

Submission Number: 2014/21

23 May 2014

Board of Taxation: Review into tax system impediments facing small business

The Association of Superannuation Funds of Australia (ASFA) lodged a submission in response to the request for comments on the Board of Taxation's fast-track review into tax system impediments facing small business.

Although superannuation-associated compliance costs strictly are not captured by the terms of reference, being identified by the Board of Taxation as non-tax compliance costs, ASFA thought it appropriate and timely that the Board be updated on the superannuation matters raised in two previous reports to the Board of Taxation on this topic: The December 2007 *Scoping study of small business tax compliance costs* and the 2005 *Board of Taxation – Small Business Tax Compliance Costs* report to the Board by the Australian School of Taxation from the University of New South Wales.

The ASFA submission addresses the key aspects noted in the reports as causing compliance issues for small businesses:

The ASFA submission supports the generally held view that compliance costs have a greater impact on small businesses than on larger businesses, notes the need for small business to use modern technology and suggests the introduction of mandated data standards for superannuation contributions and the requirement for all contributions to be made electronically may just be the impetus that small businesses need to modernise.

As the 'skills, attitudes, efficiency and confidence of the small business proprietor are significant determinants of whether they are likely to be concerned about tax compliance obligations, there is a need for small business owners not only to be good at what they do, but also to possess the requisite business skills to enable them to succeed as a business. ASFA recommends that the Government actively support the development of business management resources aimed at developing the business management skills of those engaged in small business.