

Sent: Wednesday, 12 May 2004 12:36 AM

To: demographics@treasury.gov.au

Subject: My Views

Choice 4.

The best approach is to look for ways to increase the size of the economy so that we all have higher incomes and are better able to meet the costs associated with our ageing population.

The way to increase the size of the economy is to grow at a faster rate. The key ways to improve economic growth are through increases in labour force participation and productivity.

My Answers or thoughts for you to consider and calculate.....
If you wish to improve growth then you need incentive!

Most people today are ridden with the fear of production mostly from the consequences of finding the extra money to pay the ever increasing taxes. Especially, if you wish to build your own business quickly. The strain on resources is enormous.

The jobs for government workers comes from the incentives of people to work.... If you tax them so much now and you plan to tax them in the future, nobody wins. For a win, win situation why don't you tax them normally to say \$100,000 or lower if your calculations will allow it then, maximum tax over \$100,000 of say, 25% - productivity up, probably not much loss in tax because people are trying harder to earn above the \$100,000 mark!

Just a few of my thoughts.....Good luck!!

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