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13 July 2014

Address provided to PM

Tony Abbott, Prime Minister
Federal Parliament of Australia. Canberra

Dear Prime Minister

Taxation Reform alternative to the 2014 Federal Budget which will enable you to keep your Pre-Election Promise to the Australian Electorate and total Australian Community

All Australians are waiting for a Prime Minister who will keep Pre-Election Promises.

This Taxation Reform Proposal was originally made in May 1985 to Prime Minister Bob Hawke for the Taxation Summit. Had Bob Hawke adopted, gained the support of the Electorate and implemented this Taxation Reform he could have become the longest serving Prime Minister and kept his promise to the Australian People 'No child will live in poverty'.

Prime Minister Julia Gillard and all Members and Senators of her Government, including Bill Shorten, broke their Pre-Election Promise 'No Carbon Tax' and were rejected by the Electorate.

The debt-ridden economic position of Australia and the majority of Australians, is a direct outcome of the current Taxation Regime and any increase in Government Revenue from taxation, excise, or other means will deny Australians their standard of living and democratic freedom of choice. Australian influence around the World will be compromised by domestic unrest.

The economic challenge facing your Government and all Australians is also faced by all Democracies and their peoples because **the World Economy is out of balance, with grave threat to World Peace**. Please read the attached documents dated 23 May 2014.

Over the past 30 years I have watched successive Democratic Governments around the World bring their Economies and Peoples to their knees. I and others, in particular John McRobert, have made every reasonable personal effort to have made known this Taxation Reform Proposal.

It is now in your hands to adopt, gain the support of State/Territory Governments and the Electorate, and implement, so that you and your Government can keep your Pre-Election promises. Please read the enclosed Executive Summary with Graphics, the Action Plan and other listed documents. You have the opportunity to become Australia's longest serving Prime Minister by providing new opportunity to all Australians to raise their standard of living, whilst placing Australia in a position of significant influence around the World.

Yours sincerely

Derek Smith CA
Australian Citizen.

13 July 2014

Enclosures

1. Document - Summary of Outcomes and Opportunities.
2. Document - The World Economy is out of balance with grave threat to World Peace dated 23 May 2014
3. Graphs of the 2% Spending Tax Outcomes compared the Federal Budget 2014 Outcomes.
4. Document - Application of the Spending Tax.
5. Document - Why a 2% Spending Tax will work.
6. Document - The tax-take in the price of a loaf of bread.
7. Document - Action Plan to adopt the Taxation Reform Proposal, gain the support of State/Territory Governments and the Electorate, and implement, so that you and your Government can keep your Pre-Election promises
8. Document - How you can keep your Pre-Election promises. Dated 13 June 2014
9. Document - Schedules of the Financial Figures supporting this Taxation Reform Presentation.
10. Green book 'Taxation Summit Presentation' Derek A Smith Author 26th May 1985.
11. *A Diet of 2% - can prevent harder tax* by John McRobert published August 1985
12. *Your Future in Your Hands* by John McRobert published May 1998 containing the 2% Tax Model of the Australian Economy by Unisearch of the Queensland University of Technology Brisbane 1997
13. Submission of Tax Reform Ltd to the Senate Select Committee on a New Tax System, Submission I dated 31 December 1998 and Submission 2 dated 4 January 1999.
14. Submission to Senate Economics References Committee on The Structure and Distributive Effects of the Australian Tax System 11 April 2003. Submission No 56 by Tax-Reform, the only broad-brush and detailed analysis put forward as contrasted to the arguments put forward by single-issue lobby groups pleading that their particular sector be spared or subsidized by other sectors.

Taxation Reform Presentation to Prime Minister Tony Abbot

Summary of Outcomes and Opportunities

For Prime Minister and Premiers.

- Budget surpluses to pay off debt.
- Retaining Public Sector assets and improving their performance to benefit consumers.
- Electorate support for another term. Electorate save $79 (29%) on a weekly shopping basket presently $270 and spend only $191 with a 2% Spending Tax.
- Focus Government Resources on value-adding to benefit all Australians by abolishing complex Taxation assessment, collection, accounting and compliance. A single page annual 2% Tax Return for individual Taxpayers.
- Providing to all Australians the opportunity to improve their standard of living and lifestyle. Existing taxes deducted from the prices of all goods and services, but take-home-pays etc kept at their existing levels, will save money in the pocket to buy more reduced priced goods and services and pay for services presently funded by Government. Electorate with freedom of choice to spend the $79 saved on their weekly shopping basket with a 2% Spending Tax.
- Fully supporting disadvantaged Australians. Existing Government $ benefits will buy more goods and services with a 2% Spending tax.
- Putting Australia's most Valuable Asset, its Working Age Population, to full productive use to generate wealth to protect the Strategic Assets and Democracy of Australia and improve the standard of living for all Australians.
- Focus on infrastructure renewal and development including new Regional Cities for population distribution and growth. After debt pay-off, cash surpluses from a 2% Spending Tax for spending on Capital Works.
- Starting the ball rolling to re-balance the World Economy and re-focus on World Peace. Stop Australian cash flowing to China etc.
- Strong National/State/Territory economies as the platform for a greater influence around the World.

For Electorate and all other Australians.

- Take-home-pays, other net-of-tax incomes/profits/gains, net-of-tax superannuation, and all savings and investments with increased purchasing power to buy more goods and services, pay off debt, invest in Australian property and businesses, etc. Only a 2% Spending Tax can achieve this.
- Freedom of choice on a user-pays basis to purchase products and services presently provided by Government inequitably, inefficiently and ineffectively on a one-size-fits-all basis. On a weekly shopping basket save $79 to spend on services presently provided by Government, to cut the cost of Government.
- Employers with the financial incentive to take on more employees with a much reduced cost to employ at take-home-pays plus 2% Spending Tax.
- New job opportunities across all Sectors of the Economy.
- Reduction in time and expense of recording, reporting and meeting compliance requirement of the 2% Spending Tax.
- Certainty from all levels of Government, providing confidence to all Australians to get on with their lives and make their own future.

Derek Smith CA, Australian Citizen 13 July 2014

ENCLOSURE TO THE LETTER TO THE PRIME MINISTER dated 13 July 2014

The World Economy is out of balance with grave threat to World Peace – May 2014

The World Economy comprises -

Democracies with freedom of choice for the individual either by their own means or by Government funded Social Security with Poverty Safety Nets.

and

Non-Democracies with limited or no freedom of choice for the individual by any means and little or no Poverty Safety Nets.

The prices of the goods and services produced by Democracies are inflated by the cost of funding all levels of Democratic Government and their Social Security Programmes and Poverty Safety Nets. All Government Revenue of all levels of Government finds its way into the prices of all goods and services to inflate these prices for all consumers. As a consequence when Democracies trade with Non-Democracies competition is out of balance with Democracies unable to compete against the lower prices of goods and services of Non-Democracies.

When Non-Democracies export to Democracies their goods and services are priced at the inflated prices of the Democracies less a margin to get the business. This export pricing yields super profits and super cash flows for Non-Democracies, in the hands of Government including State Owned Enterprises and in the hands of select private sector entities and individuals. This unbalanced Global distribution of wealth perpetuates Non-Democracies and enables the accumulation of super cash flows from exports to fast-track (over 10 years what Democracies took 100 years to achieve) spending on industrial and urban development, centralisation and control of population and for investment in the Strategic Assets of Democracies.

Democracies have exported jobs and super cash flows to Non-Democracies which has put the World Economy out of balance with grave threat to World Peace.

The Strategic and most Valuable Assets of Democracies and Non-Democracies.

The landmass and related waterways and seas of each Country are a finite Strategic Asset to be protected at all cost including from Foreign Investment and Control.

The most Valuable Asset of any Country is its Working Age Population. This asset is underemployed in Australia due to its uncompetitive "Democratic" pricing. Consequently Australian trade, both domestic and international, is reliant upon innovation, development funding, economies of scale, productivity and efficiency, etc which currently elude Australian business. Also Monetary Policy in particular the relative high level of interest rates and high value of the Australia dollar etc. work against the competitiveness of Australian business.

The Strategic Assets of each Country can only be protected by the Wealth created by the employment of their Working Age Population.

The Governments of Democracies such as Australia raise the majority of their Revenue from taxing their Working Age Population and the businesses that employ them. This is economic nonsense and triggers the cause of the 'out of balance' World Economy and grave threat to World Peace.

Compounding cause of the 'out of balance' World Economy and grave threat to World Peace.

The Monetary Policies of Democracies are singularly focused on Interest Rate Settings to regulate domestic demand and supply and Currency Exchange Rates. This inevitably causes cycles of 'boom and bust' which are counterproductive to continuity of domestic wealth creation, the means by which individuals provide for themselves and their dependents, so that periodic or ongoing reliance is not placed on Government funded Social Security and Welfare.

Sustainable domestic wealth creation is dependent upon invention, innovation and development which require long term funding outside 'boom" and 'bust' interest rate settings. Interest Rate settings should be based on a free market for deposits and borrowings by Financial Institutions effectively regulated by Government. From my experience as a CFO of a Bank and from correspondence with the RBA, ICAA etc. it is apparent to me that presently no one knows the 'true and fair' state of the Banking System in Australia due to the unaccounted for counter-party exposure on derivatives, a central cause of the GFC. In my opinion it is inevitable that there will be a repeat of the GFC unless 'true and fair' accountability is enforced by Government.

Currency Exchange Rate settings should be based on the 'asset backing' of the Country and its 'Terms of Trade', to provide stability in Domestic and International Trade and Investment.

Balancing the World Economy and removing the grave threat to World Peace

Democracies need to reform their Government Revenue raising systems including direct and indirect Taxation so that the prices of their goods and services are deflated and cause a related reduction in the prices of goods and services imported from Non-Democracies.

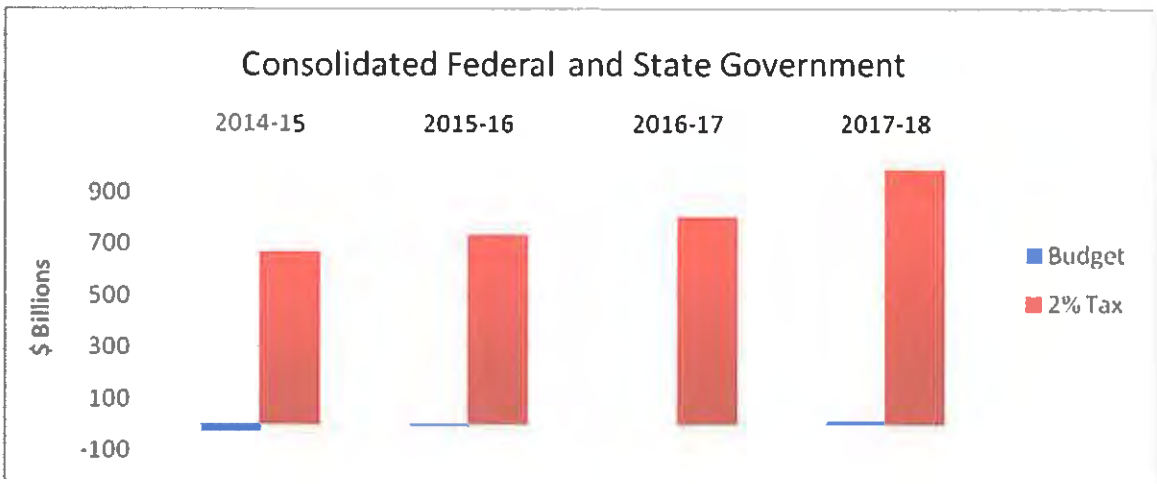
The means to timely put this into effect in Australia is documented in the Green Book 'Taxation Summit Presentation' dated 26th May 1985, the published books 'A Diet of 2% Tax' 1985 and 'Your Future in Your Hands'1998 and the Submission of Tax Reform Ltd to the Senate Select Committee on a New Tax System – Submission 1 dated 31 December 1998 and Submission 2 dated 4 January 1999.

