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CC: The Hon Fiona Scott MP, Member for Penrith  
Senator the Hon. Marise Payne, MLC, Senator for NSW

Dear Sirs and mesdames

### **Senate Enquiry into Corporate Tax Avoidance**

Alerted by a friend to the imminent deadline for submissions on the above enquiry I have taken the trouble of looking at some of the (few) submissions available from the Senate Enquiry's website. My comments are from the perspective of a retired NSW public servant with little or no understanding of the tax system but a concern for the need to increase revenue for government programs, both current and needed for future initiatives.

Like many civilians I am concerned that health care should be adequately funded for present and future needs, including the increasing use of costly therapies. The assertion, if true, that nursing salaries in real terms have not increased for a decade is simply a disgrace to all governments, and the same applies for professional carers. Funding of the NDIS needs to be secure. The Gonski reforms are likewise hampered by lack of funding, and cutting back university funding to enable the Gonski reforms to be partially implemented does not make sense. I am not against requiring universities to charge fees, or the system of HECS, as human nature tends not to value what is received free of charge. However, keeping fees down would be desirable to encourage commitment to higher education.

I want to see a medical research fund established and more funding to blue sky and scientific research.

It is axiomatic that we all want to live in societies that are fair and that support individuals, encourage enterprise, and so far as possible, enable every member of that society to have what s/he wants without disadvantaging others. This is not at all easy to achieve, however, and the increasingly vast range of government initiatives demanded by the populace requires massive funding on the part of governments. Accordingly, tax collection needs to be as simple, fair and transparent to administer as possible, and corporations must pull their weight in this endeavour. It also is more effective to build on existing bureaucratic mechanisms rather than introducing measures that require new bureaucracies, at tax-payer expense, for implementation and oversight.

I am impressed by the Queensland Nurses' Union submission and write to add my small and not very well informed voice in support of some of their recommendations, specifically:

***"The QNU calls on the federal government to implement a financial transactions tax at rates of around 0.05% (5 cents for every \$100 being traded)."***

This for me is the standout recommendation, well aimed, presumably straightforward to implement electronically, and capable of providing a good yield while tending to 'calm' risky speculative behaviours.

***"Require large corporations to provide more public disclosure and transparency."***

This must be a basic starting point of any structure that administers such a complex body as a tax system. If you don't know what you are dealing with, attempts to regulate are relatively meaningless.

***"Require greater transparency from multinational corporations, including country-by-country reporting. Consolidated annual reports should include revenues, profits, staffing levels and taxes paid in each country in which they operate or have subsidiaries."***

This seems to be to be a subset (or perhaps a superset) of the above, nationally-focused point, and likewise would provide a basic building block for improved regulation, administration and enforcement.

***"Support the OECD's Action Plan on Base Erosion and Profit Shifting and pressure secrecy jurisdictions to end their status as such through effective cooperation with other governments to combat tax evasion, tax avoidance and money laundering."***

As I understand it, moves are already afoot on this recommendation.

***"Support the automatic exchange of information on tax matters between tax authorities of different countries, with appropriate safeguards, and follow through on its commitment to implement automatic exchange of information on tax matters into Australian law."***

Again, my understanding is that this is being actively pursued through the G20 process.

***"Increase fines for tax evasion and extend laws to effectively cover the full range of corporate tax avoidance strategies."***

My understanding on this point is that most Australian corporations evade tax legally, through loopholes in the extremely complex laws, so streamlining the law and closing loopholes needs to occur first, supported by strong enforcement measures and hefty penalties. Was this covered in the much ignored Henry Report?

Thank you for considering my submission.

Yours sincerely

Eileen Ross