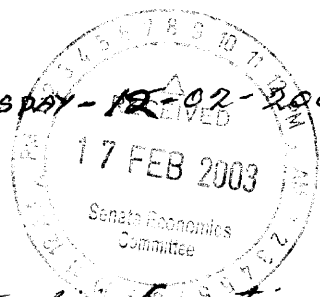


THE SECRETARY,

WEDNESDAY - 12-02-2003.

SENATE ECONOMICS REFERENCES COMMITTEE,



Dear Sir,

In reference to your enquiry into Australia's taxation system, I submit that the only fair and equitable system for all Australians, is a Debit Tax based on transactions.

I.E. A tax which is levied on every Australian at the same rate.

As a tax paying Australian all of my working life, I deeply resent being taxed at a minimum rate of 24% for 40 years, while B.H.P. paid 2% tax and Rupert Murdoch paid 6%.

Our current system of taxation is based on "who you are", a Debit (transaction) Tax is based on "what you do".

The benefits of a Debit Tax levied at 0.5 cents in the dollar are,

- 1/ All other rates and taxes would be scrapped.
 - 2/ Because the tax is payable each time money "changes hands", the rash of speculative investment which is rife today, would not be profitable, instead, more investment would be in the "real" economy which is 'jobs for everyone'.
 - 3/ Australia's current international debt (which is ever increasing) would be paid off and finished in 3 to 4 years.
 - 4/ No "real" unemployment after 3 years, everyone who wanted a job would have one.
 - 5/ General Motors Holden has stated that, a car now costing \$31,000, would cost just \$22,000 under a debit tax system. The \$9,000 saved by the buyer, could then be spent on other goods which also would be cheaper, creating more manufacturing jobs.
- If above calculations were done and fully documented by the IAIN HENKE ORGANISATION - MELBOURNE - VICTORIA, IN 1997.

Please give my submission your earnest consideration,

Yours faithfully, D. A. Knowles.

D. A. KNOWLES, 58 MYALL ST. ORLEY WEST - N.S.W. - 2223.