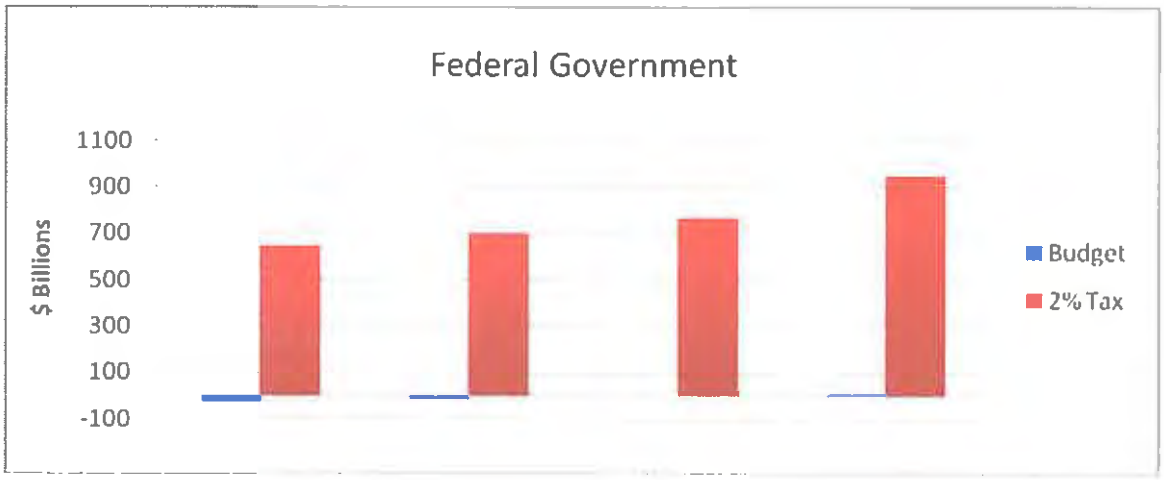
Please read the document "How you can keep your Pre-Election promises" dated 13 June 2014, which includes the projected outcomes of the 2014 Budget compared with those of the Taxation Reform Presentation 1985 if implemented in Australia.

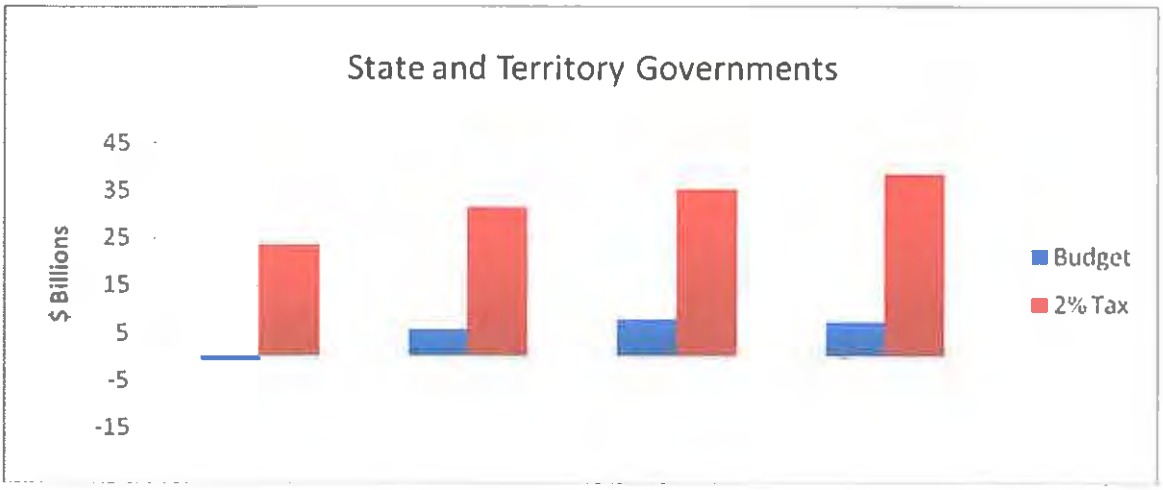
Taxation Reform Presentation to Prime Minister Tony Abbott

Summary of Outcomes and Opportunities

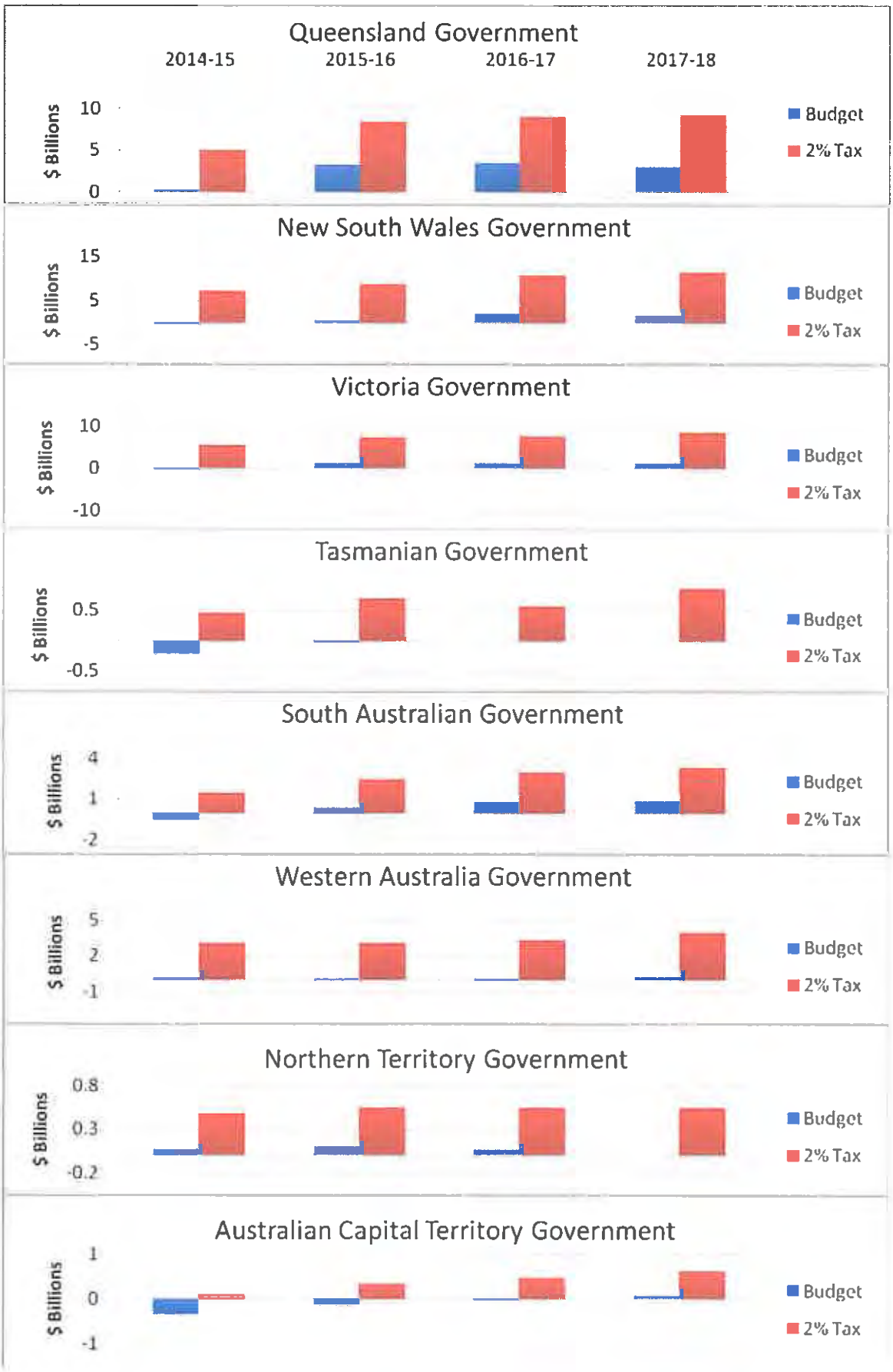
Graphics for Federal/State/Territory Governments – Revenue less Expenses – Comparisons of Budget and 2% Spending Tax.







Graphics for Federal/State/Territory Governments – Revenue less Expenses – Comparisons of Budget and 2% Spending Tax.

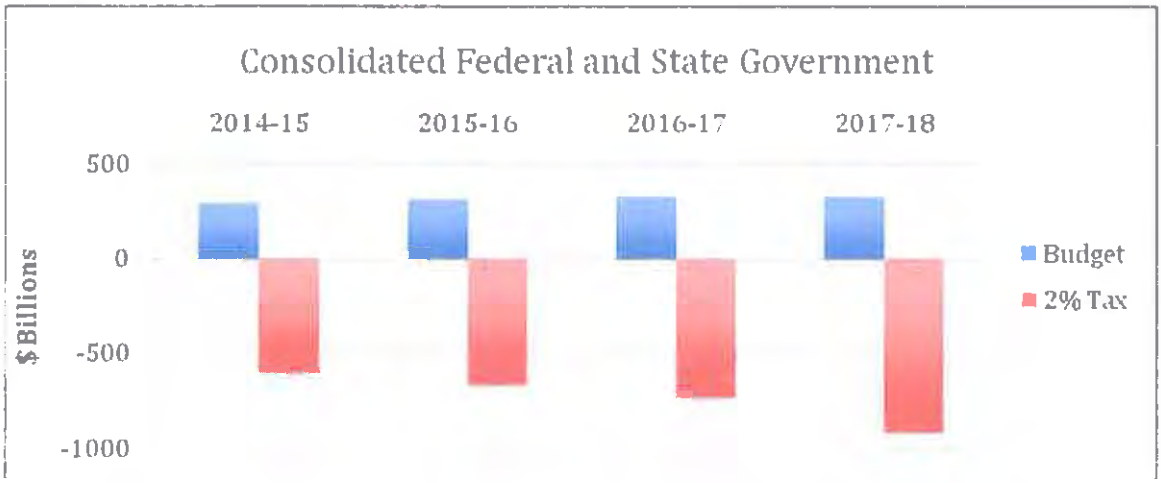


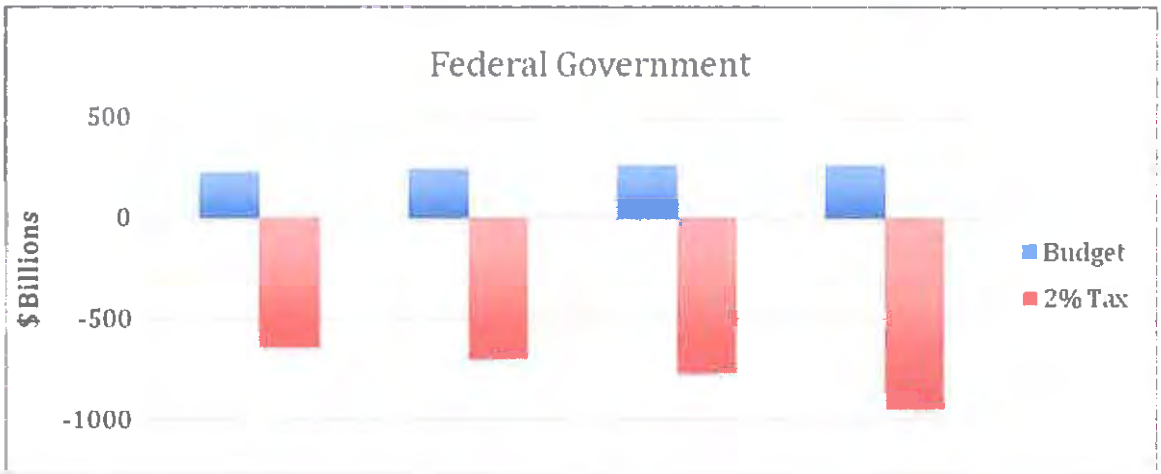
Taxation Reform Presentation to Prime Minister Tony Abbott

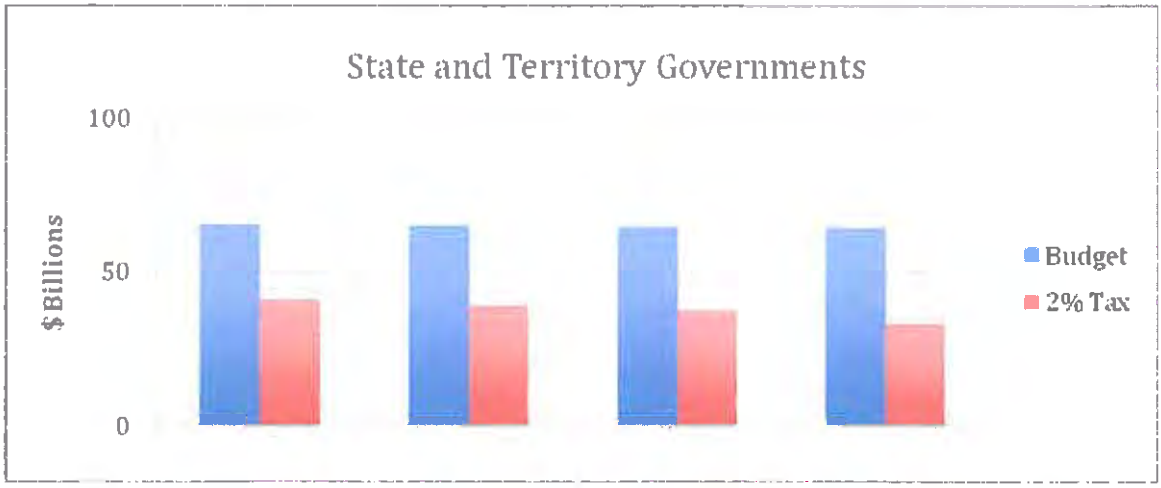
Summary of Outcomes and Opportunities

Graphics for Federal/State/Territory Governments – Net Debt/(-Assets) – Comparisons of Budget and 2%Tax.

