

1 September 2020

Mr Peter Achterstraat AM
NSW Productivity Commissioner
NSW Productivity Commission

By email: ProductivityFeedback@treasury.nsw.gov.au

Dear Commissioner

Continuing the Productivity Conversation Green Paper

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the New South Wales (NSW) Productivity Commission's Green Paper entitled "[Continuing the Productivity Conversation](#)". Now more than ever, addressing Australia's sluggish productivity growth is critical to the ongoing welfare of both current and future Australian generations.

CA ANZ has a particular interest in the role of tax and regulation in helping Australia improve its productivity performance. CA ANZ strongly supports recommendation 8.1 in the Green Paper - the replacement of inefficient taxes with more efficient ones - and commends the NSW Productivity Commission for focussing on taxes within the control of the NSW government.

In a [submission](#) to the NSW Review of Federal Financial Relations regarding its draft report 'Supporting the Road to Recovery' CA ANZ expressed support for the two state tax initiatives recommended by the Productivity Commission in its green paper – namely harmonisation and broadening of payroll tax and the replacement of stamp duty with a broad based land tax. CA ANZ also expressed strong support for the abolition of insurance duties due to the significant moral hazard and economic inefficiencies associated with insurance duties.

From a regulatory perspective, CA ANZ has been working closely with the Federal Government in relation to the [modernisation of business registries](#), [single touch payroll](#) and [myGov ID](#). CA ANZ is also a strong supporter of the [National Business Simplification Initiative](#) which makes it easier for businesses to register at both a Federal and NSW level. Great alignment of definitions used at both a particular level of government and *between* various Australian governments and automated data sharing (with appropriate privacy safeguards) has the potential to reap great reductions in compliance, which hopefully translates to better productivity.

CA ANZ strongly encourages reviews of regulatory burdens to adopt an Australian-wide approach that looks to integrate existing economic infrastructure such as myGovID, single touch payroll, e-invoicing and the soon to be modernised business registers, rather than develop separate stand-alone structures.

Encouraging small business to adopt and implement digitalisation reporting, especially financial reporting, is essential to help small business meet compliance obligations in a cost-efficient manner and allow them to concentrate on what their business operations¹.

Continued co-ordination between those States and Territories with a small business commissioner and a small business ombudsman, and the Australian Small Business and Family Enterprise Ombudsman, to educate small businesses about both the benefits of digitalisation and how to implement digitalisation cost effectively could, given the size of the small business sector, also make a positive contribution to Australia's sluggish productivity.

CA ANZ looks forward to working closely with NSW government officials to progress these issues. If you have any questions about this submission, please contact [REDACTED]

Yours sincerely

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¹ <https://www.asbfeo.gov.au/news/news-articles/project-will-help-small-businesses-realise-benefits-digital-technology>

Appendix A

Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 128,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations. We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.