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The Secretary, Senate Economics
Reference Committee, Room S. 6. 64
Parliament House, Canberra, A.C.T. 2600

Dear Secretary - It Was Suggested In A Letter To The Editor The
Cairns Post Newspaper Tuesday 31st Dec/02 - Page 12 - By Senator
Len Harris - Put Your Views On Tax. So Here Goes, My Comments
And Submission

Any Australian Tax Should Be Simple, Easy To Administrate And
Fair To All. The Debit Or Transaction Tax Answers All The Above
Requirements.

All Financial Institutions In Australia Would Be Required
To Automatically Debit The Agreed Percentage Amount Of Tax, From All
Financial Withdrawals And Electronically Credit Said Amount To
The Commonwealth Tax/Treasury Account.

This Debit Tax Would Render Unnecessary All Other Federal
Taxes, Income, Sales, G.S.T., Excise On Petrol etc. No More Paper Work
Or Forms To Fill In.

Just Think What This Would Mean - All Employees Would Immed-
-ately Have A Larger Take Home Pay Packet. No Income Tax Deducted. More
Money To Spend. Nearly All Goods, Services, Foods Would Be Much Cheaper
In Price. No More Sales And G.S.T. Tax - The Cost Of Living Would Come Down.

Last But Not Least, Fuel To Run Your Cars, Trucks, Public Transport
Energy Costs Cheaper With No More Excise On Petrol. This Also Will
Have A Flow On Effect Thru All Business Activities And Eventually
Effect Us All Positively.

You Ask How Will All This Be Possible - The Answer In The
Figures Of The Reserve Bank Of Australia And The Australian Pay-
ments Clearing Association. The Estimated Total Yearly Trans-
-actions In Australia For 2001/2002 As \$40.6 Trillion Dollars,
5% or 1/20th Of This Amount As A Transaction Or Debit Tax
Would Have Given The Australian Government \$2,030 Trillion Dollars
Costellos Budget Of July/2002 Collected Nearly \$170 Billion
Dollars In Tax - The Debit Tax Of \$2,030 Trillion Dollars Is Nearly

Twelve Times The Tax Costello Collected In 2001/2002

Compare Costello's 2002 Spending Budget With A 5% Debit Tax.

1	Social Security Welfare	— \$72.834 Billion	vs	\$874.728 Billion
2	State/Local Governments	— \$4.449 Billion	vs	\$53.388 Billion
3	Public Debit Interest	— \$4.522 Billion	vs	\$54.264 Billion
4	Defence	— \$13.144 Billion	vs	\$157.728 Billion
5	Education And Training	— \$12.324 Billion	vs	\$147.888 Billion
6	Health	— \$29.054 Billion	vs	\$348.648 Billion
7	Other	— \$33.803 Billion	vs	\$405.636 Billion
	Totals	\$170.200 Billion		\$2,030 Trillion Dollars

You can see from the above comparison and examples what a tremendous difference a 5% 1/20th transaction or debit tax would make to all of us in Australia. Our lives could then have the opportunities to be much richer and fuller than they are now.

With money available as the samples for a debit tax show - the much neglected areas like public housing, health, especially dental care, education, would be improved out of all recognition.

The 5% Debit Tax should be appealing to all income earners if they will compare what they pay in income tax now to what they would pay with samples of yearly incomes as \$10,000 Dollars, \$20,000 Dollars, \$50,000 Dollars, \$100,000 Dollars, 1/2 million Dollars and 1 million Dollars. The 5% debit tax per year would amount to \$500 Dollars, \$1,000 Dollars, \$2,500 Dollars, \$5,000 Dollars, \$25,000 Dollars and \$50,000 Dollars.

I don't think many income earners would then call a 5% debit tax unfair comparing the above samples -

But the usual attacks on the debit tax are its never been tried before - no other country in the world has such a tax etc - what has that got to do with Australia if it works we should go ahead and try it, I say it will be much better than the clumsy, unwieldy tax system we have now.

The debit tax will come when enough people in Australia are informed and educated about its possibility. Then there will be so much public pressure the Australian ^{Government} can't ignore it.