EMPLOYMENT INVESTMENT TAX PROPOSAL

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Abstract: Employment Investment Tax (EIT) proposes replacing all existing tax collection points at State, Local, and Federal Government levels, with a single tax collected by the Commonwealth for distribution to the various levels of government. It also provides automatic access to the first step on the employment ladder for youths over the age of fifteen years, and avoids adding expense related taxes to low income earners. The current tax system rewards maximising deductible expenses, whereas the EIT rewards increased employment.

Key Words: Employment Investment, EIT, Utilisation Allowance, Taxable Units, TU, turnover tax, homemaker income, universal income, baby boomers, Utilisation Allowance, Payroll Tax, Fringe Benefits Tax, Capital Gains Tax, Provisional Tax, Withholding Tax, Superannuation Tax, GST, Mineral Royalties, Council rates, Fuel Excise, turnover tax, flat tax, no government service, ngs, sole pensioner, temporary visitor, coin of the realm, transfer pricing, illegal immigration

1. INTRODUCTION

"Australia's tax legislation is, according to urban legend, the longest piece of legislation in the world." And "if Australia keeps making new laws at the current rate, there will be 830 billion pages of tax legislation by the turn of the next century".

There is need for a 'root and branch' review of such an intractable problem. Several attempts and suggestions have been made to improve the system - too many to itemise here, but suffice to say the problem remains and is still growing.

This tax proposal considers replacing all existing tax collection points, at State, Local and Federal Government levels, with a single tax collected by the Commonwealth for distribution to the various levels of government. As such, the proposal is not unique, as others have suggested similar consolidation. This proposal is believed to be unique in the detail of how the tax is applied, collected, administered, and distributed.

The current tax system rewards maximising deductable expenses, whereas EIT is directed at maximising employment.

2. NEW TAX CONCEPT

It is proposed that the tax be broad based - similar to a GST - but charged against the income received and banked rather than on the costs incurred. This methodology also applies to companies and replaces the existing concept of paying tax on taxable profits, with a tax levied on net banked revenues, less wage costs. This feature ensures that individuals or companies with low or no income do not have to pay tax, or any significant tax. A recent letter to the press succinctly describes the problem faced by many self funded retirees with the existing and proposed tax system. Refer Appendix-C The Australian letters page - 28/10/2015

'Baby boomers' are mostly at a stage where they have low income, compared to days of yore. This means "taxing spending" by raising GST or any other broad based consumption tax, hits their meagre savings very hard - especially in a low interest rate environment - and will drive many from being self-funded into being support reliant. Taxing income is therefore self-adjusting by being relevant to the level of income, and avoids driving more people into penury. A similar constriction occurs with young people trying to build a savings account, pay for an education, invest in property, or buy shares.

Similarly, drought affected farmers (and income restricted companies) pay indirect taxes even when they have zero income. While GST imposts are offset - after verification with a bought and sold paper trail - other levies and taxes associated with local government continue to accrue.

By concentrating on income banked it becomes easier to calculate a tax liability, because there is normally fewer income entries than money spent entries. The tax verification procedure becomes substantially easier as it is unnecessary to keep a record of money spent together with tax receipts. Income received is available by reference to the relevant bank statements, as well as the money transferred into employees' or contractors' bank accounts.

Taxing revenue has been used previously and described as a "turnover tax" which is/was operating in South Africa and Ireland to name two countries, but only for "small" enterprises. This suggests the turnover tax was only directed at small companies with the intention of making the compliance aspect as simple as physically possible, and thus suitable for unsophisticated enterprises. A very noble ambition which could be very beneficial if extended up the enterprise size chain. There is also a Commercial Activity Tax operating in Ohio State which seems similar, but applies to larger organisations with gross receipts over $150,000.

The EIT proposal treats companies and individuals as similar identities, and charges the same flat rate of tax to all. Previous experience with flat tax systems are reported as positive. Refer: Competition and flat rate tax: Good medicine.

