

30 August 2016

The Hon Malcolm Turnbull MP
Prime Minister
Parliament House
CANBERRA ACT 2600

The Group of 100 Incorporated

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Dear Prime Minister

The Group of 100 (G100) is the pre-eminent voice of chief financial officers (CFOs) from Australia's leading businesses. Our membership reflects a diverse range of sectors incorporating a significant proportion of the ASX200. Our purpose is to create better businesses for tomorrow.

On behalf of the G100, I would like to congratulate you and the Coalition on your re-election. Political and economic stability are critical to Australia's ongoing prosperity and we look forward to continuing to play an active role with Government to create an environment that promotes strong investment in Australia and creates a platform for continued growth and success of Australian enterprises.

The G100 welcomes the opportunity to work with various arms of Government to advance common interests, in particular, achieving real tax reform, reducing the impact of business regulations (red tape), improving the quality and transparency of corporate reporting and superannuation reform.

Real tax reform: The G100 believes the taxation system must be reformed in order to support economic growth, increases in work force participation and productivity leading to more jobs and more opportunities for Australians.

The G100 also believes that tax reform needs to be viewed in a 10-year horizon and requires bipartisan support from the major political parties to be effective. Our areas of focus with the current system include:

- Reform of costly and inefficient taxes (e.g. Fringe Benefits Tax).
- Providing corporate tax incentives to encourage investment.
- Achieving a more prudent balance between direct and indirect taxes, recognizing Australia's changing demographics.
- Removing the insidious effect of bracket creep and associated disincentives.

The G100 understands the importance of large businesses to the Australian economy and is supportive of the efforts of its members to explain their contribution. To this end, the G100 publicly supported the Tax Transparency Reporting initiative.

Reducing business regulation (Red tape): The G100 has identified unnecessary regulation and potential savings in response to the Government's Red Tape Reduction initiative.

It is estimated implementing the G100's recommendations would save in excess of \$1 billion over the time periods suggested. Some progress has been made and we appreciate the opportunity to continue to work with your Government to explore the many outstanding opportunities.

Our specific areas of focus include:

- Regulations introduced without a proper regulatory impact assessment.
- Streamlining regulation that results in duplication, complexity and cost to business.
- A nationally consistent and harmonized approach to Federal, State and Local Government regulation.

The G100 established industry-based working groups to review regulations from the perspective of the relative urgency of the need for reform and the cost profile of the regulation which identified the following areas of focus:

- FBT legislation
- Remuneration reporting
- Environmental compliance reporting
- Greenhouse and energy reporting
- Access to the use of technology in communications with shareholders.

Quality and transparency of corporate reporting: The G100 supports efforts to improve the quality of corporate reporting, including the streamlining of financial reports and rationalizing remuneration reporting to remove duplication, reduce complexity so as to better meet the needs of shareholders and other users by reducing clutter and focusing on materiality and relevance.

We believe international developments such as integrated reporting will contribute to innovative approaches to reporting if regulatory and legislative barriers to experimentation, such as issues relating to director liability for forward looking and risk oriented statements are removed.

Superannuation: Australia has created a superannuation sector that is the envy of the world which supports individual responsibility for saving for retirement and creates a unique and valuable pool of investible capital in Australia to support our future prosperity. We welcome the work your Government is undertaking that will enshrine the purpose of superannuation in legislation. However, we are concerned that some of the announcements in the 2016 budget change the basis on which superannuation will operate and could put at risk our enviable position.

The G100 is committed to engaging in a positive and constructive manner with your Government on these issues and would welcome the opportunity to meet with appropriate representatives from your Department and Treasury to progress them further. Our CEO, Peter Meehan, can be contacted on 0417 509 022 to arrange a suitable time.

Yours sincerely
Group of 100 Inc



Zlatko Todorcevski
President

Cc The Hon Scott Morrison MP

