Press Information 14th July 2011

Company Profile & Bio

Revenue Review Foundation was established in 2006 to act as a catalyst for change to the antiquated Australian Taxation System and subsequently made submissions to the Henry Review in October 2008, February and May 2009. I established the Foundation in the firm belief that the Government can acquire the necessary revenues without undue interference or interruption to normal personal and business activities. Analysis suggests that many of our taxes are retrograde; if lowered they would raise more revenue due to the nature of personal and business interaction.

With the release of the Henry Review in May last year my job should have been over; the Review should have been fait a compli blueprint for social and financial simplicity and equity.

However, the "first born child" of the Henry Review was the mining tax. Currently we are witnessing the carbon tax which comes from the same flawed DNA. Both these taxes indicate that there is no proper architecture or guiding principles in the formation of tax policy despite the Review, therefore my job is far from over.

Consider the following

These policies are ***not good Fabienism***; because honest Fabien theorists are pre-disposed to intelligence or logic. These policies are ***not good socialism***; because the transfer mechanisms are hotchpotch/adhoc and not systematically designed. ***Nor are they good working class politics***; because they disregard the security of the workplace for some of the workforce as well as the cost of living. ***In fact, there is an attitude of belligerent totalitarianism present.***

The tax inducements that are thrown in as a ***bribe*** to the compensation mix are only initiatives that would have occurred in any event as these changes were already on the agenda as per the Henry Review which recommended a $25,000 tax-free threshold.

An average worked on $65,000 a year receiving an annual CPI wage adjustment of 3.5% ends up paying 5.25% extra tax due to bracket creep which gives the Government ***$7-$8b in extra revenue*** without have to resort to publically increasing taxes. Should this average worker be a young person moving up the promotional ladder by virtue of experience or qualifications and receive an extra 10%, then this ***13.5% rise in salary*** brings about a ***20% increase in taxation***.

Due to public awareness over the past couple of decades the population has progressively reduced the amount of Co2 due to more efficient electrical gadgets and more economical motor vehicles amongst other things.

The Prime Minister labours the point that she wants to see Co2 emissions reduced by 5%. She doesn't say what figure the 5% reduction is based on. Because if she did, for example, quote 1995 as the base year which was when the ball started rolling in relation to the ***Kyoto*** convention (1997), then she would be challenged by people who would prove to her that ***our per capita consumption of Co2 is already significantly lower***.

Electricity costs have risen by 3 times CPI (or around 65%) in the past 5 years. ***In real terms this means that the electricity costs have escalated by around 45%.*** The Prime Minister is only basing her compensation to low income people on the basis of current pricing. The current pricing has occurred due to a number of defacto emissions taxes and transfers.

We have at least 10 times the photosynthesis ***per capita*** than North America or Europe. Rather than growing trees, we would be far better off to exert diplomatic influence on countries such as Indonesia and Brazil as they burn more trees in a week than we could grow in a decade. The burnt tree releases Co2 as it disintegrates and it no longer exists to capture Co2.

Extracts from Tuesday 12 July 2011 – Email to Senators & MHR & Media

...The application of the compensation plan in relation to the carbon tax ignores many of the practices that are already established within our tax/transfer system.

The energy companies are merely service providers.

If the pure objective is to reduce emissions then there are many other simpler mechanisms. For example;

- The Government should determine the electricity consumption of a frugal household. In order to be fair to people with extenuating circumstances, a 15% buffer should be added to this figure. **No tax what-so-ever should be applied to the accounts until this level is reached**. Thereafter, there should be a "**spike tax**" of around $100 per quarter. Taxing from that point on should be applied at a rate similar to that which would occur should a $23 a tonne carbon price be implemented.

  This will avoid the ***bureaucratic "churn"*** which in a case of a new tax such as this will be very, very costly.
  The taxes so raised should be ***redeemable*** as a subsidy to the property owners who replace inefficient appliances, such as electric hot water service with gas or solar, electric oven and cook top with gas, inefficient air conditioners with new generation technology, solar panels etc.

- The GST system has been overlooked as a transfer mechanism.
  There should be no GST on gas ovens, gas hot plates and gas hot water services etc. The GST should be increased to 20% on the less efficient electrical products.
  The GST system has been in operation for over a decade and the cost of using it as a transfer mechanism, at the point of sale, would be very, very low in terms of other options.

- The Automotive Industry in Australia is heavily subsidised by the Commonwealth Government. The Government should use its powers of persuasion, or its powers of regulation, to insure that all six and eight cylinder petrol engined cars manufactured within Australia are dual fuelled. Again, the GST mechanism can be used as a pricing transfer. Also, Luxury Car Tax should be altered from its current form and used as a price transfer mechanism in favour of energy efficient vehicles.

Extracts from email to Multi-Party Climate Change Committee Thursday, 30 June 2011

...Rather than tax the energy providers and spend a large proportion of the obtained revenues on reimbursing millions of domestic consumers and tens of thousands of business consumers, have you considered that it might be much easier to assume what net price differential would occur if the ***equivalent of a price*** on carbon was applied to all energy accounts beyond a pre-determined threshold?

Good tax design and architecture will seek to eliminate or alter taxes that require rebates, reductions and concessions wherever possible.

On the 1st June I sent an email to all Senators and Members of the House of Representatives under the title of "Generation 2050 #3".

In that email I suggested that no tax what-so-ever be applied to the point of consumption that a frugal household would use plus a margin of 15%, thereafter a "***spike tax***" of around $100 per quarter should be applied followed by tax at a rate consistent to the rate would have occurred if there were a carbon price of around $25 per tonne.

I further suggested that such revenues obtained be ***reclaimable*** by the property owners as a ***subsidy*** for increasing the energy efficiency of their properties.

My organisation does not involve itself in saying whether any particular tax or revenue stream is either good or bad. I merely seek to make suggestions that can simplify the system both for the bureaucracy as well as the taxpayer. As we all know, taxes are necessary, but it is also desirable that the objectives are reached in the most practical and cost efficient way.

Extracts from AFTS Submission May 2009

Luxury Car Tax

Revenue Review does not accept that the Luxury Car Tax (LCT) is ethically justifiable. We advocate the abolition of LCT.

This tax should be phased out at the rate of 5% per annum, because to remove the tax immediately would have a negative effect on current asset values.

Many people have suggested that in the current eco-friendly environment that this tax should be substituted with a tax on either the size of a car's engine or its fuel consumption rating. Naturally LPG and hybrid cars would be exempt.

The recent increase of this tax is nothing more than a case of the politics of envy. There is no space for such politics in a socially competitive global economy.

Carbon Taxes

This review should be primarily concerned with streamlining a complicated and outmoded personal and corporate system and should not attempt to deal directly with environmental issues.

However, there is much consternation in the community about the creation of third party securities with a licence over land and vegetation that produces no more photosynthesis than that which occurred at the time of the First Fleet.

Revenue Review supports the concept of transfers from inefficient to efficient technologies and from inefficient products to efficient products. These transfers can occur without third party securities being created.

Australia has a small population, relative to its large landmass and has several times more photosynthesis per capita than Europe or North America. The ***time-honoured law of Comparative Advantage***, or of Least Comparative Disadvantage ***is being ignored*** in the debate about the Emissions Trading Scheme. We should fully exploit our natural advantages, such as gas reserves and sunlight. The objective should be to achieve a target not to create ***ambiguous securities***.