

Australia's wealthiest 1% own more than the bottom 70% (14 million Aussies)

Become a supporter – and fix the staggering inequality
dicksmithfairgo.com.au V34 Updated 8/6/17



Typical Australian city scene 2050?

“Australia is approaching a ‘danger point’ where the gap between rich and poor becomes so vast it could have ‘awful’ far-reaching consequences at every level in Australian society...”

Bernie Fraser, former Governor of the Reserve Bank, April 2017

“No society can sustain this kind of rising inequality. In fact, there is no example in human history where wealth accumulated like this and the pitchforks didn’t eventually come out.”

Nick Hanauer, US billionaire and entrepreneur

Introduction by Dick Smith

The wealthiest 1% of Australians now own more than the bottom 70% (14 million) Aussies.

How could this ever be acceptable? While many Australians are becoming worse off, a small percentage are getting much richer.

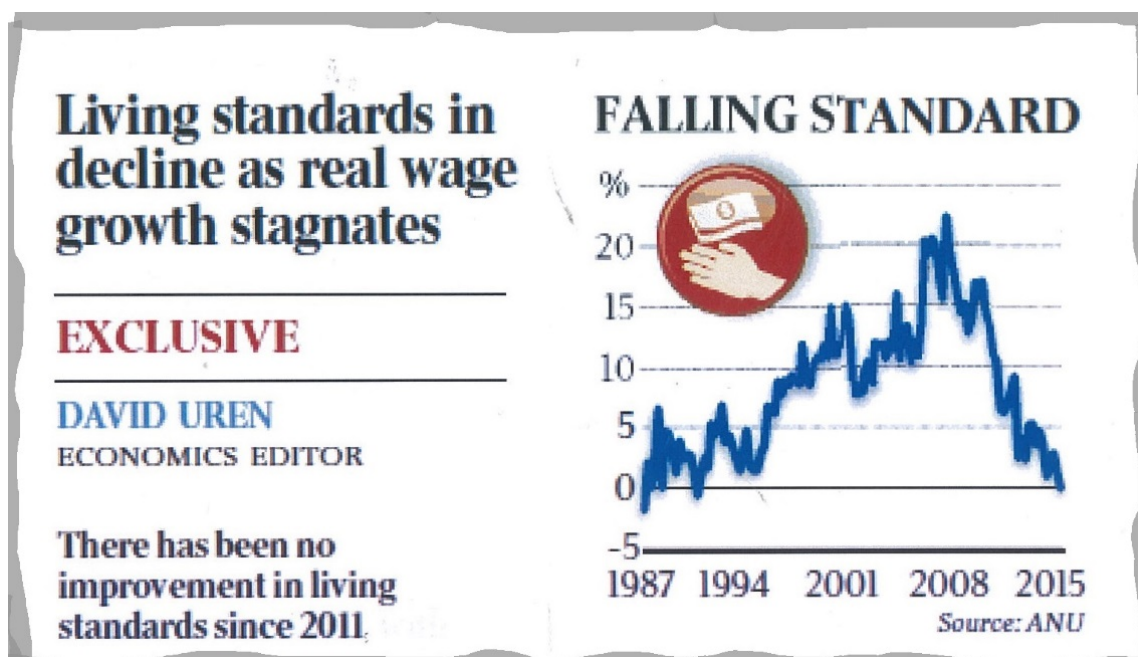
But we can fix the problem. This is a democracy and the majority can instigate change.

The key is to fix the tax system so it is not skewed in favour of wealthy multinationals and the 1% of wealthiest Australians.

Most importantly, it is the wealthy 1% who lobby for and primarily benefit from our staggering population growth – the highest in the developed world. The present growth will take us to over 100 million in Australia at the end of this century – when our grandchildren could still be alive. This keeps wages down and house prices up, provides more customers for big business, and also puts an impossible strain on our infrastructure and environment – resulting in mind destroying, gridlocked roads driving us to frustration.

Unfortunately, the majority of the workforce become worse off because the wealth of our country is finite – coming primarily from mineral reserves and primary production. Increasing the population results in less resources – therefore, less worth – per capita. Also, with automation and robotics there are going to be less and less jobs available.

For the first time ever, our living standards are in decline – other than for the wealthy. This is a catastrophe. Most importantly, much of our growth is being paid for by debt that future generations will be forced to pay back.



From the front page of *The Australian* newspaper dated 17 April 2017

I ask you to join me in returning fairness to the system

“...most of Australia’s workers currently have declining real wages.”

Bernard Keane, political journalist

Our forefathers went to war to keep this country free and keep a ‘fair go’ and ‘mateship’ in existence. They did this so the wealth could be shared, which is certainly not happening now.

The absolute greed of the very few is totally unacceptable in our so-called egalitarian society. Let’s do something about it.

We are told by our politicians that taxes on big business and the wealthy must be reduced even further so we can compete with other countries where taxes have already been reduced. These are the countries where the inequality between the wealthy and the poor is even greater than Australia.

At the suggestion of a friend of mine, I have decided to show leadership and attempt a change for the better. This will be done in the form of the Dick Smith Fair Go Group to influence one or both of the major political parties to come up with policies that reflect the interests of the 99%.

