<u>Comprehensive reform of taxation requires more than a review of Federal Corporate taxes and levies.</u>

Executive Summary has recommended changes to company tax laws and regulations, but fails to fully recognize and incorporate, the intimate relationships between Federal, State and Local Governments' Taxes, Rates, Levies and Regulations. This review recognizes the imbalances inherent in our current system but makes no room for ameliorating Wage-earners taxation and their Total Tax Burden from all levels of government, and it fails to define a process which engages these issues and address possible solutions.

There should be a clear recognition of why the current Revenue system; which is focused on Net Profit and Individual Net Earnings, is failing.

The previous Commission publication, "What you told us" ignores and bypasses the fundamental range of weaknesses in the current Revenue raising system such as, historical inefficiencies, inexplicably capricious tax ratings and targets, illogical exceptions and expensively contestable deductions. These failings are the source of embedded anti-tax attitudes and encourage both corporations and individuals to minimize tax in any possible way.

That said, the summary recognizes the dire state of our corporate Taxation system and Regulatory impedances to Economic growth, resiliency and productivity. Recommendations such as Draft Recommedation 1, to reduce corporate tax rates and but introduce a **cash transactions** based system should also apply to lower taxation for all tax payers simultaneously.

Alternate Recommendations. To taxation and Revenue raisings

Draft Recommendation 1.1 Pivot Taxation for Everyone to a more equitable and efficient mix.

Draft Recommendation 1.2 Lower Total taxation to between 20% to25%

Draft Recommendation 1.3 Introduce a **Gross Earnings Tax** rate of up to 10% for Corporations and Individuals. Wage Earners, and other target groups should also participate in the swing away from taxing Net Profit and Net earnings to a **lower tax on Revenue and Income**. The aim should be to replace the current, moribund system by reducing revenue raised against Net Profit and Net Earnings to 0%. In other words <u>Abolish Deductions and Rebates</u>.

Draft Recommendation 1.4 Revenue raised solely through **taxation is not sufficient** to meet Australia's budgetary needs. A combination of **self funding Quasi government Funds** and other creative revenue bases should be constructed in order to reduce Budgetary demands. Future funding expenditure can be avoided by judicious planning to meet existential threats such as Climate change, Cyber threats to our economy, Global capture of Australian industry and innovation, Homelessness in Australia and generational impoverishment. There are many needed Government managed organizations that could be created for the social good of Australians. All could be Revenue positive but some would need to be designed to avoid budgetary diversion. **Here are Five alternatives**:

A: Create and manage a self funding and future revenue contributor "**Intergenerational Future Fund**" with individual accounts for each new child listed under Medicare Australia. Provide each with a taxation account and a tax free period for government and community "seed contributions" into that Future Fund until they start earning. Enable the account to support life choices; Medical, Educational, Home Savings, etc by allocating Federal Family supports through each Intergenerational Future Fund account. This Fund would be taxed in a similar way to Super Funds.

B: The government needs to control the foreseeable and horrendous social and financial costs brought about by unchecked Climate Change. An **Emergency Service and Disaster Recovery Force** created by re-purposing unneeded and surplus Defense vehicles, vessels, aircraft and equipment to act in concert with state and community organizations is an urgent need. Without a planned approach governments will divert increasingly burdensome adhoc disaster funding and rehabilitation costs from revenue.

Extend an opportunity to transfer to this Service, to near retirement and end of contract, Armed services personnel and other similarly trained individuals, could be a means of recruitment for personnel. Ongoing recruitment for personnel can come from future generations. Build organizational arms which mirror the capacities of Defence services. Lease the Forces and appropriate equipment to other nations as appropriate. I believe such a corporation can substantially reduce the adhoc cost of disasters brought about by Climate Change

C: **Rehabilitation Fund for Convicted and Imprisoned Australian**. These individuals should be required to work and contribute towards the costs they incur. Each prison location should be extended to allow investment in a Commercial Precinct whereby convicts earn a basic wage, pay taxes and pay a levy for their cost of incarceration. Such enterprises should not be just token occupation but commercial and socially valuable endeavors which are under resourced such as Environmental-Recovery; Removal of invasive species, or Corporations purpose built to manufacture Housing needs with endeavors such as precision built relocatable kit houses. Such industries could also pay taxes, but importantly, provide a working pathway to social rehabilitation.

D: **Australian Sovereign Industry Fund** to restore industries that are disappearing from the Australian Stock Exchange and out of Australian ownership. Many outstanding Australian Companies began as Government Agencies which were totally privatized. Valuable startups and strategic industries are regularly targets of privatization and global takeover. We need to arrest this trend by taking our own strategic control of such Corporations and maintain any public share through enforcing listing on our stock exchanges. Differential Taxation rates could be used for this purpose.

E: Allow **Australian Super Funds to operate Branches** in other Democratic nations and engage in Safe crypto-currency trading such as an Australian Stable coin.

Draft Recommendation 2.1 Reform agenda: Intergovernmental consultations on managing Total tax and levies burden. Once the transition to taxing Gross Revenue has been achieved the need to report through a tax form would be redundant for Wage Earners. There might be other areas which do need streamlining. eg Capital Gains There could also be investigation into other revenue streams. Why not a tax payers lottery?

Draft Recommendation 2.2	Regulatory Revenue reform should not include The Taxation system **management of corporate behavior**. Under a new efficient tax regime there need be no dispute because only Gross Revenue need be reported. However the stock exchange and ASIC should be tasked with managing these aspect corporate behavior.

Draft Recommendation 2.3	Remove onerous and impossible Regulations through genuine consultation between all arms of Australian governance. Encourage wealth creation and employment by extending opportunities for Central Agencies to search for and fund industrial efficiency and innovation in concert with our scientific and educational institutions.

Thank you for your attention!

[REDACTED]