3. GLOSSARY OF TERMS

New terminology applies to this tax proposal which includes:

- The new tax is described as "**Employment Investment Tax**" (EIT) and recognises the importance the National Government and community puts on maintaining high employment.
- Both companies and individuals are referred to as "**Taxable Units**" (TU).
- Lower income individuals and companies - TU - are compensated with a suitable "**Utilisation Allowance**" (UA) which, for low or zero income entities also includes a component to pay their current tax liability. No other personal living allowances or tax deductions are applicable under EIT, but various existing enterprise grants all report as TU income for EIT purposes.
- "**Labour Utilisation**" is tax paid under EIT divided by tax payable under UA, expressed as a percentage.
- **"Employment Rendered"** is money banked on behalf or employees or contractors.
- **"Capital Sale"** is the net difference accruing between purchase and sale of tangible assets, and can be a positive, negative, or neutral quantity.
- "**EIT Income**" is gross income less wages paid.

4. TAX PROBLEM DEFINITION

We need to define the size of the Australian tax problem. The Australian Bureau of Statistics (ABS) reports in FY13-14 "All levels of Government" collected $434b.

The Australian Tax Office (ATO) reports individual tax return data for the FY 13-14 shows that of the total 12.8m tax returns, around 75% paid tax, or 9.6m people. The net tax paid amounted to $170.3b on gross incomes of $704b. This averages out to 24.2cts/$ of individual income is spent on tax.

The EIT system captures a much larger portion of the population, because it effectively includes all, except children under 15 years old - who are still dependent on their parents.

Many over 15 years of age start to earn an income and would therefore be registered for tax payments and UA as well. ABS shows the 2014 population was 23.9m, and of those 81.2% were over 15years, or 19.57 million souls potentially eligible for UA.

ABS industry statistics show total industry income was $3,066b and industry paid tax of $76b. So an average of 2.5cts/$ of income was spent on tax. The majority of the company tax is paid by the largest companies. Most of the rest report a loss, or have a balanced income against deductable expenses.

Gross incomes for both companies and individuals was $794b+$2,573b = $3,367b. Government tax take was $434b, or **12.9cts/$ which becomes the effective EIT flat rate**.

Total number of registered companies is listed at 817,885 of which around 41% currently do not pay income tax, but would pay tax under EIT. Therefore no; unprofitable companies, charity, churches, unions, or other tax exempt organisations, are excluded from EIT consideration, or UA receipt.

5. TAX COLLECTIONS

Total TU available for tax registration purposes is 817,885+19,750,000 = 20.57m. The average annual tax collected per TU is $434b/20.57m = $21,100/TU.

No tax distinction is required between individuals and companies as tax is only payable on their level of gross incomes less money banked on behalf of wage earners or sub contractors. EIT also excludes any tax free thresholds or other income brackets.

The existing tax collections include money spent on unemployment benefits etc, so funds currently exist to cover UA for low TU income earners.

6. TAX CONTROLS

6.1 EIT includes a "no threshold" provision to ensure that all adults, and registered minors over 15 years old, respond to the tax office on a regular basis. The penalty for nil registration is "no government service (ngs)" rejection at public hospitals, schools, libraries, customs, public transport, toll roads, voting booths, etc. This happens because the tax file number is unique and doubles as ID for provision of those government services.

6.2 The cash economy is always a bug bear, but is seriously challenged by "ngs". Some slippage may be expected, but UA income (probably fairly common with this group) keeps them "in the tent", and is only payable into a bank account. There is also the psychological benefit of having ‘no threshold tax’ in that everybody is treated equally. This is especially important if tax payers also get a real say in where the money is spent. Similarly, people receiving UA pay a tax component on that sum too. This ensures the EIT system is inclusive and universal.

6.3 Welfare expense is currently the largest Federal Government expenditure item at $144b. The existing population is 23.9m of which 11.6m are either over 15 years of age, unemployed, or retired. If welfare dollars are only spent on these people, the annual cost becomes $12,436 per person. Details at Appendix B. - Welfare Population. While this is insufficient for a sole pensioner without another income source, it is possible for several people to live together and pool their resources. At the other end of the spectrum, a late teenager would find the sum very useful for starting a saving account or other life defining investment. A homemaker would have personal income other than a salary, and an unemployed worker has some bridging money between jobs. Small companies or drought affected primary producers receive cash to eke out a living, or supplement draw down from their savings.

