Santa in the big scheme of life

Preamble

On the 19 June 2020, Lee Parker, Founding Joint Editor of *Accounting, Auditing and Accountability Journal* showed the author a humorous cartoon by Bill Watterson (born William Boyd Watterson II) dealing with the subject of how Santa operates his business (Watterson, 2005; first published on 6 December 1988). On the next day, a brief account of the author's initial reflections on the cartoon, was sent to Lee. He immediately provided encouragement, in a serious manner, to consider developing the work. This paper was prepared as a response to both appreciating the cartoon and after further personal reflections were made on the subject in the subsequent days in Geelong, Victoria, Australia, during the worldwide coronavirus disease 2019 (COVID-19) lockdown period.

Well, not everyone knows everything!

Did you know that Santa arguably operates the best designed fiscal system on behalf of the government?

Santa indeed appears to youngsters to provide near year-end toys for no charge/fee (if they even think of that), but there is, in simple terms, a Parent(s)/Carer(s) Funding Scheme behind it, and is one of the earliest antecedents of the current personal taxation regime.

In broad terms, it works like this: parents and carers use after-tax money to secretly expend, often at much personal sacrifice, on non-tax-deductible-toys, which they themselves may not even play with. Once the youngsters become too big for those toys or simply bored with them, they may be passed on to other younger folk (even in the same court, street or road) whose parents and carers, who may be less financially pecunious, accept as a form of donation within the community.

Under New Public Management in public sector parlance, such donations of toys are officially called voluntary contributions, made in the interest of the public good, which are also not afforded tax-deductible status. This means the government does not have to especially fund toys on the "public purse" for what may be described as "disadvantaged people" or similar term or for people who simply just prefer not to purchase toys.

To recap, two key things are essentially happening! First, the government does not provide tax deductions for expenditure on toys supposedly gifted by Santa. Second, the toys related to the work of Santa, which are later donated for the advancement of the public good, are not treated as tax-deductible, so their written down cost or to (be more modern) their "fair value" at the time is not of any relevance to anyone.

Just think a little more about this. What is really happening? Today, we should not take things for granted without some form of critical analysis. The same approach should be applied tomorrow and thereafter.

This whole process resembles, in (economic) substance over (legal) form terms, a Toys Network Tax on people (read "taxpayers") which, on contemplation, cleverly serves three main purposes. First, the taxpayers fund the used (or even the unused) toys provided for use by other citizens in the community, thereby taking this obligation away from the government. Second, the government is effectively discharging a responsibility to provide equity in toys enjoyment in society without really doing anything. Third and finally, Santa is made to look so generous and pretty good! That is the Bang! Now you have heard it!

It makes one wonder, however, whether the government initiated the concept of Santa? Does the official history on Santa need to be rewritten? However, this is a digression and not necessarily helpful. As tends to be stated in the classics, "there is a PhD in that topic".

Accounting, Auditing & Accountability Journal
Vol. 33 No. 8, 2020
pp. 2201-2202

0951-3574
DOI 10.1108/AAAJ-10-2020-094

Taking time out to reflect, the question now posed can be pondered: "Is there a better scheme to be adopted or is this model the best available?".

Oh my, almost forgotten, but there is another point to consider, which is often overlooked. What about all the other toys that do not get the opportunity of having more lives and are merely thrown out, helping to overfill our rubbish repositories? This is a wicked problem and, in a socially conscious world, should not be left to Santa alone to resolve, which is the general impression the government gives, but not everyone, such as some politicians, may agree.

How do we, as responsible and enlightened citizens, curb such wasteful behaviour in everyday life with positive ramifications for the state of our natural environment and the health of all forms of life on the planet? Now, that would be a big plus!

What do we do? Yes, that is us! How do we respond to the depletion of scarce resources in this way and deal with the unfavourable implications, such as the threatened extinction of species, for instance, the orange-bellied parrot species (Department of the Environment, 2016) amongst many other species, and not mentioning those species that are lost to the planet already? How long would it take to implement whatever action is formulated?

In the meantime, what role can Santa perform? Oh, perhaps a new way for Santa to run the business is to deliver to youngsters memberships of public toy libraries emerging in several local communities? Would not it be splendid if the government ruled that the modest costs of these toy library subscriptions became tax deductible! Taxpayers would suddenly be incentivised to change behaviours by means of the hip-pocket nerve in reverse operation.

So, let us all contemplate persuading Santa of this attractive change of business model. It is, afterall, somewhat overdue, but this paper is not about attributing blame. Where does that really get us? It is essentially about ideas, creativity, innovation and new means of innovative partnering!

In the good old days, this was commonly known, in Australia at least, as "thinking outside the square", being a metaphor to think differently, unconventionally, share and adopt a new perspective or theory, explore history, draw stimulus from outside our family lives and designated careers, and to challenge. We can, after all, get Santa onside. "Ho, ho, ho"!

Garry D. Carnegie
School of Accounting, RMIT University, Melbourne, Australia

References

Department of the Environment (2016), *National Recovery Plan for the Orange-bellied Parrot, Neophema Chrysogaster*, May, Department of the Environment, Canberra, available at: https://www.environment.gov.au/system/files/resources/f6680c43-4b28-4a4a-86c1-04adaad26f28/files/national-recovery-plan-orange-bellied-parrot.pdf (accessed 26 June 2020).

Watterson, B. (2005), *The Complete Calvin and Hobbes Book 2*, Andrews McMeel Publishing, Kansas City, p. 38, Cartoon originally published 6 December 1988.