

Dear Review Panel

Please accept the following as my submission to the Panel's current review of tax systems.

\* I urge Australian Government support for international implementation of the Currency Transaction Development Levy (CTDL) that would tax the richest market of all, the trade in foreign exchange, worth \$3,200 billion daily.

\* I urge a reversal of the trend to lower corporate taxes.

\* The German Government has decided to revamp its motor vehicle tax so that in future the rate depends on the amount of carbon emitted from exhausts. I urge the taxation review to recommend the Australian Government negotiate a similar arrangement with the States.

\* I urge the Australian Government to do more to stop wealthy Australians from using tax havens to avoid their responsibilities. I refer the review panel to the October NI Magazine for further background.

Regards tax havens, I've included comments by David Ransom, from his blog at the NI site, FYI. I believe his post to be relevant to the review process.

According to the World Bank, cross-border commercial (ie corporate) tax evasion accounts for at least \$700 billion every year. On an annual basis, that's five times more than American millionaires have been gaining from the Bush regime tax cuts.

This money hangs out in tax havens, more than half of which have been set up in places like the Cayman Islands, the Channel Islands, the British Virgin Islands and Bermuda, which have close ties with Britain. Their purpose is to channel funds towards the City of London.

So the British Government could, in theory (the practice would, of course, have to be suitably complex), contribute \$700 billion to the world economy simply by abolishing the tax havens it legitimizes.

To do this, Gordon Brown doesn't have to go tramping round the world touting 'transparency' and some sort of 'global' reform as a precondition for change - even if this is not yet another means of evasion.

Conservative estimates suggest that, in addition, the world's wealthiest individuals have parked \$11,500 billion 'offshore', allowing them to dodge over \$250 billion in tax every year. Over 10 years, that's \$2,500 billion.

So, if anyone suggests to you that taxing the rich wouldn't produce much revenue (so the rest of us have to be taxed instead), don't be fooled!

All of this you can discover for yourself by exploring the wonderful work done by the Tax Justice Network, and by John Christensen in particular.

At stake here is the current worldwide tax 'consensus'. Led by the IMF, it has been cutting 'direct' taxes on wealthy individuals and corporations and increasing 'indirect' taxes on the things we all have

to buy. Tax regimes like this are by tradition called 'regressive' rather than 'progressive'. They have, among other things, been starving poor societies of the revenues to fund even the most basic public services, such as healthcare and education.

Kind regards

Kay Lefevre