Creating a more dynamic and resilient economy inquiry

Questionnaire response 4

Name: Anonymous

Submission date: 22/05/2025

1. Support business investment through corporate tax reform

1. What features of the Australian business environment have encouraged or restrained investment over the past 10 years?

The participant did not respond to this question.

2. What elements of the corporate tax system encourage and/or discourage investment and risk-taking?

The participant did not respond to this question.

3. Which parts of the corporate tax system do you find the hardest, or most time or cost-intensive to comply with? How could the compliance burden of the business/company tax system be reduced?

The participant did not respond to this question.

2. Reduce the impact of regulation on business dynamism

1. What areas of regulation do you see as enhancing business dynamism and resilience? What are the reasons for your answer?

The participant did not respond to this question.

2. How has your regulatory burden changed over time?

I feel the government doesn't understand the issues that face a micro business because they have allowed a form of bracket creep to go unaddressed for eighteen years thus crippling my business and preventing me keeping pace with society.

I am self employed as a maths tutor and have been doing so for over twenty years. In this industry the GST is not a charge on my clients but an extra 10% tax I would need to pay myself. Let me explain: My main competitor in this industry are Uni students doing a little extra tutoring work. If I were to charge my clients GST I would lose many of them, for they will just go to the Uni students who do not have to charge GST. Therefore I would need to pay the GST myself, so effectively I would need to pay an extra 10% income tax. And have the pleasure of extra compliance red tape.

This GST registration threshold has not changed since 2007. It has been an eighteen year bracket creep that is crippling my business from doing any better. I found myself knocking back work this year, otherwise my income would go over the $75 000 GST registration threshold and I would need to charge my clients GST and thus lose many of them.

If the GST registration threshold were to be aligned to 'real terms' then it would need to be over $120 000 today. It is debilitating to watch everyone's wages grow and know that my wages cannot grow because government regulation has been dormant for eighteen years. I don't understand why all other taxes are adjusted to avoid bracket creep apart

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from this one?

Tutoring for me is not a part time job on the side as it is for the vast majority of tutors who are Uni students. It is the career I have chosen to make a living from. However the Government does not allow my living to keep pace with the rest of society.

In the UK the registration threshold is equivalent to $187 000 AUD.

3. What regulations do you find time-consuming, overly complex or otherwise constraining business dynamism and resilience? What are the reasons for your answer?

   The participant did not respond to this question.

4. Can you share any specific examples of where you think a regulator has done a good or bad job of understanding and reducing regulatory burden on businesses and why?