6.4 The nil income level for UA is set at A$1,036/month and increased by 12.9% to $1,170 which allows for tax repayment under EIT of $134/month. UA of $1,170/month, is subject to full CPI adjustment ($14,040 pa or $12,432 net of EIT), and is payable to all TU who maintain their EIT registration requirements. UA phases down for EIT incomes greater than $2,072/month, at the rate of 4.3cts/dollar with a zero entitlement at net $5,180/month of EIT income.

6.5 UA applies to drought stricken farmers and their farming companies, as each element is part of TU. Eg: A farming family of four on a zero income property, with no other income, would be eligible for net income of 5x$1,036=$5,180/month. Currently, they also accrue council rates and levies - all of which will be federally funded under EIT.

6.7 A benefit of receiving UA into an interest earning account means a level of interest payment accrues which is added to the tax liability due in the next month. In this way the recipient of UA starts to earn accessible income, and is therefore no longer regarded as unemployed. This breaks through an important psychological barrier, and is beneficial to government statistics - which no longer report "unemployment", but rather report the percent of labour utilisation.

6.8 Temporary visitors to Australia do not register for EIT. However, their passport details are recorded and used for verification purposes when accessing government funded services. This offers an important mechanism for tracking "overstay" visitors.

6.9 EIT flat tax rate may be adjusted up or down to take account of short term factors such as fighting wars, reducing tax because of altered government spending patterns, in response to different economic conditions, changing demographics, or inflation. However, the tax rate can only be lowered, by a joint parliamentary sitting of both the Senate and House of Representatives. Adjustments to increase the tax rate can only be made following a plebiscite majority of the TU community. Note: The use of tax file ID makes this online procedure relatively low cost compared to the existing plebiscite requirements.

6.10 Company capital raising would attract EIT at 12.9%, which might be seen as an investment disincentive. The alternative to A$ "coin of the realm" borrowing is to borrow in other than A$. This does not attract liability under EIT, but is merely a private matter between an overseas investor and a local borrower. This provision is designed to attract foreign investment, with all the benefits that entails, while restricting potential losses on local projects to overseas interests. The net effect is a stronger A$.

6.11 Superannuation accounts attract EIT collections at the applicable rate with no concessions. Similarly, capital sale income, as previously defined, is included in the EIT return.

7. TAX RETURNS

EIT returns are submitted on a monthly basis, similar to other 30 day accounts. This improves cash flow through the government coffers, and ensures low income TU receive regular income. EIT returns can most easily be conducted online, but could be on paper for some remote communities. Example EIT return information is shown in Appendix-A Example Tax Return Form. The tax form also includes a line for Labour Utilisation which is indicative of the personal employment level. When presented as a national statistic, it reveals how many returns fall below the breakeven utilisation rate (i.e. no UA payable).

8. DISCUSSION
Several queries are associated with the EIT proposal:

8.1 "First, EIT is a regressive tax - taxing those on low incomes PROPORTIONATELY more heavily (not just absolutely more heavily) than those with higher incomes. This will probably make it impossible to sell politically."

Reply 8.1 Politicians would be faced with a new tax that:

- ✓ Provides a tax rate that is similar to the average company and individual rates being paid now.
- ✓ Replaces unemployment statistics with more accurate labour utilisation figures.
- ✓ Provides a "life line" for primary producers and other low income TUs including the option of 'pooling' UA to keep an enterprise going.
- ✓ Removes all other taxes and associated regulations, thereby reducing the size of government.
- ✓ Largely eliminates income deduction and verification considerations.
- ✓ Provides a one stop shop for altering government revenue.
- ✓ Exposes hidden areas of the economy including illegal immigration, unreported income, dividend imputation, and transfer pricing.
- ✓ Provides a mechanism for introducing tamper proof online voting.
- ✓ Provides income for "stay at home parents" and students to pay for further education.
- ✓ Ensures no changes are made to tax collections without first achieving a thorough widespread consensus.
- ✓ Another big advantage is automatic youth access to the first step on the employment ladder. This is a critical step that current tax legislation seriously inhibits.

