

**A.W.J. SMITH CPA**  
**Public Accountant**

1<sup>ST</sup> FLOOR,  
14 FORESHORE DRIVE  
P.O. BOX 100  
GERALDTON WA 6531  
TEL: (08) 9921 1644  
FAX: (08) 9964 3106

AWJS:LIH  
20 May, 2002

Mr Murray Edwards (Secretary)  
The Board of Taxation  
Langton Crescent  
PARKES ACT 2600

Dear Sir,

**RE: SUBMISSION – TAX VALUE METHOD**

The Tax Value Method has no merit and this should have been obvious to the Board long before so much taxpayers money had been spent on its development.

Implementation of TVM will only provide further opportunities for the “tax industry” to find loopholes to rort the system.

It appears to me that the Board has accepted the task of promoting the TVM instead of adopting an independent approach to its responsibilities.

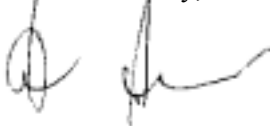
The so-called “reforms” which have been made in recent years have done nothing but increase the cost and complexity of the system while at the same time making it even more unfair.

Although I am extremely sceptical that the Board has either the ability or inclination to achieve anything worthwhile, I am listing a few suggestions for consideration –

- 1) Scrap the GST and replace it with a consumption tax on “luxury” goods and services levied at the point of sale.
- 2) Introduce a wealth tax in the form of death duty or inheritance tax.
- 3) Address the income – splitting rort either by extending this option to all taxpayers or by introducing a flat rate with no tax-free threshold
- 4) Capital gains tax – It is absurd that the system makes no allowance for the time/inflation factor. Apply a set sliding scale over (say) ten years.
- 5) Superannuation – abolish the tax deduction and make earnings of (genuine) super funds tax-free.
- 6) The “small business” “big business” absurdity results in two systems with yet to be felt confusion and complexity.
- 7) Fringe benefits tax – This system has enabled Government employees to rort the system for far too long. The amount of the fringe benefit should be taxed in the hands of the employee.
- 8) Finally, the parliament should announce that it will pass retrospective legislation where necessary to recover any tax which has been avoided through improper means.

I trust that the Board will give these matters due consideration and acknowledge this submission in due course.

Yours faithfully,



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**AWJ SMITH**  
**T/A 14 228 006**

