

AFTS Secretariat
The Treasury

Thank you for the opportunity to comment on Australia's future tax system.

The key features that I consider vital for Australia's tax system are:

1. The taxation system should be progressive.
2. Taxation should be focussed on taxing 'bads' (eg activities or things that harm people or the environment). 'Goods' (activities or things that are good for people or the environment) should be tax-free or taxed at a substantially lower rate.
3. The taxation system should ideally also be as simple and as easy-to-understand and comply with (including ease of accessibility) as possible.

It is imperative that the tax system support our environment:

Wrecked Earth = permanently wrecked economy + no need for government or tax system

Our tax system should also:

- a) Reward saving and investment in 'good' infrastructure (as per point 2 above).
- b) Encourage saving for retirement. It (and related systems such as social security) should not send mixed messages re self-funding retirement.
- c) Encourage home ownership without encouraging over-capitalisation in the primary residence.
- d) Encourage philanthropy and charity.

I have no doubt others will have provided arguments to support these points so I will not repeat them here, but merely state my priorities for the new system. Nevertheless, I am happy to elaborate on my submission and/or participate in further consultation (eg via focus groups).

Regards

G M King