

The Secretary

I refer to the issues paper above. Regardless of what the statistics are indicating the fact is there is a significant leakage of revenue to overseas interests operating in Australia but with controlling interests overseas. There are a number of steps that can be taken to arrest this leakage, viz.

1. Abolish the double taxation agreements and replace them with a system of tax credits. Any income earned in Australia would thus be taxed in Australia and a credit given if independent evidence is provided where these earnings have been the subject of taxation overseas;
2. All corporations operating in Australia or doing business in Australia should be required to establish a registered office in Australia for company registration and taxation purposes. This office will be considered to have the role of a de facto "Head Office".
3. The auditors of multi-national corporations and other businesses should primarily report to government not shareholders. A government body will be responsible for monitoring the quality of audits undertaken and approve the submitted audit report.

Referred for your consideration,

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