

If the figure of \$3,200 billion daily in foreign exchange trade is accurate and if 2% of it happens in Australia (I'm told Australia's economy is worth 2% of the global economy), then even a 1% tax on foreign exchange trading in Australia would raise over \$233 billion dollars annually. If anything else is taxed at all, or the foreign exchange tax is set at, say, 1.25%, then the Federal government would be running record surpluses all the time. Some of this tax could even replace the GST.

Any personal or corporate taxation (especially the personal) should be set according to capacity to pay; i.e. no one would be taxed beyond what they could afford, and those who can afford more should pay a bit more. This would mean, for example, that people living below the poverty line would not be taxed at all, and those just above it would not be taxed at a rate which would put them below it. To make it fair, tax rates would be set so that if one person has a higher pre-tax income than another, then they would also have a higher post-tax income than the other. Start at the highest incomes and work your way down while incorporating this point, until the government has the revenue they need in order to meet their obligations to the Australian people to provide us with all the infrastructure and essential services we need in our communities.

Abolish all consumption taxes such as GST and sales taxes, and replace them with the aforementioned tax on foreign exchange transactions and carbon taxes such as what the German government have done with their motor vehicle tax - they set the rate of the tax according to how much carbon a vehicle emits. To set personal taxation in a way that would obey the aforementioned capacity-to-pay principle would require the abolition of all GST or VAT style consumption taxes, because they cannot be levied according to capacity to pay.

End the possibility of tax havens by rewriting the Income Tax Assessment Act so that, at all times, it obeys the principle "Earn income - pay tax on it. Simple as that".

Yours Sincerely,

Greg Croke