Creating a more dynamic and resilient economy inquiry
Questionnaire response 38

Name: Paul Loring

Submission date: 6/06/2025

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?

I agree whole heartedly with Stuart Adrian Corp 1/6/2025 submission. Further to that: Five years ago futurists were saying AI will have negligible impact on overall employment. I thought that was rubbish at the time, but who am I. I did my honours in applied computer science in 1986, including AI and expert systems in my final year. My only surprise was that it took so long for the world to cotton on the the power of AI, that it has taken 40 years!AI will do to all 'decision making' what robotics has done to repetitive physical human tasks. Only this week ABC news has broadcast futurist now estimating that AI will do away with 50% of employment within 10 years. Today SBS was showing fully automated driver less local, small delivery vans already operating in certain parts of China, with the company indicating that the hire cost of 3 such vehicles is the same as employing one driver, a 66% saving.
In Australia, although it doesn't seem politically correct to say so, but "productivity" is a euphemism for replacing human labour for the economic meaning of 'investment'. The direct beneficiary of this is the company, costs fall, output increases, profits rise. The burden of this surplus Human Labour then switches to the 'State'. As this is now forecast by futurists to accelerate at a much faster rate than predicted, the balance of the benefits to business versus the costs to the State will need to be redressed. Economics is all about balancing costs and benefits. In this case there is a profit benefit to companies at the expense of the cost to the State. Surely the companies ought to be playing the major role in funding these costs. Hence, being on the brink of such a future, higher under and unemployment will lead to reduced personal tax as a source of gov't funds, consequently, business needs to prepare, or be prepared by gov't, to pay much higher tax. This will be global! The idea that AI will generate new interesting, stimulating work at a rate that balances the loss from roles that are reduced by AI, has not been been substantiated. I don't think this is the time for Fiscal Neutrality.
The emphasis of investment needs to focus on increasing Australian sources of funds, rather than Foreign. That too needs to emphasise economic investment, that being about increasing the capital that leads to a growing business, rather than just profit taking, securing and prioritizing the provision of resources to the foreign nation, or benefiting from Australian subsides. Te Australia business taxation system should not exist to prop up Foreign business profits, rather the opposite, Foreign business should pay a premium to do business for all the other benefits Australia, stability, honesty, reliability, quality, humanitarian, etc.

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

See 1st answer

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?

See 1st answer

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?

The participant did not respond to this question.

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?