

Parliament of the Commonwealth of Australia

**SENATE ECONOMICS LEGISLATION
COMMITTEE**

**CONSIDERATION OF LEGISLATION
REFERRED TO THE COMMITTEE**

A New Business Tax System (Integrity Measures) Bill 2000

June 2000

Commonwealth of Australia

ISSN 1326-9321

This report was printed by the Senate Printing Unit, Parliament House, Canberra.

Senate Economics Legislation Committee

Core Members

Senator B Gibson (Chair)	(Tasmania, LP)
Senator S Murphy (Deputy Chair)	(Tasmania, ALP)
Senator G Campbell	(New South Wales, ALP)
Senator G Chapman	(South Australia, LP)
Senator A Murray	(Western Australia, AD)
Senator J Watson	(Tasmania, LP)

Substitute Members

Senator B Greig to substitute for Senator Murray for resources issues

Participating Members

Senator E Abetz	(Tasmania, LP)
Senator R Boswell	(Queensland, NPA)
Senator B Brown	(Tasmania, AG)
Senator P Calvert	(Tasmania, LP)
Senator S Conroy	(Victoria, ALP)
Senator P Cook	(Western Australia, ALP)
Senator H Coonan	(New South Wales, LP)
Senator W Crane	(Western Australia, LP)
Senator A Eggleston	(Western Australia, LP)
Senator J Faulkner	(New South Wales, ALP)
Senator A Ferguson	(South Australia, LP)
Senator J Ferris	(South Australia, LP)
Senator B Harradine	(Tasmania, Ind)
Senator S Knowles	(Western Australia, LP)
Senator R Lightfoot	(Western Australia, LP)
Senator K Lundy	(Australian Capital Territory, ALP)
Senator B Mason	(Queensland, LP)
Senator J McGauran	(Victoria, NPA)
Senator M Payne	(New South Wales, LP)
Senator J Quirke	(South Australia, ALP)
Senator A Ridgeway	(New South Wales, AD)
Senator C Schacht	(South Australia, ALP)
Senator N Sherry	(Tasmania, ALP)
Senator T Tchen	(Victoria, LP)
Senator J Tierney	(New South Wales, LP)

Secretariat

Peter Hallahan, Secretary
Alistair Sands, Principal Research Officer
Angela Lancsar, Executive Assistant

SG.64, Parliament House
Canberra ACT 2600

Tel: 02 6277 3540

Fax: 02 6277 5719

Contents

Membership of the Committee	iii
Report	
Reference of the Bill to the Committee	1
The Committee's Inquiry	1
The Bill	1
Background: The Review of Business Taxation	1
Measures in the Bill	2
Comparison of key features of new and current law	4
Issues in Evidence	5
Recommendation	8
Labor Senators' Minority Report	9
Australian Democrats' Minority Report	11
Appendices:	
Appendix 1: List of Submissions	17
Appendix 2: List of Witnesses Appearing Before the Committee	19

REPORT

Reference of the Bill to the Committee

1.1 The New Business Tax System (Integrity Measures) Bill 2000 was introduced into the House of Representatives on 13 April 2000. Following a report by the Selection of Bills Committee, the Senate referred the Bill to this Committee on 8 June 2000 for examination and report by 20 June 2000.¹

1.2 In particular, the Committee was asked to consider the non-commercial loss provisions and 13 month prepayment rule contained in the Bill.

The Committee's Inquiry

1.3 The Committee invited a number of interested parties to make submissions on the Bill, in addition to advertising the inquiry on the Parliament website. The Committee received 18 submissions to the inquiry (see Appendix 1).

1.4 The Committee held a public hearing on the Bill in Canberra on 19 June 2000. The witnesses who appeared at the hearing are shown in Appendix 2.

