



29 December 2020

The Treasurer
Parliament of Australia
Parliament House
CANBERRA ACT 2600

cc: Mr Ross Vasta
Federal Member for Bonner

Dear Sir,

Submission towards 2021-22 Federal Budget

Thank you for the opportunity to submit to the recovery of Australia.

Executive Summary

There are a number of things that need urgent addressing in our economy including:

- The cost of hiring unskilled labour and entitlements of those who don't have a work ethic
- Wages in Australia need total overhaul and Fairwork needs to become relevant
- The entitled generation – who feel society and the workplace owe them, rather than seeing their obligation to contribute to business and ultimately society.
- The cash economy – it is still alive and well unfortunately
- Follow up on people not fulfilling their taxation obligations.

Detailed submission

1 Hiring staff

As a person who has been in business over 22 years, I see employers struggle with staffing issues on a daily basis. Schools and universities do not equip their graduates with practical work ready skills, yet promise them the world upon graduation. The reality when they enter the work force is very different. Many new to the work force expect to start at the top and are devastated to find they are expected to do menial tasks and to follow business protocols. Many of these protocols are connect to following the laws of our land including employment and taxation rules.

Fairwork focusses on employee and their entitlements, however every person who enters a work place and doesn't stay beyond the first month generally will cost the work place many times more than the wage that Fairwork quote in lost time training the person, who walks out the door giving not even any gratitude for the hours of training trying to get the person to understand the tasks required in the hope they can become somewhat productive after a few weeks.

Not only is the new recruit not productive initially, but the person who is spending time with them training in what is required is pulled of otherwise productive tasks, creating a loose-loose situation for the initial weeks of hiring a new recruit.

This repeated issue is holding back many small businesses from employment.

Many times when we place an add for a vacancy, many people put their resume against the job add, but fail to read the "how to apply section" and don't respond when asked to answer the questions in the "how to apply section". Our "how to apply section" asks some basic questions to (i) see if the person can string a business letter together and (ii) to demonstrate some basic skill levels. We are happy to supply a copy of a recent add if you are interested.

I would like to see a system in place that:

- a) makes the employee accountable to the promises made by them in the interview process;
- b) allows for an unpaid orientation for SME's where the person is still paid by Centrelink for the unpaid orientation;
- c) an employment incentive scheme that pays a bonus to both parties for a hire that lasts more than three months and another at the six-month point
- d) gives the employer's training input to be taken into consideration by Fairwork in a pay dispute for someone in the work place for less than three months;
- e) some sort of ranking system that reports back to Centrelink about the performance of the new recruit;

2 Wages in Australia

Fairwork needs to be totally re-vamped. The wage rates for Australian unskilled workers are amongst the highest in the world. We simply cannot sustain it.

It is craziness that so many of our skills are off-shored. The sad part is that so many of the off-skilled people are more grateful for work at one third or less than the cost of an Australian worker. As part of the rebuilding of our economy consideration needs to be given to the volume of jobs currently offshored.

Surely the massive savings by offshoring is showing Australia how the cost of labour in Australia has sky rocketed beyond what Australian small business can afford.

It is tragic to see the lengths Australian business are going to so they are not hiring wage earners. (i.e. contract work and off-shoring)

3 Giving to Society as productive workers

We need to educate in the school system the benefit of contributing to society as a productive worker. Many younger people have a great ethos about giving to the needy etc, but no longer see that an honest day's work for an honest day's pay is the best way to grow our economy.

JobKeeper and CashFlow Boost have been amazing tools to keep our economy going and to override the fear factor brought on by the COVID-19 lockdown.

One of the unfortunate side effects of JobKeeper and JobSeeker programs is that many people are refusing to take up paid work because they are satisfied to sit at home and not work until these programs finish.

People on Centrelink income support benefits need to be way more accountable. Applying for a job does not constitute spending 5 minutes a fortnight submitting your resume to a dozen employers that may or may not be an appropriate skills match. As much as I hate to put more work on employers, I think there needs to be a tracking system where employers who short list job applications need to rank an application as being a valid application or not. Regular invalid applications by the same income support recipient should then have a financial penalty. This could help stop employers having to review the raft of invalid job applications every time an online add is posted!

4 The Cash Economy

All too often I see businesses who are still trading in cash. As I go about my life, as an accountant, I often see businesses who are clearly not recording their transactions. Be it the local takeaway/fruit shop that does not register cash transactions; the Masseur at the Markets who only takes cash I see it far too regularly.

All it would take is for all tax auditors to spend 5% to 10% of their working year shopping as "Joe Bloggs" and then auditing all businesses that are not properly recording transactions at the time of purchase. In this day and age with online accounting and the "square" credit card reader attached to phones there should be bank records for everything!

I had a conversation with an Australia wide cleaning company some years back who insisted there was no need for their cleaners to have an ABN as it was a hobby!

I know that many cleaners still insist on payment by cash and are on Centrelink not declaring the cleaning money. I had a conversation with an ATO officer a few years ago and we agreed that no one cleans someone else's house as a hobby!

This is logic needs to be applied across many of the online services who too are flying under the radar.

The expansion of the TPAR system has helped, however, I don't see why the TPAR system can't be expanded to all business payments.

5 Taxation obligations

Even in this day and age I still have people coming to me to lodge multiple years of tax returns. There is no need for this. Generally, the trigger for lodging past returns is to obtain finance – the ATO has enough data on all of us to be able to call in the outstanding returns on an annual basis.

Once someone has an ABN, they should be followed up for tax returns for the business that ABN is registered for.

This is a far better use of the ATO officers time then calling for a BAS paid 5 days late by someone who has a good on-time lodgement and payment record. (Yes, this has happened on more than one occasion to my client base in the last 3 years)

Summary

Thank you for the opportunity to contribute.

Should you have any queries, please do not hesitate to contact the writer on 07 3422 1333.

Kind regards,

Cascade Accounting & Tax Registered Tax Agent 24675 623

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