

I have not a formal developed paper but I have some suggestions.

It appears to me the tax system is lacking as it does not tax wealth, particularly the transfer of wealth. As a result the taxing focus is skewed towards income earners. This creates the inequity of inherited wealth passing tax free from generation to generation.

Australian society has evolved and stratified so taxing wealth transfer is a valid revenue raiser. More importantly taxing wealth transfer shows equity in the system as those perceived to be wealthy make a contribution to the revenue on assets the "ordinary" Australian does not have. The opportunity is here to borrow taxes tested elsewhere and incorporate them into the tax system.

The first consideration is an inheritance tax with a threshold set sufficiently high so the "ordinary" Australian doesn't pay it at all. Only those with estates valued over the threshold would be caught by the net. This tax can be aligned with the existing probate process to give the value of the estate to see if it is over the threshold and to give a valuation point. Obviously anti avoidance provisions need to be present to prevent slipping under the threshold by gifting etc in a period before death. A starting point would be the English inheritance tax.

The second consideration is to remove the main residence exemption for properties valued over a threshold. Again, this threshold is set high enough so the average Australian will not be caught. Again, this tax can be aligned with an existing process to establish the value and taxing point. It will also probably have the collateral effect of keeping house prices lower making it easier to enter the real estate market.

Eliminate state stamp duties, land and payroll taxes. The State revenue offices could focus on real estate sales and the estates in their states, and be under ATO supervision. This could be aligned with the ATO's High Wealth Individual etc areas.

Introduce a sliding scale to reduce the 50% CGT discount for gains over a threshold. This will remove the benefits of dealing in capital for wealthy individuals but not impact the dealings of the ordinary Australian. Consider extending the 50% discount to companies.

Extend the withholding tax to dividends so 30% is removed by the company before the dividend is distributed even if a TFN is provided.

Extend withholding to distributions made from trusts.

If you wish to encourage people to return to the work force increase their government payment with the hours they work. This would have the effect of encouraging them to work a greater number of hours and removes the poverty trap effect of losing benefits if you work. Obviously a limit is calculated after which the govt assistance starts to decrease. This would particularly encourage women back into the work force.

Increase the tax free threshold to \$20 000 and eliminate pensioner tax offsets. Align the tax free threshold so full pensioners will always be beneath it without having to use tax offsets.

Increase the GST to 15% and exempt full pensioners from it on all goods. Also consider extending exemption to partial DVA pensioners.

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