In the Graphs for 'Consolidated Federal and State Government' and 'Federal' the BLUE is DEBT and the RED is MONEY IN THE BANK



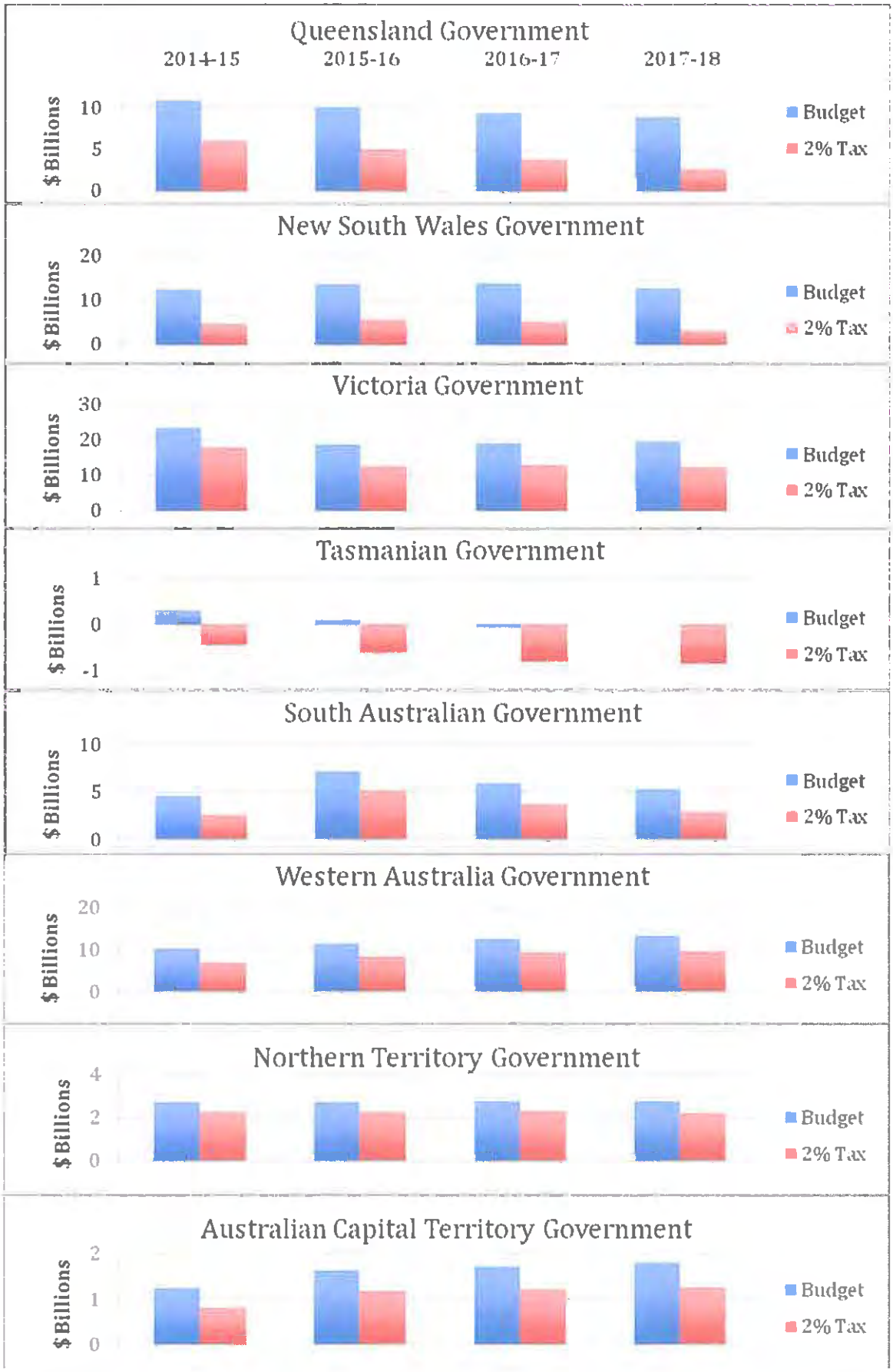




THE 2% SPENDING TAX CAN BE EXPECTED TO PRODUCE OUTCOMES WHICH WILL ENABLE STAT/TERRITORY GOVERNMENTS TO PAY OF OFF THEIR DEBTS BEFORE 2017-18

Derek Smith CA, Australian Citizen 13 July 2014

Graphics for Federal/State/Territory Governments – Net Debt/(-Assets) – Comparisons of Budget and 2%Tax.



Remember the 'GOLDEN RULE'

Whoever has the 'GOLD' makes the RULES.

China and other Non-Democracies have the MONEY from overpriced exporting to Democracies.

This has unbalanced the World Economy.

China is flexing its MONEY MUSCLE – 'The GOLDEN DRAGON' which is a threat to World Peace.

2% Spending Tax can bring balance back to the World Economy and remove this threat to World Peace.

DAS 12 July 2014

The application of the 2% Spending Tax in this Taxation Reform Presentation to the Prime Minister Tony Abbott.

General application

- The 2% Spending Tax is to be applied, without exception, to the $A value to all changes in ownership, real or beneficial within the land, sea and air mass of Australia including imports and exports;
- As defined in the GST legislation whether or not a change of ownership has taken place is a matter of fact; and
- The 2% Spending Tax is payable to the Federal Government except on changes of ownership within a 'family' as defined by the Federal Government. The 2% Spending Tax is only paid on spending, NOT on savings.

Application to Speculative Financial changes in ownership.

- Free markets are regulated by the volume/price mix of supply and demand. A shortage in supply causes a disproportionate increase in the price to maintain the required volume/price mix outcome;
- Taxation is a cost of doing business and increases prices to maintain the required volume/price mix outcome;
- Speculative Financial changes of ownership such as trading in shares, derivatives, currencies etc are subject to the volume/price mix i.e. traders in these markets trade the 'margin' not the underlying principal value; and
- The 2% Spending Tax should be applied to speculative changes of ownership. These markets will accommodate this Tax in the volume/price mix. Example. In the UK in the 1950s, to tax high profits being made on the London Stock Market, the UK Government introduced a 'Super Income Tax' to increase the 'Total Income Tax' rate to over 50 pence in the pound. The City Newspapers headlines reported 'SHOCK – HORROR and the DEMISE of the LONDON STOCK EXCHANGE. My father was a Member of the London Stock Exchange and a Dealer in the Market. Having read the headlines, I asked my father if he was concerned. At the time his reply surprised me, "No I am not concerned the market will adjust to this cost and business will continue as usual". I watched the market over the following days, weeks and months. Initially traded volumes dropped but prices increased so margins were maintained. Shortly the market went from strength to strength and profits flowed to all involved.

Why a 2% Spending Tax will work to financially benefit the Electorate and all Australians and enable the PM, Premier and Chief Ministers to budget for surpluses and pay off debt i.e. keep their Pre-Election promises. The 2% Spending Tax Reform meets the National Commission of Audit 2014 core principles 1 to 10 of Good Government.

PRIVATE SECTOR – reduced prices of all goods and services, additional job and income opportunities for the Electorate and all Australians. Overseas Australians with the financial incentive to return home and help build a financially strong and secure Democratic Australia.

PRIVATE SECTOR=**PRS** PUBLIC SECTOR=**PS**) **Please think about the following**	**Budget Outcomes** (positive+) (negative-) (neutral0) **Implemented over 3 years**	**PRS**	**PS**
1.	Individuals & businesses, instead of paying 7 taxes to PS Governments, deduct these taxes to reduce the prices of their goods and services;	$B +312	$B -312
2.	The lower cost of business taxation administration, payment, and compliance is deducted to further reduce prices as in (1);	+8	0
3.	The 2% Spending Tax is added to the reduced prices as in (1) & (2) to provide a recommended retail price i.e. (1-2+3). The 2% Tax collected on sales of goods & services is paid to the Federal Government for distribution including to other Government; On consumer goods and services –	-179	+179
	On speculative trading -	-942	+942
4.	Labour cost reduced to take-home-pays plus 2% Tax - the reduced prices of other operating expenditure inclusive of 2% Tax - and the reduced selling prices inclusive of 2% Tax of their goods and services, provide to the PRS an improved competitive position against imports and opportunity for increased sales, profits, employment, research and development, production expansion and growth only taxed at 2%;	+141	-133
5.	The 2% Spending Tax on Speculative trading in Financial Markets contributes funds to the Federal Government for infrastructure maintenance and development including new regional cities for a more efficient and productive Australia providing opportunities to all Australians to raise their living standard;	-942	+942
6.	Australia's working age population has the incentive of increased - employment, pay, incomes, gains etc taxed at 2%, and - reduced prices of all goods and services, to pay off debt and save for retirement;		
The Electorate & all Australians with the opportunity for higher living standards;			

PUBLIC SECTOR – budget surpluses and debt pay-off i.e. PM, Premiers and Chief Minister keep their Pre-election promises.

1.	Governments remove 'Merry-Go-Round' of existing taxes from their Revenues and Expenditures to cut the prices of their products & services and operating costs $B28;	0	0
2.	A Federal Government Tax Amnesty to raise additional taxes from individuals and businesses operating outside the tax system i.e. Cash/Barter/Counter Trade etc;	-16	+16
3.	The lower cost of Public Sector tax administration, payment, and compliance is deducted to further reduce the prices of their goods and services to Private Sector;	+1	0
4.	The 2% Spending Tax is added to the reduced prices as in (4) to provide overall much lower prices to the Electorate and other Consumers including Government;	-7	+7
5.	The lower prices of Australian goods and services puts market pressure on importers to reduce their prices. Imports are subject to 2% Tax on the export value and import value. Overseas businesses making sales in Australia are taxed at 2% on sales sourced in Australia and 4.02% on sales sourced Overseas. The PM said in New York on 10/06/14 "Companies should pay their tax where they raise their revenue";	+32	+6
		0	+5
6.	The reduced prices of Australian/Imported goods/services increases the purchasing power of take-home-pays and other net of tax incomes, benefits, gains, profits, super, etc. Consumers can buy more goods and services and save for retirement;	+151	-99
7.	The increase in Consumer purchasing power enables all Government to - shift expenditure to the Consumer to reduce Budget deficits or increase surpluses and reduce debt;	-38	+38
8.	Increased economic activity driven by the incentive provided by the 2% Spending Tax reduces the demand on Social Security etc. The 2% Spending tax is only paid on spending, NOT on savings;	-11	+11
9.	**Australians focused on providing for themselves, living within their means and saving;**	**+102**	
10.	The Federal Government initially balancing its budget followed by substantial surpluses by applying the 2% Spending Tax to Speculative Trading Markets. Note these traders trade the margin not the principal value. Tax is a cost which inflates prices to maintain trading margins;		+942
11.	**All Government in Australia in a strong financial position to provide opportunity or support to all Australians and Australian Industry for productive, efficient and effective supply to World Market; and**		**+892**
12.	All Australians building a financially strong Economy for higher living standards and Australia in an influential position around the World and for World Peace.		
Unspent Private Sector purchasing power and Government Budget surplus to PAY-OFF DEBT i.e. start to live within our means – National Commission of Audit Principle 1.		**+102**	

The tax-take in the price of a loaf of bread.

