



AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

Letter to the Editor of The Australian - Tax Reform - 13 December 2005

Cut Spending, Then Taxes

By Peter Hendy - Chief Executive, Australian Chamber of Commerce and Industry

I'M writing in reference to the article "PM rejects tax reform `sham'" (The Weekend Australian, 10-11/12). The article gives the wrong impression about the Australian Chamber of Commerce and Industry's position on the funding of tax reform. While ACCI is a strong supporter of tax reform, we do not support broad reforms based on trade-offs, as is attributed to us in the article. This is code, used by other groups, for the removal of legitimate work-related deductions or the 50 per cent capital gains tax discount. We do not agree with this. Instead, ACCI argues that tax reform should be funded by reducing the budget surplus and through cuts to wasteful government spending. In May, we published a discussion paper detailing where expenditure cuts could be made. Reducing the tax burden is the only way to get true tax reform.

Peter Hendy, Chief Executive, Australian Chamber of Commerce and Industry