

AUSTRALIAN TAX REVIEW

Volume 52, Number 3

2023

EDITORIAL – *General Editors: Dale Pinto and Kerrie Sadiq*

Navigating Taxation’s Diverse Horizon: From Avoidance to Health and Business 95

ARTICLES

Part IVA: A Reflective Discourse – *The Hon Richard Edmonds AM SC*

The observations and commentary below seek to distil the principles that seem to emerge from the jurisprudence concerning the general provisions of Pt IVA over the last 40 years with a view to providing guidance in the construction of those provisions and their application to different facts going forward; and to analyse the processes of reasoning in arriving at those principles to provide an informed assessment of the reliance that can be placed on them as precedential authority. 97

Tackling the Obesity Crisis: Healthy Eating and Income Inequality – *Ranjana Gupta*

New Zealand has the third-highest obesity rate among Organisation for Economic Co-operation and Development countries. To overcome the obesity crisis in New Zealand, this article investigates whether removing the Goods and Services Tax (GST) on fresh fruit and vegetables would improve affordability and healthy eating habits, particularly for low-income families. To support the recommended approach for New Zealand, the article also undertakes a relevant discussion of Australia’s general GST treatment of food to identify any insights applicable to New Zealand’s regime. The removal of GST on fresh fruit and vegetables in New Zealand, however, would not sufficiently improve affordability and healthy eating habits, particularly for low-income families, to justify the costs associated with change. This article puts forward that a smart card scheme for purchasing fruit and vegetables, if combined with an increase in education to prioritise healthy eating could better reduce New Zealand’s high obesity rate. 116

I Know It All: The Relationship between Small Business Tax Literacy and Their Confidence – *Melissa Belle Isle and Brett Freudenberg*

There is concern about small business owners’ (SBOs) tax knowledge. This research extends prior research by comparing literacy scores (LSs) in the areas of business tax, financial statements and computer accounting software (CAS) to the confidence levels of SBOs operating in the service sector. This is important as misaligned confidence to knowledge could lead to mistakes, as well as not seeking assistance. Also, this research sought to understand whether service SBOs cash flow management practices are related to their literacies. The findings suggest that SBO’s confidence in understanding business tax and in implementing effective cash flow management systems is significant to service SBO’s literacy. 144

Choice of Australian Business Structures in the SME Sector: What Do Advisors Recommend? – *Barbara Trad, John Minas, Brett Freudenberg and Craig Cameron*

When faced with a client scenario what would advisors recommend to their clients in the small and medium enterprise (SME) sector as a business structure? This article reports a unique case study of Australian SME advisors and what business structure they would recommend to their clients based on 12 scenarios representing real world situations. Those professional advisors were accountants, lawyers, tax advisors, or business consultants. The findings demonstrate an overwhelming trend that in almost all circumstances a combination of structures was recommended for the one enterprise. Additionally, discretionary trusts featured prominently in these recommendations either as a trading entity or as a holding entity. 177