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## General Editor's introduction

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Significant Commonwealth tax changes have now passed into law. The Liberal Coalition Government has repealed the carbon tax, effective from 1 July 2014. However, uncertainty remains regarding the abolition of the mining tax, along with the tax loss carry-back measure, instant small-business entity asset write-off and accelerated depreciation for motor vehicles.

The proposal to increase the fuel excise brought this rationale from Treasurer Joe Hockey:

Well, change to the fuel excise does exactly that; the poorest people either don't have cars or actually don't drive very far in many cases. But, they are opposing what is meant to be, according to the Treasury, a progressive tax.<sup>1</sup>

Fuel excises are very regressive and this incident again illustrates the need for an independent body to take over tax reform.

Slowly, the Australian Tax Office (ATO) is being reinvented. The new Commissioner, Chris Jordan, is changing the culture and making the ATO a contemporary and more service-oriented organisation. Its new mission is to contribute to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems. New technologies and ways of doing things are being embraced. Personnel are changing, with down-sizing and a large redundancy program, along with the recruitment of tax and audit professionals from outside the ATO. I invite our readers to provide articles on their impressions of the effectiveness of the new ATO, which looks likely to have a profound and positive impact on the community.

In this issue of the *Australian Tax Law Bulletin*, Bill Mavropoulos's timely article "HECS-HELP former student debts and the 2014/15 Budget" examines proposed reforms of the funding of higher education and changes in the nominal rate of "interest" (indexation) being charged on HECS-HELP debts, where former students may be subject to a change in the indexation rates of their existing loans from using the Consumer Price

Index to using the higher 10-year government bond yield. Can a government charge interest or increase the indexation of a HECS-HELP liability that has already been incurred? Mavropoulos casts doubt on the validity of such legislation and finds that such retrospective increases to pre-existing liabilities raise questions of equity and fairness.

Chris Wallis's article, titled "That much desired corporate largesse may leave an ugly hangover", treads through the minefield that is the fringe benefits tax (FBT) rules that apply to employers providing entertainment for employees and others. As Wallis concludes, "in any tax review, the first tax to be reviewed ought to be FBT — there must be a simpler and more efficient way of collecting the revenue."

In "Self-education expenses: some thoughts for taxpayers and their advisers",<sup>2</sup> Michael Blissenden, Sylvia Villios, Lidia Xynas and I analyse self-education expenses, the application of s 8-1 of the Income Tax Assessment Act 1997 (Cth) and s 82A of the Income Tax Assessment Act 1936 (Cth) and the associated issues for completing income tax returns. Given all the complexity and the limited role of s 82A, we find that this provision serves no useful purpose and its continual presence actually confuses taxpayers and their advisers.



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### Footnotes

1. "Joe Hockey tells low income households they would not be bothered by petrol excise rises because rich will pay them", *News.com.au* 13 August 2014, available at [www.news.com.au](http://www.news.com.au).
2. This article was subject to an independent review.