Of course it won’t be easy. The only way the major parties can be elected at the present time is by spending a staggering amount on election advertising, and this comes primarily from wealthy donors who have a vested interest in growth to provide more consumers to buy their products, keeping perpetual growth going.

Rather than start a new political party (a very difficult and slow undertaking), I have decided it would be more realistic and effective to influence the existing parties where they feel it most – at the ballot box.

With modern political parties only being elected with a 1% or 2% majority, it is clear that you only need a very small number of voters to tip the balance. That is the plan!

Good reading, and I hope you come on board as a supporter of the group. It’s free, but I would appreciate any donations to assist in communicating our plans.

Years ago I managed to create the Australian Geographic Society, with over 200,000 members. We had a major positive influence on many important conservation issues at the time. Wouldn’t it be great if we could get that number of like-minded people together to instigate important changes?

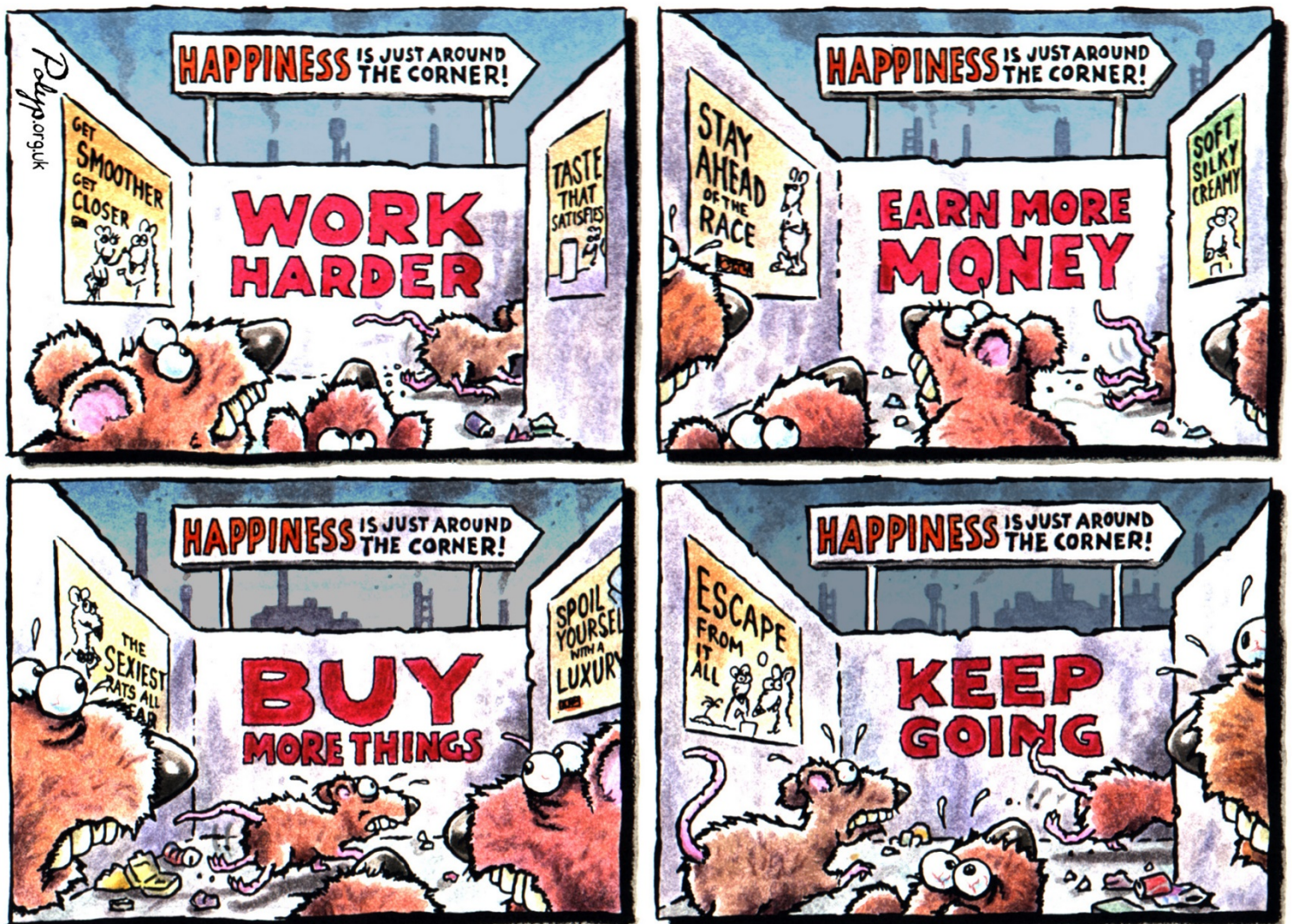
Regards



Dick Smith
dicksmithfairgo.com.au

Underlying principles

- A return to a fairer distribution of wealth – the egalitarianism that Australia was famous for.
- A return to kindness and mateship.
- Living in balance and removing the need for perpetual population growth currently underpinning our economy - just about all of our problems, both in Australia and world-wide, are harder to overcome with a bigger population.
- Home ownership – making it affordable again to have a home with a backyard and cubby house, and access to the natural environment.
- Living within our means, not racking up debt for our children to pay back.
- Extreme capitalism – reducing the necessity for this cruel system



Introduction

“Almost 5 million Aussies live pay cheque to pay cheque. In other words, there is nothing left – or less – at the end of the week, fortnight or month.”