The Submission of Tax Reform Ltd to The Senate Select Committee on a New Tax System – Submission 2, 4 January 1999 on page 14 sets out the modelled tax-take in the price of a loaf of bread and the impact on this tax-take and loaf price of a 10% GST and a comparison of the tax-take and loaf price of a 2% Spending Tax. The Tax Reform Ltd modelled loaf price and 50% tax-take does not include increases in excise on fuel, the deregulation increases in the price of energy, the carbon tax etc. These would increase the tax-take as follows -

a. a tax-take of $1.10 (55% of a $2 loaf)
b. **a 10% GST would <u>initially</u> increase the tax-take to $1.30 and the loaf of bread price to $2.20. A tax-take of 59% of the loaf price.**
c. the increased tax-take in (b) **<u>is an 18% increase in the tax-take in (a) not the 10% you may have expected from the 10% GST.</u>**
d. to pay for a loaf of bread priced at $2.20, wage earners and social security dependents would require a pay/social security rise. Their existing purchasing power has reduced by 10%
e. the baker would have to increase the loaf price to stay profitable either to cover employees' higher wages gross of PAYE or to recover costs from selling fewer loaves of bread. This creates inflation, higher interest rates and a boom to bust economy.
f. **in stark contrast the 2% Spending Tax has been modelled to reduce the loaf price to $1.40 a tax-take of 29% of the loaf price.**
g. **a loaf price of $1.40 would increase by 30% ($0.60/$2.00) the purchasing power of existing take-home-pays and social security payments to enable the Government to shift expenditure from the Public Sector to the Private Sector and to reduce Social Security outlays.**
h. **a consumer would prefer a loaf price of $1.40 not $2.20 and a tax-take of 29% not 59% on the price of the humble loaf of bread.**

History says that some early settlers were forcibly transported to Australia for stealing a loaf of bread in the high taxed economies in Europe (in Great Britain the Corn Laws 1815 to 46 which made bread unaffordable to many). Today the high taxed economy of Australia is stealing more than half a loaf of bread to make unaffordable the humble loaf of bread to many consumers.

Not a 'Fair Go' for Australian consumers, bakers and their employees etc.

DAS 7/6/2014 E&OE

Taxation Reform Presentation to the Prime Minister Tony Abbott

ACTION PLAN to adopt the Taxation Reform Presentation, gain the support of State/Territory Governments and the Electorate, and implement, so that you and your Government can keep your Pre-Election promises, provide new opportunity to all Australians to raise their standard of living and place Australia in a position of significant influence around the World.

Present Context

At present Federal/State/Territory Governments are telling the Electorate and wider Australian Community that "The age of entitlement is over" and Living standards and Lifestyles have to go backwards if they are to go forwards at some time in the future", "We all have to tighten our belts", etc. In stark contrast the Electorate see Politicians taking generous incomes/allowances/superannuation etc and those no longer in public service continuing to live off the public purse.

Generally the Electorate know that there are economic and social problems, which their Governments are not addressing e.g.

1. China has all the cash and wants a free hand to buy Australian Property and Businesses;
2. other foreign investors buying Australian Property and Equities;
3. the financial position of Australian Banks, reported making large profits and certainly paying huge executive salaries and bonuses but under a cloud as to the longer term security of depositors' money;
4. the cash/barter economy allowing a growing number of Australians not to make a fair contribution to the cost of Government and Australian Democracy;
5. the import of goods and services 10% GST free when the same goods and services in Australia bear the 10% GST;
6. high interest rate borrowing and high value of the $A which make exports including Tourism uncompetitive causing business failures, loss of - jobs - incomes/profits - new investment;
7. loss of iconic Australian Business and Products e.g. the Australian made Holden, Ford and Toyota. etc;
8. reliance on the export of minerals and energy which only employ a minor sector of the Australian workforce;
9. higher fuel and energy prices and the increasing reliance on imported oil and petroleum products when Australia is extracting and exporting vast quantities of cleaner energy products;
10. graft and corruption in - fund raising for Government Elections – sport etc;

11. gambling and speculation substituting for paid employment which adds value to the Australian Economy to protect living standards and democracy;
12. unemployment and underemployment causing disenchantment amongst a growing sector of the Australian Community with unacceptable consequences for law and order and personal/property security;
13. Elected representatives not keeping their pre-election promises; and
14. etc.

However, Australians do not expect to go backwards and want their elected representatives in particular their Prime Minister to address the above problems with a "Fair Go" for all and top of the list to keep Election Promises.

The next Federal Election, due on or before 14 January 2017, gives time to the Federal Government to gain the support of State/Territory Governments, Industry and Commerce, Unions and other Community Groups etc and the Media to either

1. Implement the 2% Spending Tax before the next Election; and

2. Take the 2% Spending Tax, only paid on spending NOT on saving, to the Electorate, keep Pre-Election promises and to give all Australians the opportunity to raise their standard of living, improve their lifestyle and protect their democracy including through ownership of Australian property, businesses and products.

The following 'Action Plan' is based on (1) with implementation starting on the 1st July 2015 and finishing on 30th June 2018.

<u>Please read the **ACTION PLAN SCHEDULE** on the following pages.</u>

ACTION PLAN to implement the Taxation Reform Presentation by the Federal Government in consultation with and support of State/Territory Governments

Item No.	Action	Start date	Finish date	Benefits
1	Build, load data and test Computer Model.	1/10/14	31/12/14	Test the calculation of a 2% Spending Tax rate.
2	Introduce and implement a Taxation Amnesty and compliance with ABN law.	1/10/14	30/6/16	Additional Revenue for Government. Update ABN database
3	Require all legal/non-legal entities and individuals conducting substantial transactions for changes in ownership to account for and report monthly to the Federal Government a "Tax Pool" of the taxes to be abolished.	1/9/14	On-going until existing Tax legislation to be abolished is repealed.	All Government better informed by industry etc. their contribution of these taxes and indicators of the direct and flow-on benefits of abolishing these taxes and applying a 2% Spending Tax
4.	Require all entities etc. as in (3) and all Government to evaluate their reduction in Taxation Admin and Compliance costs of replacing existing taxes as in (3) with a 2% Spending Tax.	1/10/14	On-going until existing Tax is repealed	Permanent reduction in costs for Private and Public Sectors.
5.	Re-run the Computer Model updated for (2), (3), and (4)	1/12/14	As necessary	Indentify increase in purchasing power of take-home-pays etc. Test the calculation of a 2% Spending Tax rate.
6.	In consultation with State/Territory/Local Governments, Industry and Commerce, Unions and Community Groups, etc identify Public Expenditure to be shifted to the Private Sector on a user pays basis. Update the Computer model data base and re-run model.	1/10/14	31/12/14	Identify take up of the increase in purchasing power to keep supply and demand in check to prevent run-away inflation and at least balancing Federal/State/Territory budgets. Test the calculation of a 2% Spending Tax rate.

Item No.	Action	Start date	Finish date	Benefits
7.	In consultation with State/Territory Governments, Industry and Commerce, Unions and Community Groups, etc gain a consensus on the implementation of the 2% Spending Tax and start date.	1/02/15	As necessary	Unify Private/Public Sector Employers and Community Representatives in supporting the opportunities provided by the 2% Spending Tax including the keeping of Pre-Election Promises.
8.	Legislate to implement the 2% Spending Tax from 1/7/2015	1/3/15	As necessary	Unify the Parliament and the People in starting the process of bringing balance back to the Australian Economy and protection of our Democracy.
9.	Establish a 2% Spending Tax Compliance Authority to manage implementation and control over the application of "Tax Pools" to reduce prices etc as approved by the Federal Government. Compliance to be effected in consultation with the ACCC, ASIC, ATO, Government Depts., Media etc.	1/03/15	On-going.	Provide assurance to the Community that unfair advantage from the abolition of existing Taxes and application of the 2% Spending Tax has not been gained by any Public/Private Sector.
10.	Smart phone etc Apps to monitor price reductions, log personal transactions for single page tax return preparation and submission, etc.	1/02/15	On-going	Use technology to engage young persons in Taxation Reform and the opportunity for employment, etc
11	Implement the 2% Spending Tax and secure compliance including with ABN requirements.	1/07/15	Ongoing in respect of compliance and ABN	Start the ball rolling to bring balance to the Australian and World Economy and a "Fair go" opportunity for all Australians.

All of the above is well within the capacity of the Private and Public Sectors and Community of Australia.

ENCLOSURE TO THE LETTER TO THE PRIME MINISTER dated 13 July 2014

TAXATION REFORM PRESENTATION TO THE PRIME MINISTER TONY ABBOTT

How you can keep your Pre-Election promises – June 2014

All Australians are waiting for a Prime Minister who will keep their Pre-Election promises.

The economic challenge facing the Government and all Australians is also faced by all Democracies and their peoples because The World Economy is out of balance with grave threat to World Peace. Please read the attached document dated 23 May 2014.

The National Commission of Audit Report May 2014 (NCAR) provides 10 Principles for good Government. Significantly the Taxation Summit Presentation 1985 'ticks' all 10 Principles and covers others in particular the CRITICAL issue of the out of balance World Economy and threat to World Peace. The scope and content of the NCAR and the Federal Budget 2014 do not cover this CRITICAL issue and consequently fail to see, address and take account of World Economic impacts on the Australian Economy and our Democracy.

IT IS TIME TO TAKE THE ECONOMIC BLINKERS OFF

The economic challenge facing Australia for good Government in a World Economic context is to –

1. reduce the prices of all Australian goods and services so that the prices of all imports into Australia (based on Australian prices less a margin to get the business) are similarly reduced to put a stop on the present export of Australian jobs and super cash flows to Non-Democracies and the investment of these super cash flows by Non-Democracies in the Strategic Assets of Australia;

2. abolish inequitable, ineffective and inefficient taxation and remove this taxation from the prices of all Australian goods and services as in (1) so that existing take-home-pays and other net of tax incomes, profits and gains and savings including superannuation will have increased purchasing power to buy more goods and services. This includes the purchase of Government goods and services at lower prices which are reduced by the abolished taxation;

3. take up the increased purchasing power in (2) by shifting, on a user pays basis, the payment for goods and service from the Public Sector to the Private Sector which will cut the cost of all levels of Government in Australia;

4. equitably, effectively and efficiently fund the substantially reduced cost of Government to protect the reduced prices of all goods and services as in (1);

5. put Australia's most Valuable Asset, its Working Age Population, to full productive use to generate wealth to protect the Strategic Assets and Democracy of Australia and the standard of living of all Australians;

The scope of this Taxation Reform Presentation covers within the land, sea and air mass of Australia all

1. persons;
2. legal entities;
3. Government provided by the Constitution of Australia;
4. non-legal entities e.g. Local Government Councils, Aboriginal Councils, Religious Bodies etc.
5. etc.

entering into, in Australia and external to Australia, transactions for the change of real or beneficial ownership of goods and services etc. including imports and exports.

Compliance is a prerequisite for all transactions. Persons resident in Australia who are members of a 'family' as defined by the Federal Government are not required to pay the Tax on transactions within the 'family'. Covered in single page Tax Return.

Noncompliance will incur server penalties/interest and other consequences appropriate to the circumstances.

On the 10 June 2014 in New York, Prime Minister Tony Abbott said "Companies should pay their tax where they raise their revenue" This Taxation Reform Presentation provides for compliance with the PM's statement for all transactions for the change in real or beneficial ownership of goods and services etc in Australia including imports and exports.

The application of this Taxation Reform Presentation applies equally to the Private and Public Sectors in Australia and recognises that –

1. Australia is a Constitutional Federation of States and Territories under the National Government in Canberra.
2. Private and Public Sectors include non-legal entities e.g. Local Government Council, Aboriginal Councils, Religious Bodies etc. and others including the Crown as the Australian Head of State
3. acceptance and implementation is a matter for Federal/State/Territory Governments and the Electorate.

