

2018-19 Budget Black Economy Measure –
Further expansion of the taxable payment reporting system
Submissions

To Whom It May Concern:

My name is Daniel Nowlan and I am the Director of ChassisSim Technologies. ChassisSim is a software company that provides high end racecar engineering simulation software to every major category in motorsport. As a consequence of this 90% of our business is export. Also due to the nature of our business I have significant connections with the technology startup communities.

I am writing to you with regards to the proposal of expanding of the Taxable Payment reporting system and the targeting of IT and software companies. While we at ChassisSim strongly support and advocate everyone paying their legal obligation of taxes I am alarmed that IT and software companies have been targeted.

My first concern is that given the rather embryonic state of the Technology startup community in Australia this crack down could force Australian startup companies to go overseas. Australian startups find it very difficult to find the seed funding they need to get started. Even the Australian technical company unicorns such as Atlassian and Canva were forced to find significant funding overseas. If these startup companies deduce they are being unfairly targeted or they conclude the administrative over head compromises their viability you will drive them right into Silicon Valley or consider their options of selling to either facebook or Google.

Also if you don't take this seriously just imagine the political fall out the following scenario. Just picture a company started in Australia on its billion dollar IPO offering states we had to relocate overseas due to pressures from the Australian Tax office?

My second concern is that one of my business practices is I will try and send as much work as I can to students learning their craft and small contractors. In the students case it gives them valuable experience while being able to pay their bills. In the second case small contractors can often do the required work cheaper and more expeditiously then their larger counterparts. It goes without saying that these expenses are stated clearly in my tax returns and a paper trail is kept. However as a small business if I am forced into extra significant administrative over head then I will have to terminate this practice. This is something I do not want to do.

I humbly submit these matters for your consideration.

Best Regards

Danny Nowlan
Director
ChassisSim Technologies