VIC: Hundreds protest Vic TAFE cuts

Minister for Higher Education and Skills Peter Hall released a statement on Thursday saying the state invests more money than any other in its training system and the funding changes will make it more sustainable.

"Today's industrial action is unnecessary and causes inconvenience for TAFE students and the wider community," Mr Hall said.

AAP sbl/mar
FED:Govt rejects claims of big cuts to cadets

CANBERRA, Sept 20 AAP - The federal government agrees some defence force cadet units will be disbanded but says it's not because of department spending cuts.

Parliamentary secretary for defence Senator David Feeney on Thursday said up to six Australian Navy Cadet units may close due to a lack of cadet numbers staff, or community support.

However, Australian Defence Force Cadets (ADFC) numbers overall were increasing with recent figures showing a rise of 1000 across the army, navy and air force services.

"Funding within ADFC has been prioritised to ensure the three services can still deliver a world standard youth development program," Senator Feeney said in a statement.

Claims Australian Army Cadet (AAC) supervision was being cut and that Navy and Air Force Cadet units would be amalgamated or closed down due to budget cuts was untrue, he said.

Prime Minister Julia Gillard told parliament the Australian Defence Force cadet programs were important.

"We understand the importance of the cadets to the Australian community and we understand their importance to generating the next great generation of future leaders," she said during question time.

Government Senate leader Chris Evans said the government's "fundamental" commitment to the program remained.

"As a former air cadet myself, I hold the cadets close to my heart," he said.

AAP mb/klm/wf
Guiding apprentices

A NEW mentoring and support package is aimed at addressing completion rates for apprentices in the manufacturing industry.

Skills Minister Senator Chris Evans says apprenticeship advisers will help potential apprentices choose the best career path.

“Mentoring is a proven way to increase retention rates and improve apprentices’ experience with the system,” he says.

“There is a strong emphasis on first-year apprentices who are most at risk of withdrawing. “Only about half of all apprentices currently complete their trades training. At the same time employers are crying out for skilled workers.”

Support will be provided through the Australian Industry Group.
Time and cost of tax compliance has ballooned since 1995: Report

Author: SmartCompany

The report, titled The rise and rise of tax compliance costs for the small business sector in Australia, is the first instalment of a three-year research project into Australia’s tax system.

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The study, led by Philip Lignier of the University of Tasmania and Chris Evans of the University of NSW, found the cost of tax compliance has more than doubled for small businesses.

“The average gross cost of complying with all taxes for the surveyed entities was estimated at $32,389 for the 2009/10 tax year,” the report said.

“This amount was broken down into $20,129 for internal time costs and $12,262 for external costs.”

According to the report, compliance with GST accounted for around 50% of internal costs, confirming compliance with this type of tax is “very costly” for small business taxpayers.

“As in 1995, recording information within the business was the most time-consuming compliance activity,” the report said.

“The introduction of GST appears to have further increased internal time spent on this particular activity.”

The report goes on to say small businesses are spending four times as many hours per year complying with tax obligations as they did 17 years ago.

It also claims the practice of building special concessions into the tax law, to alleviate that burden for small business, is largely ineffective.

“Many of the policy measures specifically introduced to attempt to alleviate the compliance burden do little, if anything, to alleviate the burden for small businesses,” it said.

“[For example,] taxpayers were generally misinformed or did not understand SBTCs [small business tax concessions]… The apparent indifference...
towards SBTCs was compounded by a perception that the various concessions were complex and may not be worth the effort.”

According to Paul Stacey, tax counsel at the Institute of Chartered Accountants, the tax concessions “simply don’t benefit the people they were intended to”.

“Over 75% of respondents who knew about the concessions thought they were too complex to pursue,” Stacey says.

Stacey says the findings confirm what tax professionals “have been saying for years” – that Australia’s tax system is too complex.

“We’ve known for a while that our tax system is too complex,” he says.

“In 2009, Australia’s Future Tax System review discussed its complex nature, citing too many taxes, many of which are burdensome and inefficient.”

“The tax compliance burden placed on small businesses has serious impacts on their long-term sustainability, particularly when the cost and time required for compliance is still growing.”

“On average, it costs small businesses $11,950 just to collect GST, bringing to light the question of whether they are acting as unpaid tax collectors for the government.”

Stacey says the federal and state governments need to address these issues in order to ensure the tax system “can meet Australia’s social and economic needs in the future”.

“Rather than complicating compliance with anti-avoidance rules, small businesses indicated they would simply like a lower tax rate,” he says.

This article first appeared on StartupSmart (http://www.startupsmart.com.au/).