Sun Herald February 15, 2017

Here are the plans of the Dick Smith Fair Go Group. What do we do about clearly non-sustainable perpetual population growth? What do we do about the increasing inequality as the rich get richer and the poor get poorer? How do we cope with a reduction in productive employment and job satisfaction due to robots and automation?

In rich nations such as Australia, the demographers tell us that the next generation will live shorter lives than their parents while levels of unhappiness and mental illness will be rising.

Most of us feel something is wrong but we don't know what to do about it.

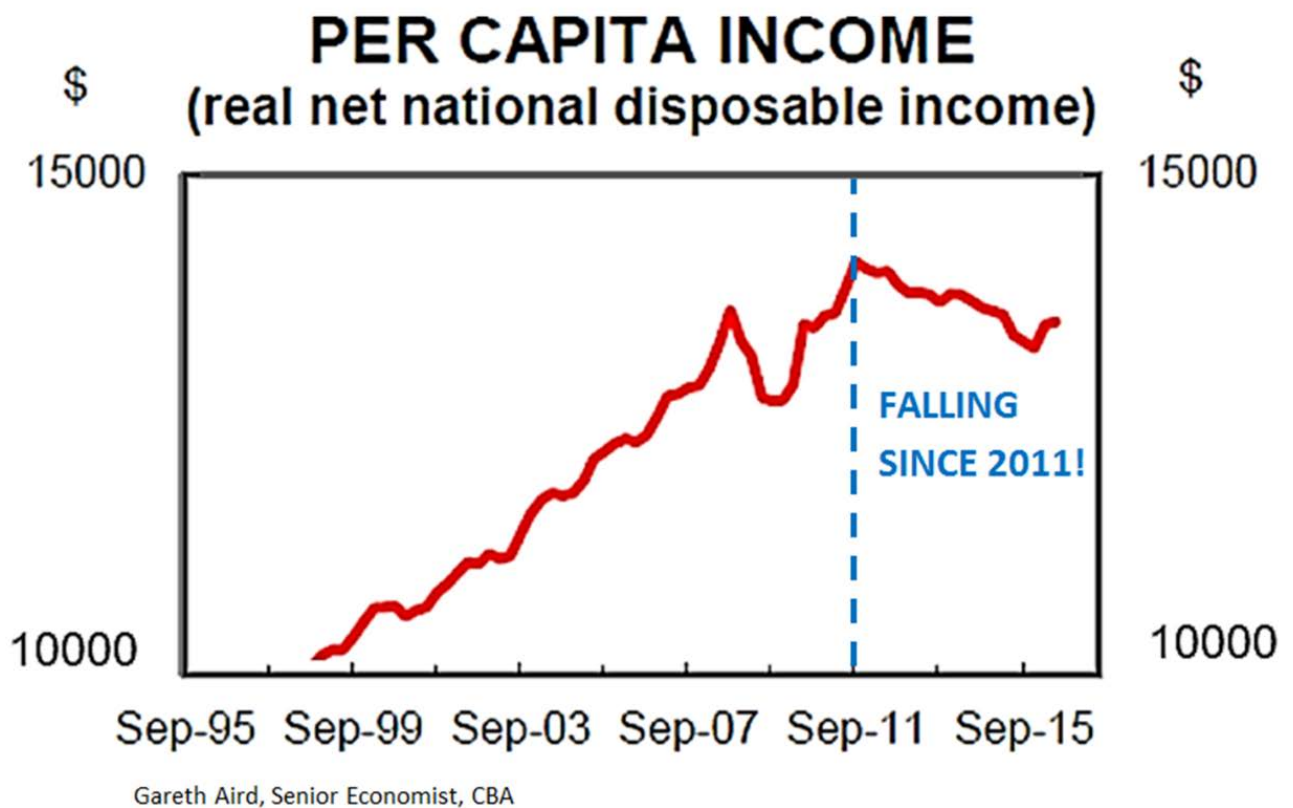
Surely our grandkids should have as good a life as we have had? That is a fundamental belief of the Group. The policy will be to have affordable housing, good access to health care, education and fulfilling jobs available with decent wages.

At the present time, Australian consumers spend an extra \$50 million per annum for free range chooks – but what about our ‘battery kids’ jammed into high rise buildings like termites?

“People wonder why their youngsters can't get housing in the big cities. The answer is we are going for breakneck population growth and it is all about the supply and demand.”

Bob Carr, former Foreign Minister

Income inequality increasing in Australia



The figures show that not only is there incredible wealth inequality in this country, but income inequality is increasing. Between 1988 and 2011, the poorest 10% of Australians received an increase in income of about 3%, while the richest 10% increased income growth of more than 28%. This is not fair, it is unAustralian.

"The latest economic figures in - while profits are up by 8.4% in the last quarter, the nation's wage bill fell by 0.5%."

Sydney Morning Herald, March 3 2017

How do we make it fairer for the 99%?