The "sell" may not be that difficult given this list of positives. The personal tax payments are the same gross amount as is currently the case. However, low income people get a guaranteed income together with the accessible tax included. They only start paying tax 'in their own right' after their income exceeds UA. This is similar to the current tax free threshold of $18,200. Thereafter 19cts/$ and 32.5cts/$ etc. But the fixed TU rate calculates to 12.9cts/$. The universal employment argument should be sufficient to sell the advantage of a flat rate personal income tax. On the other hand charity interests will be disadvantaged including religious organisations, trade unions, and the welfare lobby.

8.2 "EIT explicitly taxes gross turnover, not profit (in the case of companies). That would result in, say, a small loss-making company having to pay a potentially very large amount of tax relative to its "profit", thus substantially inhibiting start-up companies (and indeed, long-established companies which fell on hard times - including drought-affected farmers). Can you imagine the effect on the corporate sector if government levied a tax of 24.2% of total sales income?"

Reply 8.2 This comment highlighted an error in the original draft where gross turnover included an element of double taxation in that employee and contractor payments were overlooked as deductions, but must be deducted from gross turnover before EIT can

be correctly calculated.
It is worth noting that small enterprises are currently paying a wide range of taxes with associated compliance expenses which are all removed under EIT. This may be sufficient to make these operations profitable and therefore liable for tax. If they are not profitable under these circumstances, it may be that the business is simply unviable. By comparison; GST registered enterprises maintain a paper verification trail while they struggle to keep their businesses 'alive'. This is a requirement and ultimately (after 3 months) receive a tax refund which keeps the business "GST tax neutral". Some costs are not refundable including council rates and various levies which either accrue, or are paid out of borrowings or savings. Another problem is the requirement to separate private from enterprise expenses. None of this provides the business account with a sound night's sleep. Under EIT they receive an income for individuals assigned to the business, as well as for the enterprise itself, and they can spend that money wherever they like - this would keep many farmers and small businesses viable until normal income levels return again.

8.3 "EIT is on income, and that is a proxy for "production". Virtually all economists see taxing production rather than spending as growth-inhibiting, hence the strong preference for taxes on spending, such as the GST. Most economists believe that the worst tax is one on corporate income, because it discourages investment; the second worst is a tax on personal income, because it discourages investment in skill and initiative and discourages saving; and the least bad tax is one on spending."

Reply 8.3 No harm in checking the options to see if there is a system that no-one has previously considered in detail, or which bears reconsideration due to changed circumstances. For example; Information Technology and Robotics have led to an explosion of productivity in the advanced economies and in all components of those economies. This leads to more profitable industry generally paying higher taxes, but, aging population aside, it also leads to a growing army of under utilised personnel. There is a huge skills mis-classification occurring where some workers are successfully retraining, but many fall by the wayside as numerated by the World Labour Organisation. EIT provides an automatic system for funding this group. As a side issue; the EIT flat tax rate is set at 12.9cts/$ and is a rate based on the preliminary numbers shown in this proposal. If, on a more complete analysis, the amount of tax collected turns out to be higher, the tax rate should be lowered as the first re-balancing step. It is worth noting that flat tax countries such as Iceland report very favourable on this system, as previously referenced.

8.4 "A "clean" GST system has no carve outs and the compliance costs of a clean GST can be extremely low. It might take about 10 minutes to do a GST return for a small business, every six months. Yes, that does require a small amount of record-keeping, but any well-run business keeps a record of cash outgoing and cash income."

Reply 8.4 Book keeping is required for company budget control purposes, but should not require the detail needed for GST compliance. GST legislation includes fines/penalties for getting it wrong. Income is more easily tracked and verified using bank statements with virtually no extra effort required of the business owner. The churn aspect of GST is unavoidable. This aspect alone should result in dividends through increased business efficiency.