The Bill

1.5 The Bill contains two major integrity measures. Originally recommended in the Review of Business Taxation chaired by John Ralph AO, the Government announced on 11 November 1999 that it would adopt the measures. The measures intend to:

- limit the extent to which taxpayers can use non-commercial losses to reduce tax paid on their other income; and
- require that prepayments for services under tax shelter arrangements be deducted over the period during which the services are provided, rather than being immediately tax deductible.

Background: The Review of Business Taxation

1.6 The Review of Business Taxation (RBT) – the so-called “Ralph Review” – explored both the impact of non-commercial losses on the revenue and the existing rules on prepayments.

Non-commercial losses

1.7 The Review noted that significant revenue leakage results from the losses of unprofitable activities carried out by taxpayers, individually or in partnership. While these activities may possess business-like characteristics, often in reality they amount to hobbies or lifestyle choices which rarely make a profit and do not have a major commercial purpose:

1 Selection of Bills Committee Report No. 8 of 2000, dated 8 June 2000.

On average they make little or no contribution to the revenue raising task but gain a significant tax advantage.²

1.8 Taxpayers offset the net losses flowing from these activities against other primary income, often salary and wages.

1.9 The Review recommended a systemic solution to this issue rather than continuing to rely on the current law and case-by-case approach which is resource intensive to administer.

Prepayment

1.10 The Review considered that the existing law on prepayments – which allows for an immediate deduction for advance expenditure incurred – is inappropriate on a number of grounds: it is inconsistent with accounting practice; it also provides inconsistent treatment between payers and payees; and it allows the potential for immediate deductibility for expenses relating to services over three income years. As a consequence:

Because of its tax deferral advantages, the rule has been used by some taxpayers as a key feature of a number of schemes and arrangements to avoid tax.³

1.11 Apart from some limited exceptions, the Review recommended that prepayments be allocated over the income years to which the payments relate both for taxpayers incurring the expenditure and also taxpayers receiving the payment.

Measures in the Bill

1.12 The Bill is divided into two parts relating to non-commercial losses and prepayment deductions.

Non-commercial losses

1.13 The Bill amends the *Income Tax Assessment Act 1997 (ITAA)* by limiting the extent to which non-commercial losses from an individual's business activities can be used as tax deductions to reduce the tax paid on other income such as wages and salary.

1.14 The amendments are intended to ensure that individual taxpayers conducting a business activity alone or in partnership may only claim a loss from that activity in an income year against their other income in that year if they satisfy one of five tests. If one of the tests is not met, the taxpayer can defer the loss to a future year. Where one of the tests is met in a future year, deferred losses can then be offset against assessable income in that year.

1.15 The new measures will apply for the 2000-2001 and subsequent income years. They do not affect the current treatment of losses incurred in receipt of passive income from activities which do not constitute the carrying on a business (eg, rent from a negatively geared investment property, dividends from shares or interest on financial investments such as infrastructure bonds).

2 RBT, *A Tax System Redesigned*, p. 297.

3 RBT, *A Tax System Redesigned*, p. 172.

1.16 Primary producers who receive less than \$40,000 (excluding net capital gains) are not affected by the measure.

1.17 The five tests, one of which needs to be satisfied to enable losses from a business activity to be deducted against other income, are summarised in the table below.⁴

<i>Test</i>	<i>Description</i>
1	<i>Assessable income test:</i> Assessable income from a business activity is at least \$20,000.
2	<i>Profits test:</i> The business activity produces profit (for tax purposes) in at least 3 out of the last 5 years including the current year.
3	<i>Real property test:</i> Value of real property in carrying on a business is at least \$500,000.
4	<i>Other assets test:</i> Value of other assets used in carrying on a business is at least \$100,000.
5	<i>Safeguard rule: Commissioner's discretion:</i> Commissioner may exercise a discretion to allow losses where the business is affected by special circumstances (eg, natural disasters such as flood, drought, bushfire etc) or is in its start-up phase.

Prepayment

1.18 The Bill also amends ITAA 1936 to prevent prepayments under tax shelter arrangements being immediately deductible. According to the Explanatory Memorandum to the Bill:

The [new] rules do not affect the entitlement to the deduction nor the amount which may be deducted, rather they alter the *timing* of deductibility of prepayments made under those arrangements.⁵ [emphasis added]

1.19 Under the new rules, deductions for expenditure will be apportioned over the period that the prepaid benefits are provided. An “apportionment rule” will determine the amount a taxpayer may deduct for each income year.

1.20 The following specific prepayments are excluded from the scope of the new measure:

- interest for the acquisition of, and building, contents and rent protection insurance in respect of, real property;
- interest for the acquisition of listed shares and widely held units;

4 Fuller explanation of the tests, including illustrative examples, can be found in the Explanatory Memorandum to the Bill, pp. 14-22.

5 Explanatory Memorandum, p. 26.

- interest on a loan used to acquire infrastructure borrowings under the former tax exempt infrastructure borrowing scheme;
- prepaid ‘excluded expenditure’;
- those made under a pre-existing contractual obligation that existed before 1pm, by legal time in the Australian Capital Territory, on 11 November 1999; or
- those made under arrangements which, prior to the announcement of the measure, had obtained, or had applied for and later obtained, a favourable ATO product ruling in respect of the arrangement.

Comparison of key features of new law and current law

1.21 This table compares key features of the Bill with the existing position.

<i>New Law</i>	<i>Current law</i>
<p>Individual taxpayers ‘carrying on a business’ activity may only claim the excess of deductions over assessable income from the activity against their other income if one of the 4 tests is satisfied, or the Commissioner exercises a discretion.</p>	<p>Individual taxpayers ‘carrying on a business’ may claim the excess of deductions over assessable income from the activity against their other income, such as personal services income, thereby reducing their taxable income and tax payable.</p>
<ul style="list-style-type: none"> • All taxpayers who incur expenditure in respect to tax shelter arrangements must claim deductions for the expenditure over the period that the services are provided, unless the expenditure is: <ul style="list-style-type: none"> – interest, or building, contents or rent protection insurance in respect of certain negatively geared investments in real property, listed shares or widely held units; – interest in respect of infrastructure borrowings; – made under an irrevocable pre-existing commitment; or – in respect of an arrangement for which a favourable ATO product ruling had been obtained or prior to the commencement, had been applied for and acknowledged, and was later obtained. • Prepayments to which the new rules do not apply will continue to be covered by the current law. 	<ul style="list-style-type: none"> • A taxpayer carrying on a business, who is not a small business taxpayer, must spread deductions for prepayments incurred in carrying on a business over the period the prepayment covers. • Prepayments for things to be done within 13 months for small business or non-business taxpayers are immediately deductible. • All taxpayers must spread prepayments for things not to be done within 13 months over the period the prepayment covers.

Issues in Evidence

1.22 The Committee was charged with examining the non-commercial loss provisions and new prepayment rules contained in the legislation. The evidence to the inquiry concentrated solely on the non-commercial loss provisions; none of the evidence touched on the prepayment rule.

1.23 Consequently, the Committee has confined its attention to issues raised in relation to the non-commercial loss measures, particularly their expected impact on two sectors, the arts community (eg, artists and authors) and primary producers. These groups of witnesses noted concerns with the legislation under two general areas:

- the nature of the tests; and
- the economic impacts, not only on their own specific sectors but also the wider ramifications for Australia's information economy and regional economies.