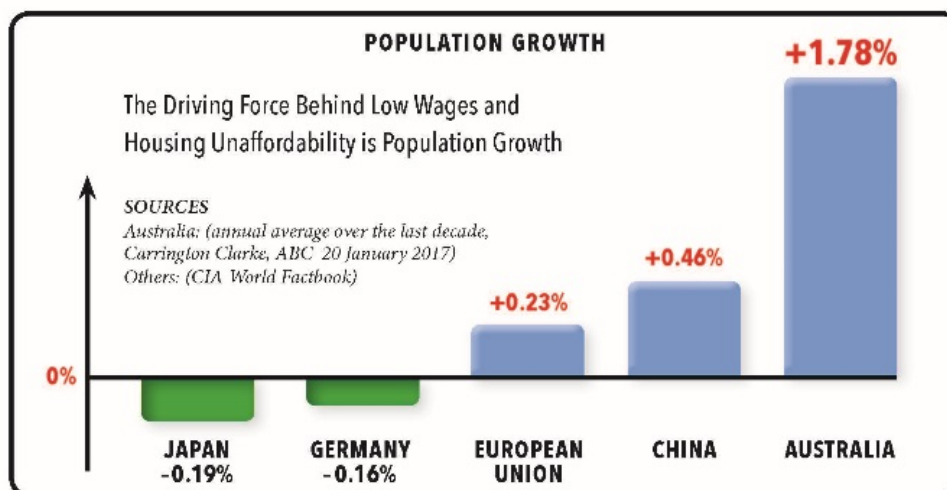
1. Reduce Australia's world record population growth – actually have a population plan – more people means less resources and wealth per capita

Aussie families can have up to 20 kids during their lifetime, but none do. This is because parents have decided the optimum number of children so they could give each child a decent life. Some families have four or five kids, others have one or none. At the present time, the average number of kids being born per family in Australia is about replacement level – showing how sensible Australian families are.

Yet our politicians have no similar plan for our country. They push for endless perpetual population growth which will clearly result in less wealth and resources per capita.

The former Treasurer Peter Costello claimed that Australian families should have one child for Mum, one for Dad, and one for the country. This was totally irresponsible.

The high population growth we have, primarily coming from record net immigration, disproportionately benefits big business and the 1% of wealthy Australians. This is because population growth results in less resources per capita, keeps wages down and also means more customers for big business. This is happening.



Population growth per annum

“... Harry Triguboff was asked about the potential oversupply of apartments in Sydney and Brisbane, leading to falling rents, to which he responded, ‘I will simply bring in more migrants.’”

