



UNSW



Australian Taxation Studies Program (ATAX)
Faculty of Law
The University of New South Wales



The Board of Taxation

TAX VALUE METHOD

CONSULTATIVE CONFERENCE

Monday 23 July (8.30am) to Tuesday 24 July (1.00pm) 2001

Crowne Plaza Coogee Beach
Sydney, Australia

The Tax Value Method or Option 2 is designed to clarify the basic mechanisms of the Australian income tax system. It puts new concepts at the core of the income tax. It gets rid of rigid, all or nothing capital/income tests. TVM moves the focus to changes in the value of assets at the end of the tax year and raw cash flows during the year. It draws on commercial accounting concepts. It unifies divergent tests in various parts of the Income tax. It is designed as the foundation for a more coherent, more consistent and more sustainable basis for ongoing evolution of the Australian tax system.

Does the draft legislation achieve its objectives? Does it introduce new problems? Does it work on a practical, and particularly transitional, level? Can it be improved? This workshop will give leading stakeholders their first chance to be briefed in depth on the working TVM concept and to participate in its shaping.

The emphasis is on thorough understanding of the model proposed, on practical evaluation of existing problems and on constructive dialogue about its strengths and weaknesses. With many of the working rules now spelt out, delegates can properly road test the new concept and engage in constructive technical analysis of the detailed operational solutions proposed to the most basic problems in the Australian Tax System.

This invitation only conference is sponsored by the Board of Taxation and is being organised for the Board by ATAX, the Australian Taxation Studies Program in the Law Faculty at The University of New South Wales. The program will continue to be developed. Speakers may change.

DAY ONE - MONDAY 23 JULY

8.00 – 9.00 **Registration**
Welcome Tea & Coffee

DO YOU REALLY UNDERSTAND TVM?

Chair: Professor Yuri Grbich
ATAX UNSW

9.00 – 9.10 **Introduction and outcomes sought from summit (10 min)**
Richard Warburton
Chairman, Board of Taxation

9.10 – 10.30 **Tax Value Method: What, Why and Why Now**
Paul Abbey
Partner, Shaddick & Spence
Martin Keating
Senior Tax Counsel, Australian Taxation Office
Tom Reid
Consultant to Australian Taxation Office

10.30 – 10.45 Discussion

10.45 – 11.00 *Morning Tea*

ROAD TESTING TVM

Chair: Dr Tony Rumble
CEO, Savings Factory Ltd & Visiting Fellow, ATAX UNSW

11.00 – 12.30 **Selective Case Studies: Impact of TVM on typical taxpayers**

These are selective presentations of typical problems based on case studies across a number of major firms. Case studies to be discussed outline a taxable transaction; the operation of current law, impact of TVM and operation of accounting standards. Comprises 10 min analysis of problem and then open discussion.

Tony Baxter - Principal, AJ Baxter & Associates
Peter Dimech - Group Manager Taxation, Australia Post

12.30 – 1.30 **Panel Discussion**

Tony Baxter
Peter Dimech
David Mouritz - Manager Taxation, Telstra Corporation Ltd
Kel Wall - Projects Manager Corporate Tax, BHP Ltd

1.30 – 2.30 **LUNCH**

KEY DESIGN ISSUES

- Chair: Chris Jordan
Partner, KPMG
- 2.40 – 3.20 **Tax Value Method Concept:
The problem, the proposed solution and the tough issues**
Professor Yuri Grbich
ATAX UNSW
- 3.20 – 3.50 **TVM: How well does it express the income tax base?**
Professor Graeme Cooper
Faculty of Law, Melbourne University
- 3.50 – 4.10 Discussion
- 4.10 – 4.30 *Afternoon Tea*
- 4.30 – 5.15 **TVM and the relationship between taxation and commercial accounting methods**
Malcom Gammie
Barrister, Institute for Fiscal Studies, Visiting Professor of Tax Law London School of Economics
- 5.15 – 6.00 Discussion
- 6.30 – 7.30 **Pre-Dinner Drinks**
- 7.30 **DINNER**
- Special Guest Speaker**
Meredith Hellicar
Former Chief Executive, Corrs Chambers Westgarth

DAY TWO - TUESDAY 24 JULY

THE BIG PICTURE: **FOCUSING ON TVM COSTS AND OUTCOMES**

- Chair: John Harvey
Board of Taxation
- 9.00 – 9.20 **Introduction: Refocusing on the key objectives: TVM - the policy arguments for and against**
Geoff Lehmann
Partner, PriceWaterhouseCoopers
- 9.20 – 9.45 **Compliance and administrative costs of TVM: What are the implications?**
Associate Professor Chris Evans
Associate Director, ATAX UNSW
- 9.45 – 10.10 **Modeling the economic outcomes from TVM: Is it practical and meaningful?**
Associate Professor Neil Warren
ATAX UNSW
- 10.10 – 10.50 **Discussion on broad range of practical issues**
Sue McCluskey - Director Taxation, National Farmers Federation
Dr Steven Kates - Chief Economist, ACCI
Ross Robins - Director, Australian Bankers' Association
Peter Burn - Assistant Director, Business Council of Australia
- 10.50 – 11.20 *Morning tea*
- 11.20 – 1.00 **Where do we go from here? Open Forum led by Panel**
Chair: Richard Warburton
Chairman Board of Taxation

Panel members:
Professor Graeme Cooper
Professor Malcolm Gammie
Professor Yuri Grbich
Mark Friezer - Partner, Clayton Utz
Lawrence Magid - Partner, Allens Arthur Robinson
- 1.00 **Conference concludes**

IMPORTANT This is a UNSW academic activity and all care is taken to assure the highest possible standards and accuracy. **Even so, no person is entitled to place legal reliance on the papers, presentations or comments** of any person presenting or attending. Specific tax matters should be advised upon by appropriately qualified persons in professional adviser/client circumstances.