This document is in 3 parts.

Part 1 - Brief description of the means to timely meet Australia's economic challenge, as above, as documented in the Green Book 'Taxation Summit Presentation' dated 26th May 1985, the published books 'A Diet of 2% Tax' 1985 and 'Your Future in Your Hands' 1998 and the Submission of Tax Reform Ltd to the Senate Select Committee on a New Tax System – Submission 1 dated 31 December 1998 and Submission 2 dated 4 January 1999.

Part 2 – Financial schedules of the application of the 2% Spending Tax to all changes in ownership, real and beneficial, and the calculation of the outcomes for the years 2014-15 to 2017-18 including projected Revenues, Expenditures and Budget Balances and Government Debt of the

- Federal Government; and
- State/Territory Governments

Part 3 – Summary of expected outcomes and how the 2% Spending Tax will enable the PM and Premiers to meet their Pre-Election promises to return a budget surplus and pay off Government debt without reducing existing services etc provided by Government, without cutting back infrastructure renewal and development, and without selling Public Sector assets.

Please read **Parts 1 to 3** on the following pages

Part 1 – A brief description of the means to timely meet the economic challenge.

1. The Federal Government, in consultation with State/Territory Governments, to build a Computer Model for the years 2014-15 to 2017-18 of the Australian Economy consistent with
   a. the 1997 Computer Model for 1994-95 as developed by Unisearch of QUT Brisbane for Tax Reform Ltd. as set out in the book 'Your Future in Your Hands' 1998;
   b. the Submission of Tax Reform Ltd to The Senate Select Committee on a New Tax System, Submission 1, 31 December 1998 Page 6 Forward Estimates of Federal Government Revenue and Expenditure under 2% Spending Tax;
   c. a uniform accounting and reporting across Federal/State/Territory Governments;
   d. the 10 core principles of Good Government in The Report of the National Commission of Audit 2014 "Towards Responsible Government"; and
   e. the imperative to redress that "The World Economy is out of balance with grave threat to World Peace".

2. The Computer Model as in (1) of the Federal Government and each of the State/Territory Governments to identify –

   Under Transactions for the Federal Government and each State/Territory Government *(Note as a private individual I do not have the means to identify all transaction actual values or reliable estimates projections. All levels of Government collectively should have the means to identify the true and fair value of all transactions as below.))*

   a. the $A value of all changes in ownership, both real and beneficial, by individuals/entities/etc analysed by Industry by Federal/State/Territory Government. All changes in ownership, real and beneficial, are identified including domestic, import and export with the only exception being those between the members of a 'Family' as defined by the Federal Government;

      Note
      - A cash/debit card/cheque/EFT sale of goods and service is a single change of ownership and is subject to the 2% Spending Tax.
      - A credit sale involves three changes in ownership – first the sale of the goods or services – second the provision of credit by Credit Card/Customer Account/Loan – third the payment of the Credit Card/Customer Account/Loan. Each change of ownership is subject to the 2% Spending Tax with a compound effect of a total tax of 6.12% on the price of the goods and services in the

first change of ownership. This compounding effect does not significantly detract from credit sales due to the reduced prices of all goods and services including lower fees and costs of Credit Cards/Customer Accounts/Loans and lower interest rates. This treatment of credit sales is consistent with the National Commission of Audit Core Principal "Live within your means".

b. the Federal taxes to be abolished (tax on – incomes, fringe benefits and superannuation contributions – profits – capital gains – goods and services and the Payroll Tax collected by the States/Territories) by
   - each Public Sector Industry; and
   - the Federal/State/Territory/Governments;

   Each Business, Major Tax Paying Individual, Negatively Geared Investor etc is to account for these abolished taxes as a 'Tax Pool' to be used principally to reduce prices, or to reduce inventory values, increase employment, fund R&D, to account for the removal of the existing tax deduction from negatively geared property investments (property outlays reduced but rentals initially kept at existing levels, to offset the removal of the negative gearing tax deduction. After the 3 year implementation period property rentals are set at market values), etc under the Control of the Federal Government after consultation with State/Territory Governments, Industry and Commerce, Unions and Community Groups, etc;
c. the $A value of all changes in ownership less the taxes to be abolished (a) minus (b). This $A value by each Public Sector Industry and by Federal/State/Territory Governments to give a preliminary indicator of the reduction in prices by each Private Sector Industry, and the reduction in prices of the goods and services of all levels of Government presently provided to the Private Sector. Note: Further price reductions will occur from reduced costs of Taxation Administration and Compliance for both the Private and Public Sectors;
d. the $A value of 2% Spending Tax receipts on (c);
e. the $A value of (c) plus (d) representing an increase in purchasing power of all take-home-pays and other incomes net of tax, fringe benefits net of tax, capital gains net of tax, business profits next of tax and superannuation fund contributions and earning net of tax etc. Note: Take-home-pays stay as they are and become New Award/Contract Rates of Pay;
f. the Federal Government total receipts less in (b);
g. a forecast of the amount of additional Federal/State/Territory Taxation Receipts including penalties and interest to be received as an outcome of a Taxation Amnesty to be implemented before and immediately after the implementation of the 2% Spending Tax. These additional Government Receipts, based on existing Federal Taxes and the Payroll Taxes of the States/Territories, could be run into to $ Billions from the Cash/Barter/Counter Trade Economies around Australia and offshore Transfer Pricing;

h. the Federal Government receipts as in (d);
i. the Federal Government total budget expenses;
j. the abolished taxes in (b) component of the cash payments in (i);
k. the 2% Tax on (i) minus (j);
l. how the abolition of the taxes in (b) reduce the cost of all levels of Government by eliminating the merry-go-round of these abolished taxes and reduce administration and compliance costs. Also the further reductions in these Government costs as the Federal/State/Territory Governments shift expenditure from the Public Sector to the Private Sector as in (m);
m. how the increase in purchasing power in (h) of take-home-pays, other incomes net of tax, gains net of tax, profits net of tax, superannuation funds net of tax, etc will enable the Federal Government to shift from the Public Sector to the Private Sector expenditure for goods and services more fairly, effectively and efficiently paid for by the Consumer on a freedom of choice user-pays basis including health, education, recreation and culture, agriculture/forestry/fishing, transport and communications, energy and water, labour and employment affairs etc. This to be done in consultation with State/Territory Governments, Industry and Commerce, Unions and Community Groups, etc;
n. the reduction in Federal Government Outlays as an outcome of increased economic activity created by the 2% Spending Tax i.e. reduction in Social Security;
o. the cash surpluses created by the 2% Spending Tax paying of Debt to reduce interest payments;

Under distribution of 2% Spending Tax outcomes for the Federal Government and each State/Territory Government

p. the adjusted Federal/State/Territory Government Revenue minus adjusted Outlays ;
q. the proportion of the 2% Spending Tax in (h) to be paid by the Federal Government to State/Territory Governments based on the total adjusted value of ownership changes in each State/Territory. The payments to the States/Territories to include compensation for the abolition of Payroll Tax;
r. the Federal Government surpluses or (deficits) ((p) minus (q));
s. the pay-off of Public Debt from surpluses and reduction in interest payments;

Under Private Sector net increase in purchasing power to create demand/investments including buy-back of Australian land and equities.

The decrease in prices of Private Sector changes in ownership in goods and services and the reduction in Private Sector administration and compliance costs of the 2% Spending Tax, passed on in lower selling prices to Consumers, can be expected to decrease selling prices of all goods and services as a

consequence of lower prices of imports and increased economic activity including improved competition against imports. The Federal Government to control this increase in Consumer purchasing power by shifting outlays from the Public Sector to the Private Sector. In the event that the Federal Government is limited in shifting these outlays, so that this increase in Private Sector is not fully utilised, the Private Sector will have the opportunity to pay-off debt (now at record levels), save and invest for the financial security and future.

THE EXPECTED OUTCOME OF THE 2% SPENDING TAX.

The implementation of the 2% Spending Tax can realistically be expected to result in substantial economic benefits including from the incentive to earn additional income etc taxed at only 2% on the change of ownership value. The following are examples of these benefits.

General economic benefits

1. Official cash interest rates on hold for at least 5 years below 1.5% with negative inflation and settings determined by a free market for deposits and borrowings by Financial Institutions effectively regulated by Government. The 2% Spending Tax will generate Private Sector wealth which will flow into the Banking system. The 2% Spending Tax is NOT on savings which encourages the funding of expenditure from savings not borrowings.
2. A stable exchange rate of around $A0.75 to the $US with Currency Exchange Rate settings based on the 'asset backing' of the Australia and its 'Terms of Trade'. If other Western World Democratic Economies carry on with their existing Taxation Systems and Monetary Policies it is probable that they would higher interest rate settings above those in Australia with a 2% Spending Tax. If other Western World Democratic Economies adopt a Spending Tax to replace their existing Taxation Systems it is probable that North America and Europe would quickly grow their economies and wealth and out perform Australia. Either way the value of the $A could be expected to be around $A0.75 to the $US until Australia fully takes up the Trade and Investment Opportunities provided by a 2% Spending Tax. At this point Australia would have the wealth, competitive advantage and economic strength to trade with a higher $A value.
3. Lower input costs, low interest rates and a lower value of the $A significantly assisting exports and the Tourism Industry.
4. A lower value of the $A whilst increasing the price of imports into Australia, offset by a reduction in the import prices of exporters to Australia.
5. Opportunity for individual, entities, Governments etc to increase their incomes, profits, gains, revenues etc only taxed at 2% of the change of ownership value.
6. Opportunity to invest funds hidden away or not productively invested (this must amount to $ Billions and perhaps $ Trillions) to earn income/profits/gains taxed at only 2% of the change of ownership value.

7. Economic stability and certainty giving new confidence to all sectors of industry to expand and take on more employees to reduce unemployment and Government Social Security payments.
8. The unemployed, disabled and aged pensioners etc dependent on Government Social Security will have the incentive to gain income and gains taxed at only 2% of the change of ownership values and increased purchasing power of Government payments to raise their standard of living and quality of life.
9. Reduced cost of all Government outlays recurrent and capital.
10. As all levels of Government pay off debt, political pressure will soften to allow Government to concentrate on infrastructure renewal and development including the building of new regional cities to decentralise the Australian community for a higher standard of living and improved lifestyle.

Individual/family benefits including

1. Incomes/savings/investment with increased purchasing power.
2. The opportunity to pay off debt and reduce their reliance on credit/borrowings.
3. The opportunity for additional cash in their bank accounts from additional earnings/gains taxed at 2% of change of ownership value.
4. Expenditure on a personal freedom of choice basis not Government dictated.
5. Reduced pressure on (1) and (2) from reduced expenditure on housing, household costs, transport, health, education, trade and professional training and qualification, entertainment, sport, recreation, holidays, insurance, etc
6. Opportunities for meaningful employment/business operations for a higher living standard and better quality of life.
7. Opportunity to shift their intellect, time, effort and money to paid employment which adds value to grow the Australian Economy and not on gambling and speculation which is counter productive to value added production for wealth creation.
8. Opportunity for Australians living and working overseas to return to Australia and make their contribution to a strong Australian Economy and Democracy.

Industry and Commerce benefits including

1. Lower prices of all business inputs, providing lower selling prices to be more competitive at home and abroad.
2. The 2% Spending Tax applied to the, internet driven, global trade revolution to provide revenue to the Australian Government on this spending in Australia. Similarly foreign owned businesses operating in Australia to provide revenue to the Australian Government on their spending in Australia. This application of the 2% Spending tax is consistent with good Government in Australia for a sustainable future.

3. Increased consumer demand for increased sales only taxed at 2% of the change of ownership value.
4. Additional positive cash flows for research, development and expansion.
5. Productivity gains from employees with the incentive for increased earnings only taxed at 2% of the change of ownership value.
6. Opportunity for balance between business and personal demands for a better quality of life and higher living standard.

Defence, law and order and emergency services benefits including

1. Reduced operating costs.
2. Productivity gains from employees with incentive for increased earnings only taxed at 2% of the change of ownership value.
3. Reduced cost of keeping up to date and upgrading training and qualifications for World's best practice.

