

Submission by Stuart Kelly – Australian Citizen and Taxpayer.

Responses to the guiding principles of the NCA Terms of Reference.

- **government should have respect for taxpayers in the care with which it spends every dollar of revenue;**
 1. Recent revelations concerning travel and other claims by ministers, including the Prime Minister when leader of the opposition, and other members of the Federal Parliament have shown scant respect for taxpayers in the spending of revenue. The basis upon which Members of Parliament make claims for travel and other expenses should match those by members of the public service. Claims should only be accepted when the activity has been directly concerned with the member fulfilling his or her actual role as a member of parliament. Claims resulting from attendance of social functions rather than formal meetings should be denied. Claims relating to political party or campaigning activities should also be denied. Members of Parliament, like any other taxpayer, have the ability to claim tax deductions for political party membership.
 2. The Government should review the current very large level of expenditure upon off-shore processing of asylum seekers. I understand that current expenditure is many hundreds of millions or some billions of dollars for a relatively small numbers of people. The cost per person assessed and the time taken is surely not a sensible use of taxpayers' money.

Consideration should be given to what savings could be made by on-shore processing of asylum seekers in relatively open family hostel accommodation in urban or large regional centres – rather than in closed detention camps on remote areas.

Consideration should also be given to processing asylum seekers at source – or in countries of first arrival. For example the Australian Government could negotiate with the Indonesian Government to have access to refugee camps in Indonesia and carry out processing there. The efficient processing in Indonesia along with assisting with financing adequate services in these camps could reduce the incentive for asylum seekers to attempt hazardous boat trips to Australia.
- **government should do for people what they cannot do, or cannot do efficiently, for themselves, but no more;**
 1. People vary in the extent to which they are able to afford essential things. Therefore the Government should respond to the provision of services for different groups according to their needs and ability to self fund or manage their services themselves.

An example of this is in the provision of funding for education. Funding should be made purely on a needs basis. Funding should be made only to schools which require government funds to provide the basic education services to their students – and who accept all students who seek enrolment. Independent or denominational schools which have large financial resources should not receive government funding.
 2. Access to adequate housing is an essential of life. Governments should encourage the building of affordable properties for lower paid families. However allowing investors to negatively gear properties distorts the market and prices many people out of home ownership.
 3. Provision of superannuation for all is an efficient method of ensuring a reasonable standard of living for retirees in future years. However those on small levels of income

find it difficult to add to their superannuation funds from meagre savings. The Government co-contribution has in recent years encouraged low income earners to contribute a small amount of savings to their superannuation funds. Closure of the co-contribution scheme will remove this incentive for people to save. At the same time relaxation of the cap on superannuation payments gives a direct saving to more wealthy people at the expense of taxation revenue. In other words the lower paid are subsidizing the superannuation savings of higher earners.

4. The wording “government should do for people what they cannot do, or cannot do efficiently, for themselves, but no more ..” surely implies that social services payments and taxation rebates should be limited to those who are most in need of them. All payments and rebates should be means tested with cut-off points which are high enough and flexible enough to provide for those who require the assistance but which will remove unnecessary handouts to people with high income and extensive assets.
5. The need for all Australians to prepare for the negative effects of a dramatically changed climate is not something that individuals can do efficiently on their own. The Government has a duty to act to reduce the causes of global warming in the most efficient way [by setting a carbon pricing mechanism] and also to plan for counter measures to allow us to cope with the negative effects.

– government should live within its means.

1. Government has a responsibility not only to current citizens but also for the wellbeing of coming generations of Australians. As such there will always be a need to plan and build for the future. As individuals we accept a level of debt for many years in order to build and maintain houses for our families. This debt is not seen as a negative – but rather an essential means by which to ensure our future. Companies also borrow in order to expand their activities with a view to increasing future income. Likewise the Commonwealth Government should be prepared to use its extensive borrowing power to build the infrastructure which will be necessary for future generations.

Borrowing to provide for essential services such as hospitals, schools, railways and public housing for the future – which will in effect be paid for by those benefitting from the services - is evidence of foresight rather than the short term thinking which gives higher priority to immediate surpluses.

Current debt to GDP ratio for Australia is very small by international or historic standards and ‘paying down the debt’ is not ‘essential’.

2. An obvious method of the government ‘living within its means’ while still providing adequately for the current and future Australians is for the government to ensure that its income grows by efficiently taxing those who profit from the wealth of the resources which are rightly owned by all Australians. The huge incomes currently derived by individuals and companies indicates that this wealth is not being shared equitably across Australia.