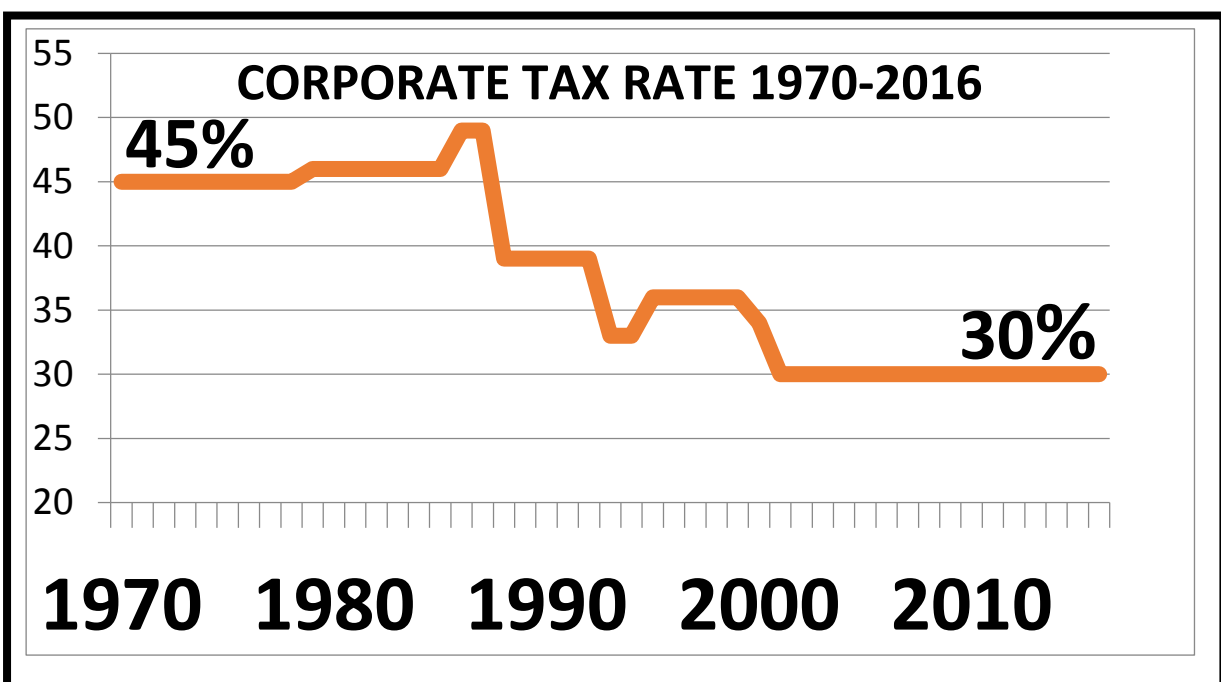
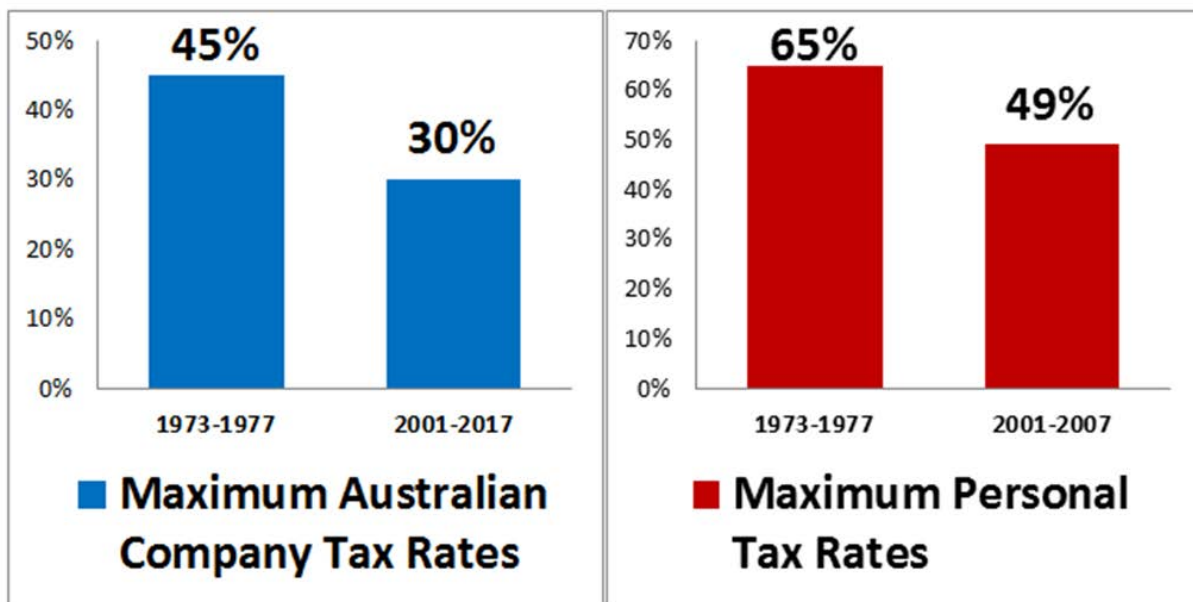
Australian Financial Review, 29 November 2016

Just about every problem we have in Australia today, from air pollution to income inequality, and health problems such as obesity, will be harder to fix by having more people.

We should follow recently retired backbencher Kelvin Thomson's 14 point plan (<http://dicksmithpopulation.com/wp-content/uploads/2010/05/Kelvin-Thomson-MPs-14-Point-Plan-November-2009.pdf>) in relation to population and immigration:

- a. Stabilise Australia's population at 26 million by reducing the net overseas migration program to 70,000 per annum (it is currently around 200,000.)
- b. A carefully screened refugee program of 20,000 for humanitarian reasons.
- c. Organise an Australian volunteer family to mentor each refugee family to assist them into becoming part of the Australian dream.

2. Fix the tax system so it is not skewed in favour of wealthy multinationals and the 1% of wealthiest Australians



Back in the 1970s, when Gerry Harvey, John Singleton and I started our businesses and made our fortunes, the company tax rate was 50% more than it is today and the top personal tax rate was 65%. Despite this, we, and lots of other business owners at the time, did very well and we were able to share the wealth in a more equitable way with our fellow Australians.

Since then, tens of millions of dollars have been spent by the wealthy, using the most astute corporate lobbyists to convince governments their taxes should be reduced.

The story goes like this. “Reduce the tax on us wealthy, and that will motivate us not only to work even harder and make more money, but also to put more money back in to promote business growth, and this will trickle down to all Australians, so everyone will benefit.”

It is a total con. The result is easy to see. With tax on the wealthy consistently lowered over the last 30 years, the rich have become richer while ordinary Australians have lost out – and our present Government policy is to reduce corporate taxes even further!

To reduce the unfair wealth concentration, the taxes should be put back to where they were in the 70s and extra taxes as shown below should be introduced.

3. Full openness of the tax paid by the 1% of our wealthiest Australians

For the lowest 70% of Australian wealth holders, it is hard to hide the tax that is paid. If you are a teacher, a policeman, a nurse, or work for a Government department, your pay rates can be easily found and the tax you are obliged to pay is on the public record.

However if you are part of the wealthy 1%, everything is secret. This benefits the wealthy who want to minimise their taxes – or pay no tax at all.

“48 Australian millionaires earned \$118 million ... paid accountants and lawyers \$22.2 million to reduce their taxable income to \$0 and pay tax of \$0.”

Sydney Morning Herald, April 20th 2017
(Source, ATO Tax Office statistics 2014/15)

We should introduce the Norwegian system for the 1%. That is, total transparency in tax returns.

