



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

16 August 2018

Ms Mirren Allica  
Black Economy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

**By email: [Blackeconomy@treasury.gov.au](mailto:Blackeconomy@treasury.gov.au)**

Dear Ms Allica

**2018-19 BUDGET BLACK ECONOMY MEASURE – FURTHER EXPANSION OF THE TAXABLE PAYMENT REPORTING SYSTEM**

While we support the Black Economy measures for tackling tax avoidance, we are concerned about current compliance cost on small business.

First, we are keen to understand the data collection and analysis concerning the nature and extent of tax compliance issues in the cleaning, security and IT industries, as well as the effectiveness of the Taxable Payment Reporting System (TPRS) in other industries.

Our particular concern is that any regulation is proportionate to the problem and that any red tape applied to small business is avoided or at least minimised.

Small business owners do not have the capacity to spend hours trying to interpret additional regulatory requirements. Small businesses do not have the resources to engage dedicated administration or legal staff to interpret and adjust systems to ensure compliance.

It is also important to ensure that businesses that may have limited ability to comply with regulatory change are given sufficient time and education to allow for a smooth transition into the system.

A key technical issue with the proposal, as it stands, is the 10 per cent exemption. We believe that this is far too low and would itself require an additional compliance burden to determine whether minor/incidental activities are present, and their level. We propose for the exemption to be 50 per cent.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6263 1558 or at [jill.lawrence@asbfeo.gov.au](mailto:jill.lawrence@asbfeo.gov.au).

Yours sincerely

**Kate Carnell AO**

Australian Small Business and Family Enterprise Ombudsman

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