

## Justice and Order: Part 12

What is tax law? Basically, it is a law for the purpose of creating a system for the government to collect funds from citizens. As the Australian government has not been able to meet its tax collection requirements, it has been necessary for some abolition and combination of government agencies and other expenditure reduction measures has become necessary.

Amongst scholars, there are those who consider the collection of tax to be evil. This is because it serves as a distribution of wealth. The impart of wealth from those who have earned it to those who have done nothing is considered contrary to the principles of capitalism. The Australian government is currently searching for something to increase its taxation revenue. With the carbon tax that ended in failure and sharp drop in resource prices, taxation revenue has plunged. The taxation commissioner of Louis Dynasty era France stated that 'taxation is art'. What this means is it is necessary to create a system in which citizens pay tax without being hurt. In other words, alcohol, tobacco and gambling taxes are appropriate for this endeavor.

The Australian government focused on this goal in establishing a casino. Unlike pubs and clubs, many casino customers are foreigners. Although until the Hawke government indirect taxes (customs, duties etc.) accounted for much of government revenue, with the Keating government came a complete change of direction. Accordingly, the automotive industry is currently withdrawing from Australia.

What will be the new area from which tax revenue is drawn? The continuation of high cost, low yield mining operations cannot be expected to continue whilst resource prices are low. Whilst foreign companies are shifting the cost-centers (non-sales departments) of their subsidiaries overseas to places like Singapore and Thailand, for Australia companies, it is not only call centres, but also finance and accounting departments that are being shifted to places like India.

It is quite notable that the Christmas tree in Sydney's Hyde Park is this year much smaller than usual. The greatest source of revenue for local governments are grants from the federal government. Was the Australian government policy in recent years towards the elimination of indirect taxes in order to rise productivity a mistake? Although the government faced backlash for reducing subsidies towards universities, the amount of Australians paying education costs upfront is low. The majority of students undertake studies by taking out loans from the government. The only people who need to pay tuition fees up front are foreigners. If the loans owed to the governments continue increasing and there were no more foreign students, it would not be surprising if universities would need to close down.

Under this situation, isn't it necessary to consider discounting the purchase price when undertaking a merger of acquisition of an Australian company? Can Australia be called a 'no-risk country'?