

Tax discussion 2015. Some things need changing, some must stay the same.

There must be tens of thousand of older Australians like me and millions of more up and coming who deserve fair treatment of what they have saved and worked for and I speak on behalf of all of them as well as for myself.

The review is far too much for me to take in , but I wish to address some areas that are important for the common man.

Let's start with the dividend imputation system. Discussion points 20 and 25 and 26. From the citizens point of view, this is the most sensible thing Government did for fairness by not taxing dividends twice and encouraging Australians to invest in Australia. **Just do not fiddle with it and leave it alone.** None of the Tax Discussion Paper's (TDP) arguments against it make sense. I am incensed to think that the Government would contemplate some notion of disincentive for foreign companies to invest in Australia as a reason to have a go at the imputation system to take money from us as investors in Australian companies. Where are the TDP's facts and figures on the amount of foreign investment in Australian companies? I am quite sure you will find that our dividend imputation system is the least thing that concerns foreign investors. I can think of two companies that have specific Australian content requirement to stop foreign investors taking them over! That is Qantas and Santos. Also the notion that the dividend imputation increases the complexity of the tax system as a reason to remove it is just plain ridiculous. This is what computers are for and legislation to deal with franking credit trading is in and deals with it. Problem solved. If the Government is at all serious about dealing with complexity, it should focus its attention on tax avoidance like transfer pricing (discussion point 34). The imputation credits are refundable to Australian citizens and we have spent our hard earned dollars investing in Australian companies knowing this is the way things are. There is an undercurrent in the TDP that some of the tax paid back to shareholders is somehow not deserved. Well it is. Every dollar of it. Don't fiddle with the imputation system! Leave New Zealand out of it. Diverging slightly, Australia should have a good hard look at what New Zealand is doing. It has no iron ore or coal or oil deposits to plunder and still its dollar is rising against Australia's. New Zealand's foreign investment rules for buying rural land actually work and virtually prohibit foreign ownership of the farm. Why is Australia so open to allowing foreigners to "Paddock to Plate". That is, own our paddocks to put food on their plates.

The second area of concern is regarding negative gearing and superannuation. Discussion points 21 and 22. We all agree that saving for retirement is now a fact of life. But there are a range of problems with the tax system and saving for retirement. The system allows for tax deductible contributions to superannuation limited to \$30,000 per annum. Remember you cannot access this till a condition of release, notably age 55 or 60 or whatever the case may be. On the other hand, you can deprive yourself of some income by negatively gearing the purchase of residential or commercial property, or shares, whatever you like. But on this side of the coin, there are no limits. None at all. How absurd is this? How did this come to be.

The common discussion now is how to claw back concessions to retirees in pension phase. Well this is another area of JUST LEAVE THINGS ALONE. Current retirees have saved all their working lives to get where they are today. We do not know how long we are going to live and so what if we leave remaining superannuation sums to our children. What about the plight of the first home buyers? They have to compete against investors and foreign buyers and it was even worse when there was the massive first home owners grant which in reality was a HOME SELLERS GRANT. It only served to drive up prices. What is going on? When we bought our first home in 1975, it was hard enough, but something has to change. Here is the solution. No longer allow negative gearing to buy residential property. And do not allow foreigners buy residential property. By all means, continue to allow negative gearing into shares in Australian companies and commercial property. This will in turn generate greater investment in Australian business and jobs. House prices will be more affordable and young families will have more money and less dependency on welfare.

Lastly the GST. Just leave it alone. Leave it at 10%.