

16 July 2021

Sharing Economy Reporting
Corporate and International Tax Division
The Treasury
Langton Cres
Parkes ACT 2600

via email: sharingeconomyreporting@treasury.gov.au

Dear Sir/Madam

Implementing a reporting regime for sharing economy platform providers

My Office acknowledges and supports the work of the Black (or Shadow) Economy Taskforce and the measures so far enacted to tackle tax avoidance in an effort to maintain a level playing field for small and family businesses.

There remains a lack of legal clarity on the status of those who work through the sharing economy as either employees or independent contractors. Mandatory reporting may therefore result in misreporting of employment income as small business revenue. Clarification and clear guidance is crucial.

We are also concerned that the legislation as proposed may unintentionally impede the likelihood of Australian start-ups entering and competing in the platform market, further stifling competition in an industry that is currently dominated by foreign-owned entities.

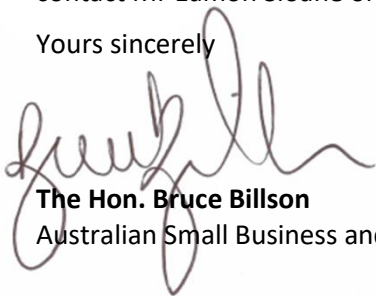
As small businesses, start-ups feel the burden of regulation and compliance more than large businesses who can more readily absorb associated costs. We recommend two potential amendments that could facilitate a friendlier sharing economy for Australian start-ups.

1. Establishing a 'floor' for entities that must report (e.g. \$10 million in annual turnover).
2. Providing start-up platforms a grace period or phased reporting framework.

Allowing Australian start-ups to grow to a competitive size before requiring compliance with this regime would contribute to an economy that encourages innovation and ensures the job of tomorrow are born in Australia.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Eamon Sloane on 02 6213 7451 or at eamon.sloane@asbfeo.gov.au.

Yours sincerely



The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman