



TAX FORUM

4-5 October 2011

STATEMENT OF REFORM PRIORITIES

PARTICIPANT NAME AND POSITION

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Tax Practitioner

Director of Chelle Corporation Pty Ltd

ORGANISATION

Chelle Corporation Pty Ltd – Accounting, Taxation and Business Services firm based on the northside of Brisbane, specialising in small business and extended family professional accounting based services.

In addition, Michelle is a member of the management committee of the Brisbane North Chamber of Commerce, and is a member of the ATO South East Queensland Regional Tax Practitioner Working Group.

STATEMENT OF PRIORITIES

Around two or three pages, please. Please address both of these issues:

1. What are your priority reform directions for the tax and transfer system?

Macro Reforms

- Separation of the taxation function from the political system is essential.
- The principals of good corporate governance should be applied to all decisions to make changes to the taxation system.
- All proposed changes to the taxation system should be based on a long term measure of increased productivity and prosperity for the country, in addition to the essential items of increased economic stability and certainty for all participants.
- Limit taxation collection to annual taxation returns or monthly/quarterly/annual Business and Instalment Activity Statements.
- States must remove growth stifling taxes, such as Payroll tax and Transfer (Stamp) Duty, in exchange for a greater portion of federal revenue.
- The taxation system needs to provide a long term, continual stimulus to the economy, not



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create positive or negative activity spikes for individual sectors.

- The taxation system should encourage business investment, but only to the extent that future returns exceed capital introduced.
- Cease to think of tax as something to be collected and the later repaid to taxpayers, either as a cash refund or as increased deductions at a later time.
- Goods and Services Tax, after 10 years in operation, needs to be reviewed for effectiveness, not necessarily to increase the rate of GST, but to review the exemptions and carve outs.
- Taxation must be given the resources to continually update the legislation and review for improvements that can be made, to limit the regular need for review, as imposed by the government

Micro Reforms

- Small Business taxation reforms are essential to stimulate these employers
- Superannuation taxation reforms that allow for an intergeneration transmission of assets should be tabled and discussed

2. How are your proposals financed over the short and longer term?

- Review the refunding of excess imputation credits, and the removal of the superannuation anti-detriment provisions;
- Taxation imposed at the rate of 7.5% (5% on capital gains) on superannuation funds paying pensions where the member balance in all superannuation funds exceeds \$1,000,000;
- Review of GST Free and input tax items for reclassification or, in the case of input taxed items, impose a nominal rate of GST on these items.

LIST OF ATTACHMENTS

Appendix 1 – Statement of Reform Priorities – additional information

Appendix 2 - Death and Taxes – Property in Super – the elephant in the room