1.24 It is important to note that a two step assessment process applies to everyone. The first step is the existing test determining whether the individual is carrying on a business. The second step is the measures in the bill. The new measures do not replace the general law tests that determine whether an individual is carrying on a business activity.⁶ As Mr Butler, representing the ATO, explained:

There are those two hurdles. The first hurdle is: are you carrying on a business? If you are not carrying on a business then no deductions are liable. The second hurdle is: if you are carrying on a business, is it a non-commercial business? To escape the law as proposed under this bill you need to satisfy one of the tests put forward or have the commissioner exercise a discretion. It is like a two-step process.⁷

The tests - artists' and authors' concerns

1.25 Organisations representing artists and authors claimed that some artists may have difficulty meeting any of the tests. For instance, the Australian Society of Authors (ASA) stated:

Especially when they embark on their careers, writers will not earn anywhere near \$20,000 from their writing, they will rarely make sustained profits and they will never be able to invest \$100,000, or own property relating to their writing valued at \$500,000 or more.⁸

1.26 However, Mr Lowenstein, a partner in an accounting firm that acts as tax advisers to about 800 artists, considered that the measures would not affect all artists:

I would stress that the introduction of this legislation will not affect the established artists. They are the ones who will be able to satisfy at least one of the criteria. It will affect those artists who are already struggling to make ends meet and who can

6 See Explanatory Memorandum, p. 3.

7 Evidence, p. E 18.

8 Submission No. 10, p. 2.

least afford to forgo the tax deductions on the losses from their art related activities.⁹

1.27 These organisations also contended that the measures in general and the tests in particular reverse a 1998 agreement between arts groups and the Australian Taxation Office (ATO) on the defining characteristics of a genuine artistic business as opposed to arts hobbyists. These groups claimed that the definitions agreed to by the ATO accepted that relying on dollar-based criteria was inappropriate for the arts sector.

1.28 Mr Butler indicated that the earlier collaborative work done by the ATO and arts groups on the defining characteristics of a genuine arts business would still apply for first step of the process relating to whether an activity was a business.¹⁰

1.29 Arts bodies proposed an amendment to the legislation that would allow arts and cultural producers whose non-art income is less than \$40,000 to offset their business losses against that income without having to meet the other tests. According to Ms Browne of the Arts Law Centre of Australia:

We want, like primary producers, an exemption and parity with the exemption given to primary producers.¹¹

The tests - primary producers' concerns

1.30 Witnesses representing primary producers also suggested changes to the tests. The National Farmers' Federation (NFF) recommended that the Commissioner's discretion be broadened better to reflect the conditions that affect start-up businesses. The NFF also recommended that the profits test be amended from requiring an activity to make a profit three years out of five to two years out of five.¹² In evidence, officials noted that requiring a profit in two from five years might be relatively easy to satisfy, to the extent that the timing of expenses is flexible and open to manipulation.¹³

1.31 The ATO indicated to the Committee that a public ruling on the start-up phase of business is currently being prepared and, following the Committee's hearing, would be expedited. The ruling would complement the legislation and assist in clarifying for taxpayers the ATO's view on how the Commissioner's discretion will be able to be exercised in the start-up phase and when taxpayers are faced with special circumstances such as natural disaster.¹⁴

1.32 The Committee is concerned that generally, the rulings system significantly lags behind the date of effect of legislation. There may be a need to develop a mechanism to provide more certainty to primary producers in the start-up phase of enterprises. The Committee draws this matter to the Government's attention for further consideration.

9 Evidence, p. E 6.

10 Evidence, p. E 20.

11 Evidence, p. E 4.

12 Submission No. 9, pp.2-3.

13 Evidence, p. E 14.

14 Evidence, p. E 15.

Impact of the measures

1.33 Witnesses representing both the arts and primary production sectors predicted that the measures could put significant numbers of genuine producers in both sectors out of work.¹⁵ Officials from the Treasury and the ATO indicated to the Committee that the total number of taxpayers expected to be affected by the non-commercial losses provisions is almost 177,000. In relation to the arts community, the ATO stated that of the 25,000 taxpayers who identify themselves as artists in their tax returns, 8,792 may be affected by the legislation. The ATO noted that its data on artists is not entirely reliable as it depends upon taxpayer self-identification as to their profession. The ATO stated that a larger number of people who consider themselves as artists could also be affected by the legislation but these people have not declared themselves as artists for tax purposes.¹⁶

1.34 Witnesses representing the arts community and primary producers also argued that the repercussions of the measures might not be isolated to their own sectors but may have a ripple effect on other areas of the economy. If the writing industry were to suffer as a consequence of the legislation, the ASA claimed that this could erode Australia's information economy and result in Australia becoming a "cultural importer".¹⁷ Mr Peter Andren, MP, expressed concern that no official assessment appears to have been done on the wider impact of the legislation on regional economies.¹⁸

1.35 Mr Andren also raised the possibility of potential for adverse environmental impacts. He suggested that land-holders may reduce their expenditure on land care and other environmental management work if they are unable to offset those costs for tax purposes against their off-farm income.¹⁹

1.36 The NFF supported Mr Andren's recommendation that a deduction should be allowed for land care and environmental expenses:

We certainly agree with that. We think that that is a extremely important part of the role of the government in helping farmers to assist the environment and we think that that would be obviously a measure that would be of great assistance. It is not talking about a large amount of dollars at the end of the day anyhow, but it is still encouraging people to do the right thing.²⁰

1.37 The impact of the measures on welfare expenditure was another area raised in evidence. The Arts Law Centre of Australia suggested that the measures may cause some artists to switch to full time work at the expense of their art work or access welfare to concentrate on their arts activity full time.²¹ The NFF noted:

15 Submission No. 5, p. 1, Submission No. 3, p. 3, Submission No. 9, p. 2.

16 Evidence, pp. E 16-17, E 20.

17 Submission No. 10, p. 3.

18 Evidence, p. E 1.

19 Evidence, p. E 1.

20 Evidence, p. E10.

21 Submission No. 1, p. 2.

Denying genuine small-scale farmers the ability to claim their losses may lead to loss of jobs in rural communities and new applicants for family welfare payments, putting a further burden on welfare.²²

Recommendation

1.38 The Committee recommends that the Senate pass the Bills.

Senator the Hon Brian Gibson
Chairman

22 Submission No. 9, p. 2.

LABOR SENATORS' MINORITY REPORT

Labor Senators reserve their position on this legislation.

Senator Shayne Murphy
Deputy Chairman

Senator George Campbell

AUSTRALIAN DEMOCRATS MINORITY REPORT

The Bill

The *New Business Tax System (integrity Measures) Bill, 2000*, seeks to introduce two major integrity measures as recommended by Mr John Ralph, AO, Chair of the Review of Business Taxation in 1999

The Committee was charged with examining these integrity measures, namely the non-commercial loss provisions and the new prepayment rules proposed in the Bill.

The evidence to the inquiry at the public hearings conducted by the Committee on 19 June, 2000 focussed on the non-commercial loss provisions of the Bill and the likely impacts their implementation will have on the arts sector and primary producers.

Issues in Evidence

The Australian Democrats are primarily concerned about the likely economic impacts of the non-commercial loss provisions on the arts sector, and more generally the Australian economy.

The Australian Democrats consider the concerns of the organisations representing artists and authors who gave evidence at the public hearing to be very valid.

The bulk of artists are unlikely to sustain a living from their art work for at least five to ten years; perhaps not at all. Yet they make a significant contribution to our national well-being that cannot be calculated in dollar terms.

These struggling artists may still, for taxation purposes, consider themselves a business, yet never find themselves in position where they can satisfy one of the 'tests' outlined in the non-commercial loss measures, or come under the discretion test of the Tax Commissioner.

The Australian Democrats consider that the likely number of artists to be affected by this Bill far exceeds the ATO's conservative estimate of 8,792, which is based solely on those who identify as artists in their tax returns. This figure is unlikely to reflect the numbers of emerging artists whose primary income is in non-art related work – precisely the people who will be affected by the implementation of this Bill.

