

## To whom it may concern.....

### 1) Annual ASIC fees for Pty Ltd companies-

Re- the penalty structure for companies that pay these fees late; ie-

Annual fee                   \$212

1 month late .....add \$65

2 months late.....add another \$205

Total by then = \$482!

I asked ASIC what gives them the right to charge such outrageous penalties. They say it is set by Treasury.

Please explain.

I find this a disgrace that has gone on too long.

If the private sector charged like this they used to get hung; eg, Ned Kelly!

Why not a flat penalty of say \$30 per month.

Though bills occasionally may run unpaid for months if say the company office bearer is overseas, no right thinking director/sec would make a habit of late payment under these terms being equivalent to interest at 170% pa..

### 2) CGT concession for small business-

a) the **stakeholder test** whereby stakeholder must hold at least 20% of the company or trust that made the gain-

Where did this number come from?

Eg- A farmer with 5 kids can set them all up with 20% each of the family asset and they may be able to sell later on CGT free.

What about those with 6 or more kids; ie, they will each have less than 20% so there will be no stake holders.

b) **entity problems**.....in the farm example above, if equity is held (in an active asset for more than 12 months) by individuals or discretionary trust then capital gains may be distributed tax free. But if family company owned, then 50% of the gain may be taxable as the company can't use the 50% concession for >12 months ownership.

This is discrimination and actually discourages corporate owned businesses.

In the case of the farm example there are major social problems as a spin off; eg, sons on the farm most of their lives before they inherit because tax laws haven't been conducive to transferring it to them earlier, with certainty in the future; (especially pre 85 assets...why put that tax free status at risk).

This can and has caused troubles including divorce and suicide. I don't know of many worse problems than that.

### 3) Superannuation rules-

Getting close to perfect now but why-

- a) **age limit (75)?** For deducted or undeducted contributions; why do we need this? I have 2 clients in their 80s who are very active in their businesses but can't superannuate and therefore grow their own private pension fund. Why is there any age limit at all. Surely this will sort itself out as they drop out of the system in their own good time and depending on personal motivation and energy? With an annual cap now on contributions (\$50000 deductible for everyone after 2012 and \$150,000 undeducted) this will hardly allow

taxpayers to run amok too much. The bigger problem for the government is helping to be solved by these elderly people providing for themselves rather than be an added burden to the government aged pension scheme.

- b) **10% rule.....** why do we need this. Do you realize that a huge impost on employers must be packaging employees to include **Salary Sacrifice** (“SS”)? SS is unnecessary and serves only to get around the man made fiction created by the 10% rule whereby taxpayers can only claim personal deductions to super if their employment (wages) income is less than 10% of assessable income. If under 50 year olds are eligible to claim annual deductions into super of \$50,000 (\$100,000 if >50) then why does it matter where it comes from?
- c) **Work test.....**why do we need this? Does this mean than some poor unfortunate (over 65) who has become wheelchair bound and/or had a bad whack on the head so that he/she can't pass any work test can't, in turn, superannuate? What's going to happen if you abolish this rule? Not much change to the Federal coffers I suspect, but it will give some dignity back to those in this situation and/or help them financially if they're caught with large personal investments that would be better off for them in super/pension. Ironically, the personal assets may have been created by a compensation payout from a work accident!

I have in the past sent this to Peter Costello's office when he was the Treasurer. I received a reply from the Federal Finance Minister who detailed to me what the current laws on super were, without acknowledging any of my suggestions.

I wonder if he actually understood them.

Please at least acknowledge that the above is understood, or explain why they are unreasonable.

Good day.....

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