See this link to the article from *The Guardian* [here](#) which explains the tax transparency provisions in Norway. It has been in place for over 100 years. The gross income and tax paid by the wealthy citizens who pay large amounts of tax are considered as heroes – as they should be.

●●○○ Vodafone AU 4G 21:51 57%

adressa.no

Skattelister 2015 for Osterøy Taxpayer for 2015

	INNTEKT	FORMUE	SKATT
1 Inge Arve Birkeland (1954)			
INNTEKT	Income	\$2,541,502	12 472 153
FORMUE	Fortune	\$5,009,185	24 582 039
SKATT	Tax	\$740,107	3 631 999
BOSTED	Residence		Osterøy
2 Nils Skjerping (1966)			
INNTEKT	Income	\$1,204,726	5 912 064
FORMUE	Fortune	\$5,679,921	27 873 605
SKATT	Tax	\$408,710	2 005 701
BOSTED	Residence		Osterøy
3 Alvar Håland (1950)			
INNTEKT	Income	\$1,061,373	5 208 575
FORMUE	Fortune	\$132,463	650 049
SKATT	Tax	\$307,997	1 511 463
BOSTED	Residence		Osterøy

The tax paid is completely transparent. This could work towards a complete change in the ethos of the wealthy. Instead of doing everything they can to minimise tax so they can buy a bigger waterfront house or a larger boat to show off, they will be able to do their showing off by letting people see how much they are putting back into making Australia such a fantastic country.

On the left is an example of what appears on an iPhone app of three taxpayers on the island of Osteroy in Norway. It is good to see that these three Norwegians pay substantial tax.

4. Tackle big business tax dodging by legislating full tax transparency

What could be fairer? I understand it is reported that Apple in Europe pay less than 0.005% tax. We don't even know what percentage of tax they pay here in Australia.

The greed and utter selfishness of these huge corporate giants is almost unbelievable. Take a look at this video on YouTube [here](#).

We must immediately legislate that all large organisations have totally transparent tax affairs, including their revenue, the number of employees, their assets, the profits, and every other detail that is necessary to make it completely clear what tax they are paying in our country.

They may threaten to leave Australia, but if we stand firm, they won't. These companies would rather make some money than no money.

Technology giants paying lpc tax

EXCLUSIVE

ADAM CREIGHTON
ECONOMICS CORRESPONDENT

HOW THEY COMPARE

	Income tax \$m	Tax as % of revenue
GOOGLE	16.6	1.5%
FACEBOOK	3.3	1%
APPLE	128.2	1.7%
EBAY	0.57	1.1%
PAYPAL	3.2	0.8%

Published in *The Weekend Australian*, May 20-21, 2017

“Microsoft, McDonalds and IBM are among dozens of multinational giants that have not signed up to the Federal Government’s tax transparency measures aimed at giving the public more details about company tax affairs.”

5. Fix the capital gains tax system

This has made the 1% wealthier, while the reduction in income to the Government means that the Budget does not balance and future generations will have to pay back the deficit.

When the Hawke and Keating Governments were in power, full tax was paid on capital gains, but the Howard Government changed this to only 50% in some circumstances. This makes the 1% even wealthier.

6. Prohibit the use of tax havens

Our Prime Minister has announced that he is reducing corporate tax because we in Australia have to compete with countries that pay lower tax. In effect, it is a race to the bottom.

It is all a complete con. For example, America has lower taxes because it provides fewer public services. They don’t have a proper universal health system, and the minimum wage they pay to government employees of less than \$10 per hour is about half the amount paid in Australia. They don’t share the wealth.

The only way Australia could pay the tax rates that are paid in America would be for us to increase the inequality even more than it is now, and make it closer to the United States – where they have over 50 million people on food stamps.

“New estimates show that just eight men own the same wealth as the poorest half of the world*.”

***3.5 billion human beings.**
Oxfam briefing paper, January 2017

7. Reward tax avoidance whistle-blowers

The tax avoidance industry in Australia, made up of big accountancy and legal firms, earns hundreds of millions of dollars, advising wealthy individuals, companies and foreign multinationals on how to avoid tax – throwing ethics to the wind.

In the UK, those involved in this tax evasion and aggressive tax planning who whistle-blow to the tax authorities are given a share of the penalty collected. This is a fantastic idea. The Australian Labor Party has said it would introduce a similar reward scheme, however they have capped the reward at \$250,000. It shouldn't be capped, it should be a large amount of money. The whistle-blower will know they can earn more money from the reward than from the normal enormous salaries that are paid by the tax minimisation and avoidance industry.

“Under Labor’s plan, individuals who highlight tax avoidance behaviour, tax evasion, aggressive tax planning and other tax issues could collect a share of the penalty collected. Labor plans to name and shame multinationals on tax evasion.”

Gareth Hutchins, The Australian, 13 May 2017

8. Encourage wealthy Australians to sign the Gates/Buffett “Giving Pledge”

“Of 6,000 Australians who have a taxable income of over \$1 million, over 2,000 make no claim at all for charitable donations tax deductibility.”

Australian Taxation Office (ATO)

Imagine that. One-third of our really wealthy donate zero to charity. Their accountant would ask at the end of the year, “Did you donate anything to charity?” “No.” The accountant would say, “But surely you gave \$50 to the Salvos on the Red Shield Appeal day?” “No.”