The Australia Council estimated in 1999 that there are perhaps some 40,000 professional artists in Australia.²³

The National Association of the Visual Arts (NAVA) estimated the overall number of artists in Australia to be about 80,000.²⁴ It is NAVA's view that the economic fortunes of artists will fluctuate throughout their professional careers, and it is likely that a majority of artists will at one time or another, be affected by the provisions of this Bill.

23 Australia Council (1999) *Fact Sheet: The Arts in Australia: March 1999*, The Australia Council, Sydney, p.2.

24 Submission No. 5, p. 2.

The Australian Democrats share the concerns expressed by the Arts Law Centre that this Bill would present almost insurmountable obstacles to the establishment of many artistic careers. The cost of these obstacles should not only be measured in dollar terms, such as increased pressures on social welfare payments. The cost must also be calculated in cultural and artistic terms.

Australian Democrat Conclusions

The Australian Democrats support the principle of limiting the extent to which taxpayers can use non-commercial losses to reduce the tax paid on their other income. That said, such an integrity measure needs to be exercised with care to ensure that individuals carrying on genuine businesses but supplementing their income from other sources are not affected adversely.

The Democrats are concerned that, in its current form, the legislation will have negative repercussions on genuine arts and cultural producers who find it necessary to support themselves and their artistic endeavours with non-art income.

It is already recognised in the legislation that protection should be granted to some genuine primary producers who find it necessary to support themselves with off-farm income. Primary producers who earn off-farm income of less than \$40,000 will not be affected by the new measures. In the Bill's Second Reading Speech, the Treasurer's explanation for this exemption noted that:

This assists those small primary producers who find it necessary to support themselves through moderate amounts of off-farm income (particularly during periods of hardship), while genuinely, at the same time, seeking to pursue their farm activities.

Many genuine professional artists face similar circumstances. Lengthy production times and fluctuating income mean that many artists, both emerging and established, must supplement their art income with other sources of earning. Periods of hardship are as much a reality for artists as they are for small scale primary producers. However, as it stands, the legislation only recognises this point in relation to primary producers and not for professional artists.

This shortcoming in the legislation should be, in the Democrats view, remedied by extending the exemption for primary producers to professional artists as well. The Democrats recommended amendment to the Bill is attached.

In addition to the equity reasons for exempting professional artists who come under the \$40,000 threshold, it should be noted that the risk to the revenue of extending the exemption can be considered reasonably low.

As noted in the Majority Report, the ATO and arts groups have collaborated on establishing a set of characteristics for defining genuine artistic businesses. In evidence, the ATO indicated that this collaborative work had been successful helping both the ATO and professional artists to sort out genuine arts businesses from arts hobbyists that were not eligible for business deductions. As First Assistant Commissioner Butler stated:

I would say that the result of the work that we did with various representatives of the arts community, and looking at the sorts of things happening in tax returns,

there was quite a positive impact as far as people who should not have been claiming their own business stopped claiming they were in business.²⁵

Despite the dispute about actual figures, this evidence suggests that existing measures have already curbed arts hobbyists from claiming business loss deductions. Consequently, the risk to revenue (in real terms) in providing an exemption for professional artists who earn under \$40,000 from non-art income is not likely to be high regardless of what figure of professional artists such a calculation is based on.

Recommendations

The Australian Democrats support the recommendation of the arts organisations that the Bill be amended so that professional artists whose non-arts related income is less than \$40,000 can offset their arts-based business losses against that income without having to meet the other tests.

The Australian Democrats therefore recommend that the exemption currently proposed for primary producers be extended to include professional practising artists.

Amendments are attached.

Senator Aden Ridgeway

25 Evidence, p. E 21.

1998-1999-2000

The Parliament of the
Commonwealth of Australia

THE SENATE

New Business Tax System (Integrity Measures) Bill 2000

(Amendments to be moved by Senator Ridgeway for the Australian Democrats in committee of the whole)

- (1) Schedule 1, item 3, page 5 (line 35) to page 6 (line 4), omit subsection (4), substitute:

Exceptions

- (4) The rule in subsection (2) does not apply to a * business activity for an income year if:
- (a) the activity is:
 - (i) a * primary production business; or
 - (ii) a * professional arts practice; and
 - (b) your assessable income for that year (except any * net capital gain) from other sources that are not primary production businesses or professional arts practices, as the case may be, is less than the * non-commercial business activity exception threshold.

