

I run a services export business, which a colleague and I started in 2003. Until February this year, we were a successful Australian small company and we have now merged with a US firm, with the US company now the base of our work.

Through all those years, we have paid all required taxes, both as a company and as individuals. At times, the tax payments have caused difficulties but we saw (and see) them simply as costs of doing business. In talking with other business owners, I find that we all tend to do the same. Part of the reason for this is that honest accountants advise company owners not to try to be clever and try to avoid paying tax. And that is a result of Federal and State government interventions to close “bottom-of-the-Harbour” and other avoidance schemes.

At the same time, all small businesses are competing against massive corporate entities which have advantages not only of economies of scale, market dominance through often free publicity, extensive credit and government rewards or subsidies, but also through not paying much if any tax.

Not only is corporate tax avoidance (and lack of reporting through holding companies) causing massive problems to the Australian economy struggling with the transition from a minerals boom, but it is harmful to the great swathe of small business owners and operators who pay our taxes.

Government has a necessary role in ensuring that economic activities in the country result in some benefit to the country. Large corporations that refuse to pay their taxes are essentially stealing health and education services from Australians and the government must act to ensure that corporations pay their fair share of taxes.