Government and Private Sector infrastructure renewal and development benefits including

1. Reduced cost of all domestic inputs i.e. labour, materials, goods and services etc.
2. Australian industry serving these projects with reduced costs and more competitive position against imports.
3. Lower interest rates supporting long term funding.

Those engaged in the Cash/Barter/Counter trade/Transfer pricing economies benefits /opportunities including.

1. The opportunity to make disclosure of their taxable income/profits/gains for the current year under an Amnesty without penalty and interest and recourse by the ATO to past years undeclared taxable income/profits/gains.
2. The benefit of having a Tax Pool to reduce prices of their goods and services and be competitive with other producers/sellers paying their tax year on year.
3. The opportunity to avoid being caught by a Taxation Compliance authority armed with computer comparative analysis capability to identify undeclared income/profits/gains for past and future years.
4. The opportunity to avoid harsh financial penalties and interest for nondisclosure under the Amnesty and noncompliance with the 2% Spending Tax.
5 The opportunity for peace of mind that they are paying their fair share of tax to enjoy the democracy, living standards and lifestyle of Australia.

Please read in the enclosed pages.

Part 2 – Financial schedules of the application of the 2% Spending Tax to all changes in ownership, real and beneficial, and the calculation of the outcomes for the years 2014-15 to 2017-18 including projected Revenues, Expenditures and Budget Balances and Government Debt of the

- Federal Government; and
- State/Territory Governments

Part 3 – Summary of expected outcomes and how the 2% Spending Tax will enable the PM and Premiers to meet their Pre-Election promises to return a budget surplus and pay off Government debt without reducing existing services etc provided by Government, without cutting back infrastructure renewal and development, and without selling Public Sector assets.

Please see the enclosed **Computer Spread Sheets and Graphics.**

Part 3 – Summary with Graphics of the comparative analysis and graphics in Part 2.

The words "Money makes the World go round" have been cited in print since at least 1891. The speed of the World Economy is determined by (a) the amount of money in circulation and by (b) the velocity of this money changing hands in payment of transactions for changes in ownership, real and beneficial, of goods and services etc. on which the World Community are dependent for their standard of living and lifestyle. It is this money/velocity which should be taxed to fund 'Fair go" Democratic Government.

By relying on direct and indirect taxation on their most valuable asset, their working age population, the World's Democracies have grossly inflated the prices of their goods and services making them unaffordable to the Communities of Non-Democracies. In comparison the World's Non-Democracies with large populations have kept wages, taxes and prices low, except for exports which are priced at the Democracies' inflated prices less a margin to get the business. This has caused a shift in the amount and velocity of money from Democracies to Non-Democracies which has unbalanced the World Economy with a pressing threat to World peace.

Australia can start the ball rolling to bring balance back to the World Economy and remove this money shift threat to World peace by implementing the Taxation Summit Presentation 1985.

CONCLUSION

By taking the taxation burden off the Australian working age population, the Federal Government will provide the opportunity of freedom of choice and democracy to all Australians to raise their living standards and quality of life and provide a "Fair go" for all.

The future standard of living and lifestyle of Australians is dependent on -

- Wealth creation by the Private Sector; and

- Cutting the need for the Public Sector to tax and spend Private Sector money and to sell Public Sector assets to pay off debt.

Australians have a proven and respected capacity for excellence in

- invention and innovation;
- producing goods and services;
- performing in all walks-of-life including sport, entertainment, tourism, education, health and welfare, law and order, national security, government, etc; and
- building and maintaining the infrastructure to support this invention and innovation, production and performance.

What Australians are looking for is a Prime Minister, Premiers and their Governments who will keep their Pre-Election promises to balance the budget and pay off their debt, whilst cutting back on their reliance on spending Private Sector money and selling Public Sector assets, which create the wealth of the Nation.

I commend 2% Spending Tax to the Prime Minister, Premiers and their Governments and all Australians at home and abroad as the means to rebuild a financially strong and democratic Australia for all Australians.

Derek Smith CA
Australian Citizen

Dedication

This work is dedicated to those who have had the 'Economic Blinkers Off' for over 30 years in particular John D. McRobert BE (Civ), MIE (Aust) and other directors of Tax Reform Limited including - Brian R. Davis JP. - Donald R. Steele JP, FCA, ACIS, FAICD. - Gino G. Milani BA/LLB. (U of Q) - Dr Glenister Sheil M.B.B.S, F.R.C.P, F.R.A.C.G.P. - Arthur T. Scurr M.B.E. Also to Ronald Kitching (please read his book "Understanding personal & economic liberty" published 2005) and the many supporters of the 2% Spending Tax.

In the early 1980's John McRobert and I worked at the Brisbane Head Office of Utah Development Company, the operator of the Central Queensland Coal mines on behalf of the Joint Venture Parties. John was an Engineer and I was a member of the Management Accounting Team. We shared a compelling concern to see the Taxation System Reformed and many discussions started a relationship which was meant to be and lifetime lasting. I researched and completed the Taxation Summit Presentation which I submitted to the Prime Minister on the 4 June 1985. John wrote two books on 2% Tax and the Submission of Tax Reform Ltd to 'The Senate Select Committee on a New Tax System' and has relentlessly championed the cause far and wide in Australia over the past 30 years. John's financial analyses in his books and Senate Submission in particular 'The tax-take in the price of a loaf of bread' are sheer brilliance.

My motivation for and the focus of this 'Presentation' have been set by

1. my thinking, over the past 30 years, on Taxation Reform, the National Economy and the decline in living standards, lifestyle and democracy of Australians including of my family;
2. the state of the National Economy and the unacceptable and uncertain financial situation that Australians find themselves in due to the failure of Government to address Taxation Reform as in (1) the cause of the GEC, and to address appropriate regulation of the Banking System which is the cause of the GFC;
3. a realization in 1985 that the Taxation Regimes of Western World Democratic Economies will inevitably cause an out of balance World Economy and threat to World peace;
4. a current day realization that (3) is now a reality and not being addressed by our Government and other Western World Governments; and
5. the imperative that 'It is time to take the Economic Blinkers Off' our PM and Government.

Derek Smith CA
Australian Citizen

Explanation of the 'figures' in this Taxation Reform Presentation to the Prime Minister Tony Abbott.

- The 'Budget' figures are estimates by Federal, State, and Territory Governments which historically have been volatile and unreliable and inconsistent with the National Commission of Audit 2014, Principals of Good Government 1 to 10 'Towards Responsible Government'.

- The '2% Spending Tax' figures are estimates by Derek Smith CA, Australian Citizen which are to be replaced by estimates by Federal, State, and Territory Governments from a Federal Government Computer Model of the 2% Spending Tax in this Taxation Reform Presentation. The abolition of existing taxes and implementation of a 2% Spending Tax is consistent with National Commission of Audit 2014, Principals of Good Government 1 - 10 and therefore prospectively less volatile and more reliable 'Towards Responsible Government' and the expectations of the Electorate and all Australians that the Prime Minister, Premiers and Chief Ministers will keep their Pre-Election promises.

This Taxation Reform Presentation covers –

- critical World Economic issues i.e. China has the money and is buying Australian strategic assets;
- the Taxation Regimes and deregulated Financial Markets of Western World Democracies have caused much 'grey matter' to be pre-occupied with making a living in Speculative Markets and NOT in products and services innovation, R&D, and internationally competitive production; and
- pressing World Peace issues i.e. Non-Democracies destabilising Democracies.

not covered by Government and Budgets in Australia or by the National Commission of Audit 2014. In my opinion Australians are perceptively aware of these critical issues and inwardly concerned that they are not being addressed by our Government.

Model of 2% Spending Tax 2013-14 to 2017-18 to be built by the Federal Government.

Please read the attachment ('How you can keep your Pre-Election promises') to the letter to the Prime Minister 13 July 2014

(Note as a private individual I do not have the means to identify all transaction actual values or reliable estimates/projections.
All levels of Government collectively should have the means to identify the true and fair value of all transactions and other figures as required below).
The 2014-15 year MODEL below has been derived from figures from the following documents etc
Some of the figures in this Model are from the 2014 Federal/State/Territory Government Budget Papers, ABS Year Book 2012, ATO Statistics 2010-12 factored up to 2014-15 values
Other figures are derived from the 1997 Unisearch Model and 1998 Senate Submission No1 factored up for 2014-15 values.
As a last resort by Derek Smith on a logical, common sense, experience basis at 2014-15 values .
As such, these derived figures may not include all transaction and their $A values or for included transactions may not bear any relationship to actual values or reliable estimates/projections.

TOTAL changes in ownership real and beneficial — Base year 2009-10 figures as per ABS, ATO etc

Year of base figures	Industry Sector	Source of figures	TOTAL GDP $ Billion	Adjusted GDP component $ Billion	GDP IGVA Component ABS Yb p511 $ Billion	Wages $ Billion	Total income $ Billion	Profit before Tax $ Billion	Capital Expend $ Billion	IMPORTS $ Billion	Unexplained variances $ Billion
2014-2015	Total GDP	FGBP 5-5	1,634.746								
2009-2010	GDP per ABS Yb p511		1,293.380								
	% Increase		126.393%								
2009-2010	Agriculture	ABS p 525&DAS		467.351	26.947	9.201	341.400	20.500	25.605		
2009-2010	Fishing	ABS p553		2.375	0.628	0.234	1.818	0.295	0.160	1.514	
2009-2010	Forestry	ABS p552		4.463	1.189	0.540	3.552	0 000	0.628		
2009-2010	Mining	ABS p570&DAS		213.515	96.105	16.751	153.489	51.291	43.503	74.747	
2009-2010	Manufacturing	ABS p614-619		469.087	107.707	51.853	381.165	24.832	20.990	182.321	
2009-2010	Energy	ABS p601&DAS		467.106	90.332	21.200	282.666	84.800	71.232	203.590	
2009-2010	Elect/Gas/Water	ABS p636&DAS		135.701	28.623	9.079	92.267	10.085	24.556	7.310	
2009-2010	Construction	ABS p627&DAS		343.768	95.804	42.618	280.802	26.665	17.702	65.271	
2009-2010	Wholesale	ABS p639&DAS		515.265	55.128	30.181	410.808	15.993	5.814	145.300	
2009-2010	Retail	ABS p639$DAS		456.176	58.258	35.035	358.214	18.868	7.059	125.375	
2009-2010	Info Media and Telecoms	ABS p641&DAS		80.178	41 823	11.641	73.977	11.210	8.430	5.113	
2009-2010	Rent/Hire/Real Estate	ABS p642&DAS		180.525	27.260	10.923	97.469	24.053	37.643	42.613	
2009-2010	Prof/Scientific/Tech Serv	ABS p645&DAS		23.596	81 043	53.176	180.409	31.708	9.051	26 346	
2009-2010	Public Admin & Safety	ABS p646&DAS		135.378	64.117	2.533	6 296	0.065	0.252	1.311	162.079
2009-2010	Education/Training	ABS p647&DAS		386.102	57.546	13.136	27.330	2.300	3.265	6.180	316.992
	Financial/Insce/Services			158.496	125 399						Not in ABS YB 2012
2009-2010	Accom & Food Services	ABS p654&DAS		32.924	29.474	19.007	28.469	5.200	2.847	3.556	
2009-2010	Trans/Postal/Warehousing	ABS p671&DAS		156.546	65.392	26.846	131.775	10.491	20.136	34.996	
2009-2010	Health Care/Social Assist	ABS p649&DAS		77.983	72.627	31.741	82 028	12 146	8.411	18.171	
2009-2010	Admin/Support Services	ABS p645&DAS		87.798	30.248	28.675	64.905	3.525	2.607	11.897	
2009-2010	Arts/Rec Services	ABS p650&DAS		38.766	10.911	5.014	29.738	4.293	2.537	6.116	
2009-2010	Other Services	ABS p651&DAS		71 684	23.548	14.097	54.807	7.714	3.645	9.515	
	Ownership of dwellings			130.528	103.271						Not in ABS YB 2012
	Total Industry GAV			4,635.312	1,293 380	433.481	3,083.384	366.034	316.073	971.243	Imports ?????
2009-2010	Total Wages and Salaries	ATO Stats	Adjust GDP	114.141							
	Total adjusted to ATO					662.032					

