Creating a more dynamic and resilient economy inquiry

Questionnaire response 62

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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 think it is far too narrow to just look at corporate tax rate. Productivity goes hand in hand with income tax. Conceptually, with the income tax brackets not being indexed to CPI (or asset prices), workers each year have a smaller financial incentive to work harder and smarter and take more risks for their career.

Financial incentives matter and drives culture. It is also hard to attract and retain talent to APAC when competing with Hong Kong and Singapore.

Corporate tax also for some countries (eg US owned entities) can become a wash because any tax not paid here will need to be paid in the home country.

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

My view is that highly productive companies decide on where to set up entities based on where talent is more than corporate tax rate (unless you are the lowest globally, then they can funnel services through - eg Ireland, Hong Kong).

Start-ups are likely stifled by insufficient capital availability rather than corporate tax rate.

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?

N/A

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?