8.5 “A sudden substitution of an income tax with a spending tax would create a problem for those who earned their incomes under an income tax, but suddenly find themselves paying tax under a spending tax. That is why most governments which have introduced a GST have done so gradually - with an initially lowish rate, with upwards adjustments as income tax rates are reduced gradually. (Keep in mind too that those who are now entering retirement have already benefited hugely from free tertiary education, cheaper (real) housing costs, etc.)

Reply 8.5 The tax office/economy is supposed to have benefited too from “free” tertiary education through a more educated workforce. Under EIT UA money is available from the age of fifteen for those who are serious about saving to pay for a higher education. Those entering retirement have witnessed a series of governments who have shown scant regard for rational economics or frugal spending. There is no moral argument for asking retirees to now tip into a hat that was not previously required, but is only now proffered because public spending has grown out of control. The “gradual” increase in GST (or VAT in UK) was specifically outlawed in the original Australian tax act. However; government spending has escalated to a point where “all options are on the table”.

8.6 “If a tax was applied to every sale, it would not be long before turnover started falling, as companies bought up their suppliers – and what had been a sale between two independent parties (and therefore liable for EIT) would become an intra-firm transaction, and therefore not a “sale” and therefore not liable for tax. You’d soon find businesses finding ways to reduce their tax by buying their suppliers. It would create a huge incentive to vertical integration - retailers would buy up wholesalers, which would in turn buy up manufacturers, which would in turn buy up raw material producers (including farmers). Since the tax could not be levied on intra-firm transactions, this would be a very sensible thing for businesses to do as a way of reducing their tax burden but would surely have adverse efficiency effects which would be considerable.”

Reply 8.6 Vertical integration is a current ambition of Indonesia, and they seem to have largely stymied their export mining industry in pursuit of the ideal. WA had a similarly woeful experience when the State insisted BHP and Rio upgrade their iron ore (Hi Smelt projects). If we take a wheat farmer for example, they can sell wheat for $280/t. If the business were fully integrated up to the supermarket level, the wheat would be worth $2,794/t as bread - a ten fold value add. I suspect there are many marketing reasons why this approach has severe limitations, but under EIT the main difference is the farmer alone pays a flat rate of tax on a smaller income - as do the several intermediaries - while the conglomerate pays the same rate of tax on a much larger income. The overall tax take should not be significantly different.

8.7 "A turnover tax (EIT) - is effectively a tax on all personal income and on all corporate revenue, irrespective of level of personal income or corporate profitability - would be very destructive in that it would substantially over-tax companies which have a very high turnover but very small margins and under-tax companies where the reverse was the case."

Reply 8.7 I guess the ultimate example of this would be the 16yo newspaper boy who might sell 500 papers after school on behalf of a newsagent at $2 each, while he is also collecting his UA entitlement and therefore registered to pay tax. His gross is $1,000 which if he deposits this in his bank account gives him a horrendous tax problem under EIT at 12.9%. However, if he lodges the cash with his news agent who then pays him a profit margin previously agreed to, say $50, into his bank account. This can be saved, and accrues a tax impost of $6.45 at the 12.9% EIT rate. The lad's net savings become $43.55. The newsagent, on the other hand, has a similar problem. with all the money delivered by his team of newspaper boys, and cannot bank it himself without incurring a large EIT bill. However, he could be acting as an agent for one or more publishers. The newsagent deposits the collection in each publisher's account, less their agreed profit margin, and the publisher finishes up with the final tax bill, which if it is News Ltd would attract tax at around 12.9% under EIT. I guess most newsagents already operate in a similar fashion using an agent's agreement which presumably also covers unsold/spoilt stock, etc.

8.8 "It is doubtful if there would be a single company in Australia paying tax equivalent to 20% of their revenue. And if you did apply such a tax, the great majority of companies would collapse – and that would include drought-affected farmers. EIT is taxing revenue rather than spending, and this is against the great bulk of economic thinking in seeing that tax base (revenue) as preferable to taxing spending."

