

Dear Ken

Watching the news last night, I understand that you are undertaking a review of the tax system with a view to simplifying and improving it.

As a university graduate who has studied arts, economics and gone on to do further business studies (including basic accounting), I also run a small advertising agency in Melbourne and am regularly involved in quarterly BAS statements as well as looking after annual tax reports and finance generally.

#### LANGUAGE USED ON FORMS

The biggest problem with the current tax system is really about the difficulty of the forms. Often the wording is ambiguous - without necessarily being "a wide net" in its ambiguities. For example:

There are two separate taxes called PAYG. One is pay as you go payroll tax, the second is pay as you go company/business tax - without either of them calling themselves quite that. Why not just say payroll tax and business profit tax or something?

or

There is a tear of slip at the bottom of the tax return that aids, I assume, the processing of receipts of tax returns by the ATO. Yet nowhere does the form indicate that they are two documents both of which must be submitted... which I imagine could lead to confusion with lodgers about whether it is a receipt they are supposed to keep, whether it needs to be filled out at all, etc.

And how hard is the website to use? Too many indexes, too many forms and too many regulations... all in bureau-speak!

These are just a couple of samples. The language used in tax forms generally is unclear throughout. If somebody like me can have difficulties understanding everything, with my background and training, what hope does a tradesman who dropped out of school in year 10 have?

**SUGGESTED SOLUTION:** Stop letting finance and economics graduates write the forms! Why not get some arts graduates, people with language skills who know how to talk to people clearly, to rework them with approval by financiers.

#### ONLINE TAX RETURNS

The online tax lodging system is laughably complicated to set up (or was?). You need to register online first for security. Then you get sent a CD to instal on your computer. Then, if you haven't got the right version of Mac (most creative industry people use them) it might not instal. Option? Put it on another computer on the system. Oh - but the CD software can only be installed on one computer to avoid fraud (? - added security feature), so if that computer isn't the finance persons forget it. And if you buy a new computer you have to re-register. So the software is finally on your computer. Now you need to go online and click in to the ATO, muddle through more gobblede-gook, get sent/use a password (?), and then you can lodge your forms online. What a joke.

**SUGGESTED SOLUTION:** Why not: make the ATO system like online banking? Everyone has a tax / business number. Issue people with online ATO banking accounts (without all the bullshit uber security) so people can accessed their accounts and lodge tax returns anywhere in the world.

I know we have the most complicated tax system in the world which is supporting legions of accountants and lawyers, but I don't think the system needs to change a lot. Just how the ATO communicates with people about what they need and why.

Yours sincerely

Kit Fennessy