Those who sign the Giving Pledge commit to giving away more than half of their wealth to charitable causes – either during their lifetime or in their will.

Already, Australia's Andrew "Twiggy" Forrest has signed the pledge, along with such well-known people as Bill Gates, Warren Buffett and Richard Branson. See [here](#) for details.

Most importantly, see [here](#) to read the letters which the wealthy have submitted when signing the Giving Pledge. How fantastically inspirational they are, and it is great to see that there are a small number of the extreme wealthy who are happy to publicly commit to putting a huge amount of money back into society.

"From my parents' example, it was natural for me to continue the family tradition of trying to do some good in the world around me."

Margaret Adams (quote from a Giving Pledge letter)

Wouldn't it be great if more of the wealthy – especially the billionaires – in Australia signed the Giving Pledge. Maybe then, if joined by the other 1 percenters, the pitchforks won't come out as predicted by American billionaire Nick Hanauer.

9. Reintroduce inheritance taxes

It is almost unbelievable that in Australia today, when a billionaire worth \$12 billion dies, he or she can pass every cent of that money to their kids. This is the prime reason for the extraordinary wealth concentration and unfairness in our country.

Inheritance taxes by country

Ranking	Country	Exemption (\$AUD)	Top Inheritance tax
1	Japan	\$359,263.38 + plus \$71,852.68 for each heir	55%
3	France	\$2,704,405.85	45%
4	United Kingdom	\$520,844.22	40%
5	United States	\$1,339,046.60	40%
20	Australia		0%

In the UK, inheritances of over \$520,844 (Australian dollars) require 40% to be shared with the general population. I certainly support this, and I'm glad to say that John Singleton's business partner Mark Carnegie also does. This is what he has said:

"As to the inheritance tax, my position has been consistent, which is I don't believe the only tax-free occupation in Australia should be sitting on a Toorak coffee bar waiting for your dad or mum to die."

Mark Carnegie, ABC Lateline, 4 October 2011

Of course, legislation will have to be introduced to stop the rich from rorting the system and paying no inheritance taxes at all. This is clearly what happens in the USA, as they have the most staggering difference between the wealthy and poor in world existence.

10. Increase the tax on the wealthiest 15% by 15%

The best short term way of bringing some fairness back into the system is to follow Mark Carnegie's suggestion to increase the tax on the wealthiest 15% by 15%.

[Here is a link to his interview on Lateline on 4 October 2011.](#) This is a great initiative to consider would bring some fairness back into the system. The 15% tax increase would raise \$13 billion per annum, and untold billions would be raised by an inheritance tax.

Businessman Mark Carnegie is calling for the wealthiest 15 per cent of Australians to pay an extra 15 per cent in tax.

"...my proposal is that the richest 15 per cent of the community pay 15 per cent more tax in order to set ourselves up optimistically and positively for the next generation, and the generation after that."

Mark Carnegie

Perhaps inheritance taxes could go by law into the future fund. We could follow Norway in developing a substantial fund that will assist both present and future generations.



11. Change our perpetual growth Ponzi-type economic system

It is clear that it is impossible to have perpetual growth in a finite world. However that is what our politicians tell us every day. Every time you hear a politician mention the word 'growth' – and Labor, Liberal and the Greens mention the word – make sure you put the word 'endless' in front so it is 'endless growth,' or more to the point, 'endless greed'.

The politicians know that big population growth keeps Gross Domestic Product (GDP) numbers artificially inflated, which makes them look like better economic managers than they really are.

We can still have growth, but it needs to be a different type. That is, growth in quality not quantity, and growth in efficiencies – not just digging more and more out of the ground.

When the former Prime Minister Kevin Rudd said he believed in a big Australia of 36 million it was almost universally condemned – not only by 8 out of 10 of the public, but by most politicians. Yet we are now going to a bigger Australia than that – to over 100 million at the end of this century – with our present record population growth.

It is clear we need a plan. That plan should be one of reducing immigration levels so that our population stabilises.

12. Political donations

It is clear that our present system of political donations is why the wealthy 1% have far more power politically than the other 99%. All political donations should be banned. The \$74 million currently donated and used to fund political parties could come from an additional tax placed on the wealthy.

13. Overseas aid to concentrate on assisting population stabilisation.

Our present \$5 billion in overseas aid should be concentrated on assisting other nations stabilise their population. The fact that the United Nations claims that the world will go from 7 billion to either 10 or 12 billion shows a catastrophe in the making.

Access to safe and affordable family planning should be a basic human right, along with access to nutrition, health and education. We must ensure that every child born is a wanted child, and has the opportunities to enjoy a safe and healthy life.

We will help to reduce the rate of the world's population growth by directing more of Australia's overseas aid budget to educating and empowering girls and women, giving them better access to family planning and advocate in the United Nations for other countries to do the same.

14. Move away from GDP as a measure of success

The Gross Domestic Product is a historic relic that has outlived its usefulness. It does not measure the satisfaction and happiness of the citizens. We should move to something like the General Progress Indicator for judging the success of our society and our politicians.