Reply 8.8 If the companies are employing people who pay tax, the companies can reduce their revenue by the amount they have paid into their employees (or sub contractors) bank accounts. Labour is usually about half the cost of production, so the company revenue figure should be significantly less, and the company would pay at the flat tax rate of 12.9% on their EIT Income. This also emphasises the employment drive aspect of EIT. Replacing all other taxes should tip the balance in favour of EIT. The current calculations balance EIT collection with existing company gross tax, so the expectation is that company accounts would not be greatly affected.

8.9 "This proposal says that "income received is available by reference to the relevant bank statements". But why, in the absence of the inherent verifiability of a GST system, would small businesses have any incentive to deposit their sales revenue to their bank? Why would they not simply deal in cash, for the most part at least?"

Reply 8.9 EIT involves paying wages into employees' and contractors' bank accounts which makes that income deductible in the hands of the small business, or an individual employer. Australia has penalties for paying contractors in cash for amounts above $10,000, but that may not be an issue if the income deductibility aspect proves sufficiently attractive. In fact it could lead to employers paying higher work bonuses to increase the employer's EIT deductions. Currently, there is a growing industry with contractors who avoid paying GST - they offer two prices for work, cash or cheque? This trend would be worse with higher levels of GST. The employer income deduction feature makes it unattractive for the employer, and hard for the contractor to fudge his income. These aspects make the EIT system of payments "inherently verifiable".

8.10 "There are a number of issues to consider in your suggestion. One such issue is that abolishing state payroll taxes, council rates and levies amongst other taxes and replacing these with a centrally collected income received tax would not address the current vertical fiscal imbalance between jurisdictions which is a key tension in the federal structure." Hon Barnaby Joyce MP, Minister for Agriculture and Water Resources - 20/1/2016

Reply 8.10 The current imbalance is mainly due to the collection and distribution of GST, which is further exacerbated by the uneven mineral royalty regimes. EI eliminates state royalties and relies on "income received and banked" to collect money from all mineral companies.

On the matter of fiscal imbalance, the current system is under the Commonwealth Grants Commission who in 2015 produced a two volume report of 135 pages and 700 pages to help justify the carve up.

After removing the royalty complication, the EI allocation only needs to recognise land area (km^{2}x4) and population. By monitoring these two quantities we can distribute the funds on a pro rata basis. This distribution system only varies on an annual basis by the number of residents in each jurisdiction.

These allocations must be net of Federal Government funds which are limited to Tax Office, Parliament & Elections, Defence, Foreign Affairs and Remote Regions (including; Australian Antarctic Territory, Christmas Island, Norfolk Island, Jervis Bay Territory, Cocos (Keeling) Islands, Heard Island and McDonald Islands, Ashmore and Cartier Islands and Coral Sea Islands).

The current Defence budget is $32b, Foreign Affairs ($6.2b), Tax Office ($3.6b) Parliament & Elections ($10.0b estimate) and Remote Regions. ($5.0b estimate).

The June 2015 Jurisdiction Allocations are as per Table1:

		TABLE 1.			
Federal Government Responsibilities	Land Area (km2)	Population		**Gross Tax Collections**	**$432,000,000,000**
Tax Office					$3,600,000,000
Federal Parliament & Elections					$10,000,000,000
Defence					$32,000,000,000
Foreign Affairs					$6,200,000,000
Remote Regions	5,897,338	6,585			$5,000,000,000
				Federal Government Cost	$56,800,000,000
State / Territory Responsibilities				**Net Tax Collections**	**$375,200,000,000**
	Land Area (km2)	Population (#)	Product Factor (4xkm2+#)	June 2015 % Alllocation	Budget Allocations
Western Australia	2,529,875	2,589,100	12,708,600	23.385%	$87,739,486,741
Queensland	1,730,647	4,740,900	11,663,488	21.462%	$80,524,090,044
Northern Territory	1,349,129	246,300	5,642,816	10.383%	$38,957,696,333
South Australia	983,482	1,688,700	5,622,628	10.346%	$38,818,319,473
New South Wales	800,641	7,544,500	10,747,064	19.775%	$74,197,148,335
Victoria	227,416	5,866,337	6,776,001	12.468%	$46,781,144,257
Tasmania	68,401	515,000	788,604	1.451%	$5,444,479,345
Australian Capital Territory	2,358	387,100	396,532	0.730%	$2,737,635,472
Australia	7,691,949	23,577,937	54,345,733	100.000%	$375,200,000,000

I note your reference to the Agricultural Competitiveness White Paper with the many provisions to help people on the land and including several new initiatives.