[section 35-10—deferral of deductions from non-commercial business activities]

- (2) Schedule 1, item 3, page 6 (after line 4), after section 35-10, insert:
35-11 Meaning of non-commercial business activity exception threshold

- (1) The non-commercial business activity exception threshold for the 2000-01 income year is \$40,000.
- (2) The * non-commercial business activity exception threshold is indexed annually.
Note: Subdivision 960-M shows you how to index amounts.
- (3) The Commissioner must publish before the beginning of each * financial year the * non-commercial business activity exception threshold for that year.

[section 35-11—exception threshold]

- (3) Schedule 1, page 11 (after line 3), after item 3, insert:

3A Section 960-265 (before table item 1)

Insert:

1A Non-commercial business activities	Division 35
---------------------------------------	-------------

3B Section 995-1

Insert:

non-commercial business activity exception threshold has the meaning given by section 35-11.

3C Section 995-1

Insert:

professional arts practice: you carry on a professional arts practice if you are a *professional arts practitioner.

3D Section 995-1

Insert:

professional arts practitioner: you are a professional arts practitioner if you carry on a business (either alone or in partnership) as:

- (a) the author of a literary, dramatic, musical or artistic work; or

Note: The expression “author” is a technical term from copyright law. In general, the “author” of a musical work is its composer and the “author” of an artistic work is the artist, sculptor or photographer who created it.

- (b) a * performing artist; or
(c) a * production associate.

[section 995-1—dictionary]

Senator Andrew Murray
Australian Democrats

APPENDIX 1**LIST OF SUBMISSIONS**

- No. 1 Arts Law Council of Australia
- No. 2 Graham, Mr A, NSW
- No. 3 Hook, Lindsay and Carolyn, NSW
- No. 4 ACT Legislative Assembly
- No. 5 National Association for the Visual Arts (NAVA)
- No. 6 McGregor, Mr Robert, NSW
- No. 7 Nightingale, Errol and Marie, NSW
- No. 8 Moore, Ms Catherine, NSW
- No. 9 National Farmers' Federation, ACT
- No.10 Australian Society of Authors
- No.11 Mr Peter Andren MP, Member for Calare, NSW
- No.12 Mr the Hon Larry Anthony MP, Federal Member for Richmond,
Minister for Community Services, NSW
- No.13 Australian Council for the Arts
- No.14 Stark, Mr Peter, NSW
- No.15 Gorman House Arts Centre
- No.16 ArtsVoice ACT Inc.
- No.17 Evans, Steven and Irene, NSW
- No.18 Thompson, Mr Stuart, NSW
- No.19 Australian Forest Growers
- No.20 Clydsdale, Bruce and Ann, NSW

APPENDIX 2**LIST OF WITNESSES
APPEARING BEFORE THE COMMITTEE****Monday, 19 June 2000**

Committee Room 1S3, Parliament House, Canberra

Mr Peter Andren MP**Australian Society of Authors**

Jose Borghino, Executive Director

ArtsLaw Centre of Australia

Delia Browne, Executive Director

Tom Lowenstein, Partner Lowenstein Sharp Accountants

Judy Sullivan, Legal Adviser

National Association for the Visual Arts

Tamara Winikoff, Executive Director

National Farmers Federation

Ian Dongess, President

Su McCluskey, Director of Taxation

Australian Taxation Office

David Butler, First Assistant Commissioner

Michael Smith, Assistant Commissioner

David Hinds, Executive Officer

Department of Treasury

Paul McCullough, General Manager, Business Income Division

John Anderson, Manager