15. Measure and publicise the inequality index

It is clear that over the last 30 years, inequality has been increasing in Australia. A yearly figure should be published by the Government showing how we start to correct this. That is, that the 1% don't continue to have the same wealth as 70% of the lowest Australians.

Become a supporter of the Dick Smith Fair Go Group

Pledge

Yes! Please include me as a foundation supporter for the new Group. I understand the Dick Smith Fair Go Group is not a political party. It is simply a group of concerned Australians who wish to return to a more egalitarian society.

Optional donation

See the donations section on
dicksmithfairgo.com.au

Special note from Dick Smith

Why am I doing this?

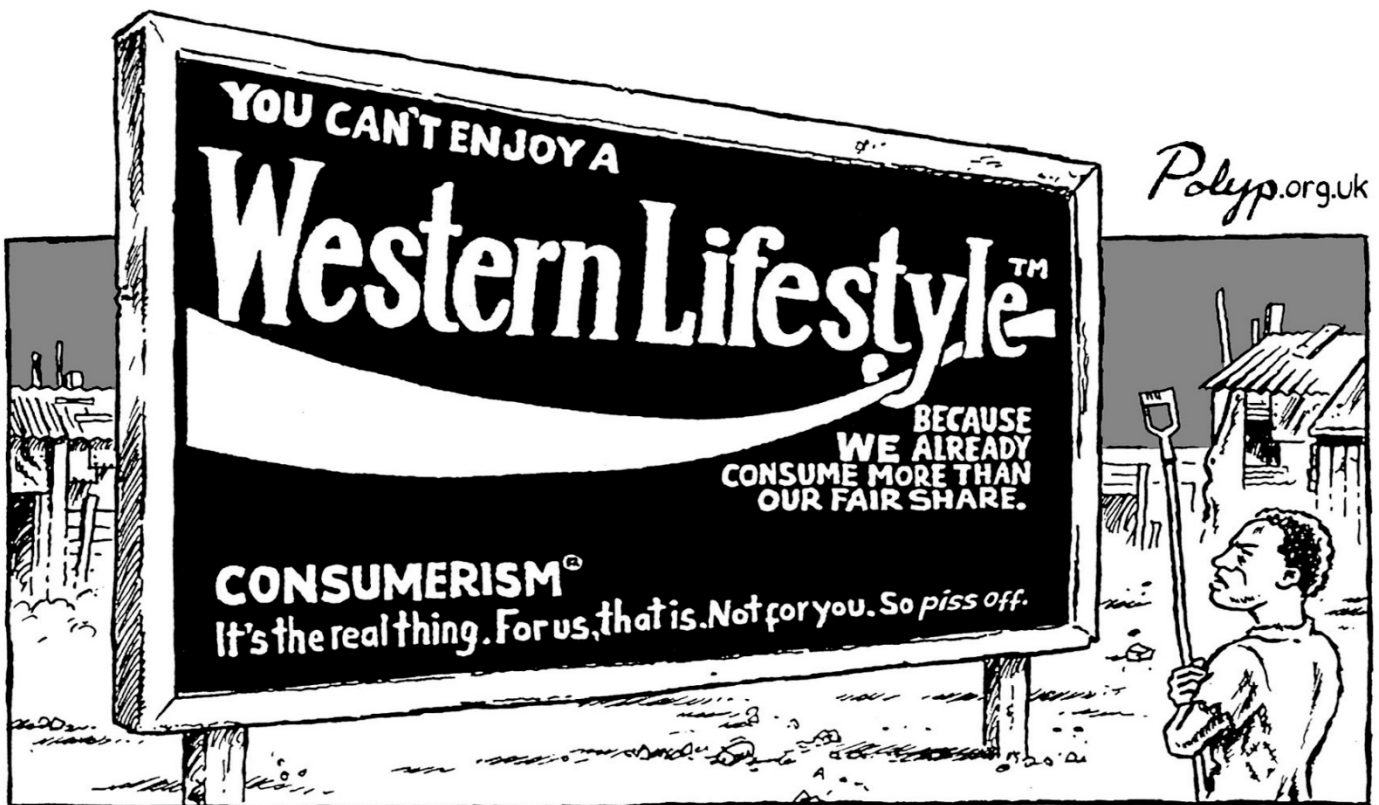
As I am clearly a member of the 1% group, some would say, **“Dick, why, as a right wing capitalist, are you ratting on your mob?”**

The reason I am taking this action is self-interest. That is, a concern for my grandchildren. It is obvious that our economic system has gone off-track.

I have benefited greatly from growth and it would have been easier for me to say nothing. However, that would be a cop out.

Rather than wait for the pitchforks to come out – with the resultant misery and deaths, I think we should be moving to restore fairness and live in balance now. I hope you will come on board as a supporter.

dicksmithfairgo.com.au



Polyp.org.uk

“In absolute numbers, more illiterate, improvised, and chronically malnourished people live in the world at the end of the 20th century than at the beginning.”

Marvin Harris

“Anyone who believes in indefinite growth on a physically finite planet is either mad or an economist.”

Sir David Attenborough

“High population growth: good for the rich, bad for the rest of us.”

Eric Claus

dicksmithfairgo.com.au