Non of these provisions provide farmers with ready access to cash at times when they have no income. The EI proposal automatically provides them (and other distressed businesses) with cash on a monthly basis when they have no income - along with a provision to pay the tax due on that income. Further EI tax is only paid in the months when other deposits arrive in their nominated bank account. This is a lot easier to administer from both a government and farmer's perspective than the current complex set of arrangements. Under EI the several provisions you have itemised would become State and Territory responsibilities, if they deem them to be necessary.

APPENDIX-A EXAMPLE EIT RETURN FORM

REGISTERED EIT ENTITY FILE NUMBER (123 321 132)

PAYMENT PERIOD: OPEN DATE (1 September, 2015)

TAX OFFICE OPEN RECEIPT NO. (ATO 123 456 789)

PAYMENT PERIOD: CLOSE DATE (1 October, 2015)

GROSS INCOME: [$4,321.00]

EMPLOYMENT RENDERED: [-$500.00]

CAPITAL SALE: [+$1,250.00]

TAXABLE INCOME: [$5,071.00]

FLAT TAX RATE (12.9%)

EIT PAYABLE AND SUBMITTED HEREWITH [$654.16]
cash/cheque/electronic card/bank transfer/auto deduction.

Labour Utilisation ($654.16/$134.00) [488%]

SUBMITTED BY REGISTERED EIT ENTITY: (ABC Smith) or
: (BA Smith, company CFO)

TAX OFFICE CLOSE RECEIPT NO. (ATO 123 456 790)

APPENDIX B - WELFARE POPULATION

Ref: http://www.abs.gov.au/AUSSTATS/ABS@Archive.nsf/log?openagent&310101.xls&3101.0&Time%20Series%20Spreadsheet&E93269707ED961E5CA257EC90013621D&0&Mar%202015&24.09.2015&Latest				
Ref: 20700_a_picture_of_the_nation.pdf				
		At Home Ratios	Portion of Population	
	Males aged 15-19	48.70%	6.50%	756,555
	Males aged 20-39	10.80%	28.70%	740,804
	Males aged 40-59	14.00%	26.20%	876,652
	Males aged 60-65	70.00%	5.30%	886,690
	Females aged 15-19	45.50%	6.10%	663,345
	Females aged 20-39	26.00%	27.92%	1,734,949
	Feales aged 40-59	27.30%	26.50%	1,729,046
	Females aged 60-65	60.00%	5.40%	774,360
	All ages over 65	97.25%	14.70%	3,416,684
	Total Homemaker Population			11,579,084
	Unit Welfare expense			$12,436

APPENDIX-C THE AUSTRALIAN LETTERS - 28/10/2015

For years I worked 16-hour days, to seven days a week, to create a small business. I'm proud I recently managed to become a self-funded retiree. Now *The Australian* seems to think the rules should be changed yet again to impose a new tax on my super fund earnings. To be followed, perhaps, by an increase in GST, too?

It has been suggested those on low incomes, who would be hit hardest by a GST rise, could be compensated.

How can you compensate those who receive no money from the government? My wife and I have never received government money and we still do not. But we retired only last year and already it looks like we didn't scrimp and save enough, didn't allow enough for the government to dip into our pockets yet again to help fund its inefficient wasteful extravagances.

If the government wants to encourage people to be independent in retirement, it must offer strong incentives. It also shouldn't clobber people with new taxes after they've retired. Do you not understand how unfair retrospective legislation is?

We invested our money in super rather than spending it because we were assured that the rules finally were set and politicians had agreed to stop changing them.

Allan Gardyne, Coolangatta, Qld