to the economy of any country)

FINANCE and BANK REFORM

To reform the financial system, it is proposed to reinstate Australia's "Peoples Bank" eg: Commonwealth Bank founded by King O'Malley & operated from 1912-1923. It exercised a powerful check on interest rates during the inflationary WW1 period, & handled loan allocations at a much lower rate than private banks, with half the profits being placed to the credit of the National Debt Sinking Fund. It was so successful that political pressure was bought about to eventually privatise it.

Australia's "Peoples Bank" 1912-1923!

The role of Australia's Commonwealth Bank, founded by Federal Labor politician, King O'Malley must be learnt & understood once again. We must examine how the "Peoples Bank" was started & why it changed. There was a great need at that time in our history for a people's bank, as O'Malley pointed out, to deal with the crippling monopoly of debt financing by the private banking interests. (Much the same as we are now facing). Thus our Commonwealth Bank was started on 15th July 1912 after long & heated debate with those private banking groups who saw their strangle hold on credit creation being threatened. It was the steadfast support from Trades Hall in Melbourne during an emotional campaign that tipped the balance to see the bill passed in Federal Parliament & a "people's bank" started.

This new bank was utilised in financing Australia's World War 1 war effort to the tune of \$700m without an enduring debt. Sir Dennison Miller, the inaugural Governor of the "Peoples Bank", when questioned after the war whether he could provide similar finance in peace time for production purposes & housing, indicated yes.

The Commonwealth Bank was again put to the test to provide affordable finance for Australians as the whole world went into post war recession in 1919. Australia managed to avoid the worst financial consequences of this recession because of Sir Dennison Miller & the Commonwealth Banks credit policies.

Farmers were kept on their land & production was maintained. Low cost housing was still provided for ordinary Australians. Over the nine years as Governor, Dennison Miller had blazed the trail for the Commonwealth Bank on financial markets, creating lower interest & giving reign to development & employment. "He was prepared to fight all competitors-government & private", so reported J.T.Lang, Premier of N.S.W. on Dennison Miller's role in the interest of the nation. REF; "The Story of the Commonwealth Bank", D.J.Amos.

Lamentably, after the death of Dennison Miller in late 1923 the rules of the people's bank were changed immediately, under the Bruce-Page government, from being a people's bank to simply becoming a banker's bank. Norman Makin, Labor MHR for Hindmarsh in SA, at that time stated. "The government undoubtedly desires to place the bank in subjection to private banking institutions & prevent it from fulfilling the real purpose for which it was established.

History provides the answers; the fact is that only nations with a productive manufacturing industry are economically successful. To enable this to happen we must withdraw from all harmful UN trade treaties and scams reform our finance and tax system to set the scene for recovery.

Yours sincerely

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