TOTAL $A OF CHANGES OFOWNERSHIP IN GDP — 4,749 453 (Note: likely to be understated) — DAS 9/7/2014 E&OE

TAXATION REFORM PRESENTATION TO THE PRIME MINISTER TONY ABBOTT
$A value of all changes in Ownership both real and beneficial 2014-15

Transaction:	Description	Source of figures	$ Billions	Distribution
GDP	Industry by State	Budget Paper 5-5	1,634.746	
GDP	By Industry	ABS Year Book 2012	4,749.453	States/Territ.
Turnover	Gambling	AGS 29th edition	202.339	States/Territ.
Gov Rev	Gambling	Prod Comm No 51	6.293	States/Territ.
Prize Money	Gambling	AGS 29th Edition	173.059	States/Territ.
Purchases	Credit Cards	APCA	289.224	States/Territ.
Payments	Credit Card Bal	APCA	289.224	States/Territ.
Borrowings	Personal Loans	ABS	359.340	States/Territ.
Interest	Personal Loans	DAS	66.000	States/Territ.
Repayments	Personal Loans	DAS	110.000	States/Territ.
Borrowings	Business Loans	ABS	518.244	States/Territ.
Interest	Business Loans	DAS	72.000	States/Territ.
Repayments	Business Loans	DAS	119.089	States/Territ.
Sales	Res Property	RP Data	254.493	States/Territ.
Agents fees	Res Property	DAS	7.751	States/Territ.
Sales	Com Property	DAS	560.000	States/Territ.
Agents fees	Com Property	DAS	28.000	States/Territ.
Sales	Businesses	DAS	0.450	States/Territ.
Agents fees	Businesses	DAS	0.045	States/Territ.
Sales	Business Account	DAS	410.000	States/Territ.
Payments	Business Account	DAS	410.000	States/Territ.
Sales	Cash/Barter/CC	DAS	230.499	States/Territ.
Fines	Court/ Gov Fines	DAS	1.200	States/Territ.
Payments	Social Security e	BP No 1 6-7	145.773	States/Territ.
Payments	Donations/Gifts	ATO Stats	1.964	States/Territ.
Payments	Court settlement	Notional	1.000	States/Territ.
Payments	Bequest outside	Notional	2.000	States/Territ.
Payments	Other	Notional	10.000	States/Territ.
SUB TOTAL - STATES/TERRITORIES			9,017.440	States/Territ.
Trading	ASX Shares	World Bank	1,749.178	Federal Gov
Trading	Derivatives	AFMA Survey 4.4	45,360.000	Federal Gov
Trading	Currency	ABS YB 2012 P733	227.815	Federal Gov
	Other	Notional	10.000	
SUB TOTAL - FEDERAL GOVERNMENT			47,346.993	
TOTAL - ALL OF LISTED CHANGES IN OWNERSHIP IN AUSTRALIA			56,364.433	

Note: It is likely that not all changes of ownership, real and beneficial, in Australia have been included in this listing and total figure of $AB56,364.433
Also it is likely that the $A values of the changes of ownership, real and beneficial included in this listing are understated and therefor the figure of $AB56,364.433 is understated.

PLEASE READ THE DOCUMENT APPLICATION OF THE Spending Tax TO
GENERAL AND SPECULATIVE TRANSACTIONS.

DAS 9/7/2014
E&OE

Model of 2% Spending Tax 2013-14 to 2017-18 to be built by the Federal Government.

Please read the attachment ('How you can keep your Pre-Election promises') to the letter to the Prime Minister 14 July 2014

(Note as a private individual I do not have the means to identify all transaction actual values or reliable estimates/projections All levels of figures as required below Some of the figures in this Model are from the 2014 Federal Government Budget Papers, Government websites, etc Other figures are derived from the 1997 Unisearch Model and 1998 Senate Submission No1 factored up for today's values As such, these derived figures may not bear any relationship to Government actual values or reliable estimates/projections)

Heading	Subheading	Source of figures	2014-15	2015-16	2016-17	2017-18
Transactions	(a) $A value of all changes of ownership both real and beneficial	See separate sheets	$ Billion	$ Billion	$ Billion	$ Billion
	Federal Government	Calculation	47,346 993	50 424 548	53 601 294	60,676 665
	State/Territory Governments	Calculation	9,017 440	9 603 574	10,208 599	11,556 134
	TOTAL		56,364 433	60 028 121	63,809 893	72,232 799
	(b) Federal taxes to the abolished					
	Total individuals and other withholding tax	BP No 1 -5-18	178 800	193 600	208 300	223 700
	Fringe benefits tax	BP No 1 -5-18	4 360	4 930	5 210	5 100
	Company tax	BP No 1 -5-18	71 600	75 400	80 000	84 700
	Superannuation fund taxes	BP No 1 -5-18	7 680	10 380	11 280	11 810
	Goods and servies tax	BP No 1 -5-18	53 978	57 290	60 723	64 099
	Total taxes to be abolished		316 418	341 600	365 513	389 409
	State/Territory Payroll tax to be abolished - Please see Sheet 3	2017-18 Factored on 2016-17				
	Queensland	State/Territory Budgets	4 430	4 764	5 128	5 520
	NSW	State/Territory Budgets	7 837	8 398	8 955	9 549
	Victoria	State/Territory Budgets	5 408	5 722	6 040	6 376
	SA	State/Territory Budgets	1 241	1 338	1 426	1 520
	WA	State/Territory Budgets	3 976	4 292	4 628	4 990
	Tasmania	State/Territory Budgets	0 310	0 320	0 330	0 340
	NT - 2015-16 to 2017-18 factored on 2014-15	State/Territory Budgets	0 245	0 248	0 251	0 254
	ACT	State/Territory Budgets	0 373	0 400	0 430	0 462
	Total payroll tax to be abolished		23 820	25 482	27 188	29 011
	Total Federal/State/Territory taxes to be abolished		340 238	367 082	392 701	418 420
	DEDUCT Tax merry-go-round in Public Sector pays	See calculation below	28 095	29 921	31 806	36 005
	TAXES to be deducted by Private Sector to reduce goods and services prices	Calculation (b)	312 143	337 161	360 895	382 415
	(c) $A value of all changes of ownership less taxes abolished ((a) - (b))	Calculation	56,052 290	59,690 960	63 448 998	71,850 383
	(d) 2% Spending Tax receipts on line above	Calculation	1,121 046	1,193 819	1,268 980	1,437 008
	(e) $A value of all changes of ownership less taxes abolished plus 2%	Calculation	57 173 336	60,884 780	64,717 978	73,287 391

Tax merry-go-round of tax in Public Sector pays						
Number in Public Sector		1,891 300				
Wages and Salaries	$	133 786 200 000				
Average wage	$	70 738				
Average income tax rate		21%				
PAYG Tax merry-go-round	$B	28,095	28 095	29 921	31 806	36 005

DAS 9/7/2014 E&OE

Model of 2% Spending Tax 2013-14 to 2017-18 to be built by the Federal Government.

Please read the attachment ('How you can keep your Pre-Election promises') to the letter to the Prime Minister 25 May 2014

(Note as a private individual I do not have the means to identify all transaction actual values or reliable estimates/projections. All levels of Government collectively should have the means to identify the true and fair value of all transactions and other figures as required below. Some of the figures in this Model are from the 2014 Federal Government Budget Papers, Government websites, etc. Other figures are derived from the 1997 Unisearch Model and 1998 Senate Submission No1 factored up for today's values. As such, these derived figures may not bear any relationship to Government actual values or reliable estimates/projections)

Heading	Subheading	Source of figures		2014-15	2015-16	2016-17	2017-18
	*Government = all levels of Government in Australia			$ Billion	$ Billion	$ Billion	$ Billion
Revenue	Federal Government total receipts	BP No 1 -5-18		385 778	410 427	436 849	467 985
	(f) Federal Government total receipts less the taxes to be abolished in (b)			73 635	73 266	75 954	85 570
	(g) Taxation Amnesty receipts of tax and penalty and interest	Notional by DAS		15 821	17 080	18 276	19 470
	(h) 2% Transaction Tax receipts to the Federal Government as in (d)			1,121 046	1,193 819	1,268 980	1,437 008
	Federal Government adjusted receipts ((f) plus (g) and (h))			1 210 502	1,284 165	1,363 210	1,542 048
Outlays	See ABS NO 1 6-52 TO 6-54						
	General Public Service		20%	23 185	22 752	23 357	23 051
	Defence		20%	24 197	25 249	25 719	27 632
	Public Order and Safety		20%	4 389	4 098	4 054	4 051
	Education		20%	29 553	30 206	31 843	32 788
	Health		20%	66 892	68 203	71 797	74 856
	Social Security and Welfare						
	Aged, Veterns and Dependents			64 900	67 574	71 240	74 074
	Disabilities			27 961	29 802	34 431	42 910
	Families with children			35 540	34 352	35 022	35 005
	Unemployed and sick			10 233	10 571	10 687	10 610
	Other			7 139	6 970	6 990	6 986
	Housing and Community			4 835	4 902	5 026	5 105
	Recreation and Culture			3 512	3 360	3 385	3 343
	Fuel and Energy			7 058	7 172	7 439	7 836
	Agriculture, foresty and fishing			2 752	2 868	2 642	2 565
	Mining manufacture, manufacturing and construction			2 740	2 580	2 595	2 504
	Transport and Communication			7 286	9 697	10 949	7 469
	Other Economic Affairs		5%	10 670	10 366	9 646	9 485
	Public Debt Interest			14 708	16 134	17 157	17 876
	General Revenue Assistance States/Territories/Local Government		20%	57 148	60 452	63 885	67 294
	Other Purposes			10 147	13 609	15 942	20 008
	(j) Federal Government total expenses	BP No 1 -3-20		**414.845**	**431.118**	**453.806**	**475.447**
	(k) the abolished taxes in (b) component of cash payments in (j)	Estimate by DAS		41 606	42 710	44 613	46 409
	Federal Government total expenditure in (j) less abolished taxes in (k)			373 239	388 408	409 193	429 038
	(l) Add 2% Spending Tax on total expenditure less abolised taxes	Calculation		7 465	7 768	8 184	8 581
	Federal Government total expenditure in (j) less abolished taxes in (k) plus 2% Tax			**380.703**	**396.176**	**417.377**	**437.619**
	(n) Reduction in taxation admin/compliance costs of *Government	Notional by DAS		1 000	2 000	3 000	5 000
	(o) the reduction in *Government payments by shifting from *Government to the Private Sector the payment of goods and services on a freedom of choice user pays basis e g health, education, social security, etc	Notional by DAS		38 420	52 749	69 696	87 064
	(p) the reduction in *Government payments as a consequence of increased economic activity created by 2% Tax e g reduction in Social Security etc	Notional by DAS		11 152	15 225	20 192	25 947
	(q) the reduction in interest on *Government debt reduced by 2% Spending Tax budget surpluses	Notional by DAS		14 708	16 134	17 157	17 876
	® the Federal Government adjusted expenditure			315 424	310 067	307 331	301 733
DISTIBUTION OF 2% TRANSACTION TAX OUTCOMES							
	(s) adjusted receipts less adjusted payments			895 078	974 098	1 055 878	1 240 315
	(t) the proportion of the 2% Transaction Tax to be paid to State/Territory Governments to compensate for the abolished Payroll Tax	Notional by DAS		23 820	25 482	27 186	29 011
	(u) Federal Government budget surplus or -deficit under 2% Tax			871 258	948 616	1,028 692	1,211 304
	Note 2% Tax on derivatives of $B45,360 = $B	**907.200**					
	Federal Government Debt	BP Statement 3-15		226 400	246 400	261 300	264 200
	Federal Government Cash Funds for infrastructure development including new regional cities			**644.858**	**702.216**	**767.392**	**947.104**

THE LISTING OF CHANGES OF OWNERSHIP, DOES NOT INCLUDE ALL CHANGES AND FOR THOSE LISTED IT IS LIKELY THAT THE VALUE OF THESE CHANGES ARE UNDERSTATED. ALSO IT IS LIKELY THAT THE OUTCOMES IN RESPECT OF REVENUE GAINS AND EXPENDITURE REDUCTIONS ARE UNDERSTATED

