

I would like to provide some comments, in my capacity as an academic economist.

1. The general idea of informing members of the public how their tax dollars are spent is a good one. However, it is also highly desirable that tax assessments should be as simple as possible. A reasonable compromise might be to include a link or reference to a website where taxpayers could use a calculator to derive the relevant information. This approach would have the added merit of being expandable and customisable so that interested taxpayers (a minority, but one to be encouraged) could obtain more information regarding areas of specific interest

2. A minor complication relates to hypothecated taxes, most importantly the Medicare levy. I would suggest ignoring hypothecation and treating the levy as a contribution to general revenue

3. Net worth is a more relevant measure of the position of the public sector than net debt. It would be desirable to present this information in a way that is comprehensible. One possibility would be to use a pro-rata measure, imputing to each taxpayer a share of net debt/net worth in proportion to their tax payments as a share of total revenue.

I hope this submission is useful to the Committee in its deliberations, and would be happy to answer questions

Sincerely  
John Quiggin