

Dear "Re:Think",

I realise that the purpose of this entire exercise is to market any changes, not those changes.

But I would like to be naive enough for a moment to think that the opinion of the Australian people matters.

What do people discuss around the water cooler (disregarding sport):

1. Taxes are too high.
2. Why are we wasting so much money being morale police?
3. What is the purpose of the federal government?
4. How do we compete with other countries?
5. Do you think the house prices will go down?

My thoughts:

1. Taxes are always going to be "too high", whether it is 5% or 50%. The point in my opinion is what we get for it.

It is from that notion that I propose the one and only sweeping change. A few vastly experienced and capable people sit down and start from scratch. From NOTHING. Not, which laws do we scrap. Not, which laws do we keep. Nothing.

First, workout all of the programs you want to fund. Then add 10%.

Second, workout base rates (taking into account current bracket creep discussions). Include GST, include CG, include company tax.

Now, check the difference. Need more? Add to these columns.

Have too much? Add the deductions. Investment, depreciation.

It is only because of the piecemeal approach we take now that the general electorate finds both major parties so abhorrent.

2. I have no idea. I have absolutely no idea why in a secular society we feel the need to tell people whom to marry and how. I have absolutely no idea why in an educated and scientific society we overtax cigarettes, alcohol, and keep fundamentally harmless drugs illegal - whilst fundamentally harmful pharmaceutical drugs are available of the counter.

I have no idea why we fund private enterprise or industry in the concept of "jobs creation".

Leave creating jobs to the private sector. Remember part 1.? Education, Housing, Infrastructure, Medical, Foreign Department.

3. Goes back to 1. and 2. Honestly, at this point, apart from filtering money around - I have little idea. DFAT, what else does the Federal government actually take "responsibility" for? Financial issues - previous governments fault, states fault. Aboriginal issues - states fault. Infrastructure issues - states fault. Education issues - states fault. Medical issues - states fault. Again, I don't mean this government "specifically", I'm speaking generally.

4. We don't. At the moment. At some stage we need to decide what we offer the global

economy. Goods or services or both. It can't be none of these - because then nobody wants to buy our things and we lose. But at the same time, it clearly hasn't made us vastly wealthy to simply take things out of the ground and pass them along - whilst simultaneously having inferior foreign investment safeguards. Look at Singapore - within 20 years they will have a median wage higher than Australia. Why couldn't Brisbane be Singapore? Nobody in Japan or South Korea cares that a flight takes 8 hours instead of 5.

5. Obviously they won't. But you might want to look into that, and the tasty tasty tax dollars it hoards.

Please note, I did not explicitly discuss Super, trusts, or negative gearing because they fall into the "piecemeal" approach. If these are dissatisfying deductions when you've started from scratch, then they shouldn't be included. Why do we have an industry devoted to tax minimisation?

That isn't a service we can export...

Regards,
Eugene