DAS 9/7/2014 E&OE

STATE/TERRITORY DEBT REDUCTIONS AS AN OUTCOME OF THE 2% SPENDING TAX

Source of number employees ABS	NUMBER OF EMPLOYEES	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
Queensland	289,700	4.873	5.189	5.516	6.244
NSW	451,700	7.597	8.091	8.601	9.736
Victoria	332,700	5.596	5.960	6.335	7.171
SA	113,700	1 912	2.037	2.165	2.451
WA	172,200	2.896	3.085	3.279	3.712
Tasmania	39,500	0.664	0.708	0.752	0.851
NT	25,200	0.424	0.451	0.480	0.543
ACT	25,500	0.429	0.457	0.486	0.550
	1,450,200	24.392	25.977	27.614	31.259

STATE/TERRITORY GOVERNMENT - DEBT AS PER BUDGETS	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
Queensland	10.942	10.048	9.372	8.869
NSW	12.364	13.649	13.736	12.744
Victoria	23.400	18.500	19.000	19.500
SA	4.511	7.146	5.839	5.269
WA	9.953	11.350	12.553	13.297
Tasmania	0.229	0.095	-0.047	0.000
NT	2.663	2.697	2.736	2.733
ACT	1.228	1.615	1.705	1.799
Total State/Territory OTHER REVENUE	65.290	65.100	64.894	64.211

STATE/TERRITORY GOVERNMENT - DEBT AFTER SHARE OF 2% SPENDING TAX	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
Queensland	-6.069	-4.859	-3.856	-2.625
NSW	-4.767	-5.558	-5.135	-3.008
Victoria	-17.804	-12.540	-12.665	-12.329
SA	-2.599	-5.109	-3.674	-2.818
WA	-7.057	-8.265	-9.274	-9.585
Tasmania	0.435	0.613	0.799	0.851
NT	-2.239	-2.246	-2.256	-2.190
ACT	-0.799	-1.158	-1 219	-1.249
Total State/Territory OTHER REVENUE	-40.898	-39.123	-37.280	-32.952

THE 2% SPENDING TAX CAN BE EXPECTED TO PRODUCE OUTCOMES WHICH WILL ENABLE STATE/TERRITORY GOVERNMENTS TO PAY OFF THEIR DEBTS BEFORE 2017-18

DAS 9/7/2014 E&OE

STATE/TERRITORY GOVERNMENT SHARE OF 2% SPENDING TAX AS COMPENSATION FOR THE ABOLITION OF PAYROLL TAX

Queensland	State/Territory Budgets	4.430	4.764	5 128	5.520
NSW	State/Territory Budgets	7.837	8.398	8.955	9.549
Victoria	State/Territory Budgets	5.408	5.722	6.040	6.376
SA	State/Territory Budgets	1.241	1.338	1.426	1.520
WA	State/Territory Budgets	3.976	4.292	4 628	4 990
Tasmania	State/Territory Budgets	0.310	0.320	0.330	0 340
NT - 2015-16 to 2017-18 factored on 2014-15	State/Territory Budgets	0.245	0.248	0.251	0.254
ACT	State/Territory Budgets	0.373	0.400	0.430	0.462
Total State/Territory Total GST		23.820	25.482	27 188	29.011

REDUCTION IN STATE/TERRITORY OUTLAYS ON THE ABOLITION OF FEDERAL GOVERNMENT TAXES IN PARTICULAR PAYG ON EMPLOYEES' WAGES AND SALARIES

Tax merry-go-round of tax in Public Sector pays						
Number in Public Sector		1,891,300				
Wages and Salaries	$	133,786,200,000				
Average wage	$	70,738				
Average income tax rate		21%				
PAYG Tax merry-go-round	$B	28,095	28.095	29.921	31.806	36.005
Federal Government Number of Employees	249,261	17,632,224,618				
PAYG Tax merry-go-round		3,702,767,170	3.703	3.944	4.192	4.746
ALL STATE/TERRITORY GOVERNMENTS			**24.392**	**25.977**	**27.614**	**31.259**

Source of number employees ABS	NUMBER OF EMPLOYEES	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
Queensland	289,700	4 873	5.189	5.516	6.244
NSW	451,700	7.597	8.091	8.601	9.736
Victoria	332,700	5.596	5.960	6.335	7.171
SA	113,700	1.912	2.037	2.165	2.451
WA	172,200	2.896	3.085	3.279	3.712
Tasmania	39,500	0 664	0.708	0.752	0.851
NT	25,200	0 424	0.451	0.480	0.543
ACT	25,500	0.429	0.457	0.486	0.550
	1,450,200	24 392	25.977	27.614	31.259

STATE/TERRITORY GOVERNMENT - REVENUE LESS EXPENSES	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
Queensland	0.188	3.188	3.534	2 968
NSW	-0.283	0.660	2.155	1.666
Victoria	-0.007	1.393	1.244	1.386
SA	-0 479	0.406	0.776	0.883
WA	0.175	0.005	0.050	0.283
Tasmania	-0.215	-0.027	-0.190	0.000
NT	0.063	0.099	0.069	0.001
ACT	-0.333	-0.118	-0.026	0.078
Total State/Territory OTHER REVENUE	-0.891	5.606	7.612	7.265

STATE/TERRITORY GOVERNMENT - REVENUE LESS EXPENSES INCLUDING SHARE OF 2% SPENDING TAX	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
Queensland	5.061	8.377	9.050	9.212
NSW	7.314	8.751	10.756	11.402
Victoria	5.589	7.353	7.579	8.557
SA	1.433	2.443	2.941	3.334
WA	3.071	3.090	3.329	3 995
Tasmania	0.449	0.681	0.562	0.851
NT	0.487	0.550	0.549	0 544
ACT	0.096	0.339	0.460	0.628
Total State/Territory OTHER REVENUE	23.501	31 583	35.226	38 524

DAS 9/7/2014 E&OE

State/Territory Payroll Tax to be abolished on the implementation by the Federal Government of the 2% Spending Tax and used to reduce the prices of goods and services in Australia including by all levels of Government.

Heading	Source of figures	2014-15 $ Billion	2015-16 $ Billion	2016-17 $ Billion	2017-18 $ Billion
State/Territory Payroll tax to be abolished -	2017-18 Factored on 2016-17				
Queensland	State/Territory Budgets	4 430	4 764	5.128	5.520
NSW	State/Territory Budgets	7.837	8.398	8 955	9.549
Victoria	State/Territory Budgets	5 408	5.722	6.040	6.376
SA	State/Territory Budgets	1 241	1 338	1.426	1.520
WA	State/Territory Budgets	3.976	4.292	4.628	4.990
Tasmania	State/Territory Budgets	0.310	0.320	0.330	0.340
NT - 2015-16 to 2017-18 factored on 2014-15	State/Territory Budgets	0.245	0.248	0.251	0 254
ACT	State/Territory Budgets	0.373	0.400	0.430	0.462
Total payroll tax to be abolished		23 820	25.482	27 188	29.011

State/Territory Total Taxation	2017-18 Factored on 2016-17				
Queensland	State/Territory Budgets	12.680	13.547	14.422	15.354
NSW	State/Territory Budgets	24.957	26.510	28.111	29.809
Victoria	State/Territory Budgets	17.515	18.299	19.262	20.276
SA	State/Territory Budgets	4.479	4.813	5.109	5.423
WA	State/Territory Budgets	9.428	9.965	10.607	11.290
Tasmania	State/Territory Budgets	0.971	1.004	1 040	1.077
NT - 2015-16 to 2017-18 factored on 2014-15	State/Territory Budgets	0.569	0.585	0 602	0.619
ACT	State/Territory Budgets	1.384	1.471	1.564	1.663
Total State/Territory Total Taxation		71.983	76.194	80.717	85.511

% of Payroll Tax of Total Taxation					
Queensland	Calculation	34 94%	35.17%	35.56%	35.95%
NSW	Calculation	31 40%	31.68%	31.86%	32.03%
Victoria	Calculation	30.88%	31.27%	31.36%	31.44%
SA	Calculation	27.71%	27.80%	27.91%	28.02%
WA	Calculation	42.17%	43.07%	43 63%	44.20%
Tasmania	Calculation	31.93%	31.87%	31.73%	31.59%
NT	Calculation	43.06%	42.39%	41.69%	41.01%
ACT	Calculation	26 95%	27.19%	27.49%	27.80%
Total all States/Territories	Calculation	33.09%	33 44%	33.68%	33.93%

DAS 9/7/2014 E&OE

Taxation Reform Presentation to Prime Minister Tony Abbott

Summary of Outcomes and Opportunities

Graphics for Federal/State/Territory Governments – Revenue less Expenses – Comparisons of Budget and 2% Spending Tax.

Federal Government – BP No1 -3-19

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	-23.5	-11.5	-4.0	4.9
2% Tax	644.858	702.216	767.392	947.104

Queensland Government BS&O 2014-15 Page 5

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	0.188	3.188	3.534	2.968
2% Tax	5.061	8.377	9.050	9.212

NSW Government BS 2014-15 Table 1-1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	-0.283	0.660	2.155	1.666
2% Tax	7.314	8.751	10.756	11.402

Victoria Government BS&O 2014-15 Ch 5 page 79

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	-0.007	1.393	1.244	1.386
2% Tax	5.589	7.353	7.579	8.557

Tasmania Government 2013-2014 Budget only) Table 1.1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	-0.215	-0.027	-0.019	Not available
2% Tax	0.449	0.681	0.562	0.851

SA Government BS 201`4-15 Page 140 Table A.1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	-0.479	0.406	0.776	0.883
2% Tax	1.433	2.443	2.941	3.334

WA Government BP 2014-15 No 3 Table 3 Page 46

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	0.175	0.005	0.050	0.283
2% Tax	3.071	3.090	3.329	3.995

Northern Territory Government BS&O 2014-15 Chapter 8 Table 8.1 Page 80

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	0.063	0.099	0.069	0.001
2% Tax	0.487	0.550	0.549	0.554

Australian Capital Territory Government 2014-15 BO 2.1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	-0.333	-0.118	-0.026	0.078
2% Tax	0.096	0.339	0.460	0.628

Taxation Reform Presentation to Prime Minister Tony Abbott

Summary of Outcomes and Opportunities

Graphics for Federal/State/Territory Governments
Net Debt/(-Asset – Cash in the Bank) `
Comparisons of Budget and 2% SPENDING Tax.

Federal Government BP Statement 3-15

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	226.4	246.4	261.3	264.2
2% Tax	-644.858	-702.216	-767.392	-947.104

Queensland Government BS&O 2014-15 Page 145

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	10.942	10.048	9.372	8.869
2% Tax	6.069	4.859	3.856	2.625

NSW Government BS 2014-15 Table 1-1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	12.364	13.649	13.736	12.744
2% Tax	4.767	5.558	5.135	3.008

Victoria Government BS&O 2014-15 Ch 4 Table 4.7 Page 67

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	23.400	18.500	19.000	19.500
2% Tax	17.804	12.540	12.665	12.329

Tasmania Government (2013-2014 Budget only) Table 1.1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	0.299	0.095	(0.047)	Not available
2% Tax	-0.435	-0.613	-0.799	-0.851

SA Government BS 2014-15 Page 144 Table A.5

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	4.511	7.146	5.839	5.269
2% Tax	2.599	5.109	3.674	2.818

WA Government BP 2014-15 No 3 Table 3 Page 46

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	9.963	11.350	12.553	13.297
2% Tax	7.057	8.265	9.274	9.585

Northern Territory Government BS&O 2014-15 Chapter 8 Table 8.2 Page 81

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	2.663	2.697	2.736	2.733
2% Tax	2.239	2.248	2.256	2.190

Australian Capital Territory Government 2014-15 BOP 2.1

$ Billions	2014-15	2015-16	2016-17	2017-18
Budget	1.228	1.615	1.705	1.799
2% Tax	.799	1.158	1.219	1.249

THE 2% SPENDING TAX CAN BE EXPECTED TO PRODUCE OUTCOMES WHICH WILL ENABLE STATE/TERRITORY GOVERNMENTS TO PAY OF OFF THEIR DEBTS BEFORE 2017-18

Derek Smith CA, Australian Citizen 13 July 2014