

SUBMISSION ON TAXATION

Preamble:

Over the last 30 to 40 years, there has been an increasing skewing in the distribution of wealth. As far as we can see, this has been due to company law and taxation law, hand in hand with the process of "globalization".. Although we cannot address the former subject here, it may well constitute a vital part of the work of redistributing wealth for greater social justice.

Laws favorable to corporate business have proliferated, through the systematic lobbying of governments to advance business interests and particularly that of the class of the extremely highly paid and feted executives.

This whole system is collapsing from the imbalance that has been created, now that the populace on which the privileged class rests, can no longer support it. It is time to examine this system of entrenched privilege, even though such an effort is bound to meet with powerful opposition.

Specific Tax proposals:

1. Reverse the process of lowering corporate taxes and tax of the rich. It is absurd that there are people who walk away from companies, sometimes failing companies, with millions of dollars in payments and bonuses. If we think about this in practical terms, a man who receives \$10m. can at once buy at least ten of a range of houses, from modest to mansion - while other employees of the company at best receive enough to buy a house in their lifetime, or, at worst, are not paid because the company is "unable" to do so.
2. Stop wealthy Australians from using tax havens, and cooperate with international efforts to abolish tax havens.
3. Tax (or totally prohibit) currency transactions. To start with, we urge the Australian Government to support international implementation of Currency Transaction Development Levy. The trade in currencies is parasitic. It can undermine national economies and constitutes an important cause of inflation.
4. Tax motor cars on the amount of carbon emitted from exhausts, as the German government has done.
5. Simplify and render more comprehensive the tax system. A great deal of cost is associated with policing low-income people, including those on pensions or government benefits. We suggest introducing a much higher tax-free income margin, say of \$20,000 to \$25,000, below which it would be unnecessary to submit tax returns.. Pensions and government allowances would be included in these amounts. This would save costs of paying an army of Centrelink workers as well as taxation officials. The two could be brought under one umbrella, so that social services come as "negative tax", and any adjustments are made at the end of the financial year, instead of based on painful "guesstimate" and then adjusted (usually downwards - are Centrelink adjustments ever made upward???)

For further discussion of these issues, (except for the last one, which is ours alone), please read the current issue of the New Internationalist,, and check out the tax justice blog (www.taxjustice.net)

We urge the government to re-think the issue of wealth distribution from a social and moral point of view, leading to an overhaul of current taxation law.

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