

Camplify Holding Limited

Incorporating Camplify Co (AU), Camplify Co (UK),
Camplify Co (NZ), Camplify Co (ES)



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Draft submission to Treasury on amendments to the Tax Administration Act 1953, introducing a tax reporting regime for sharing economy platforms

Introduction

Camplify thanks you for the opportunity to provide a submission in relation to the introduction of a tax reporting regime for online sharing platforms. We support the Treasury's goals to minimise tax leakage into the black economy.

We also acknowledge the government's often stated support and encouragement of digital economy businesses in Australia, and its desire to provide a regulatory framework that enables those businesses to thrive.

Camplify can see the need to collect this information and make it simple for both our customers to understand and comply with their regulations, however we don't support the obligation being placed on the operator of marketplaces to collect and distribute this data.

For a successful implementation of the reporting regime both businesses and the ATO need to work together so that we optimise the collection and reporting of data without it causing a detrimental impact to individual marketplace businesses. It is critical that Treasury, the ATO and platform operations have an accurate communication on the way our businesses operate, and the responsibilities for where information collection and sharing lay.

The first step in this process is a consideration of the concerns this new regime raises for the tech industry in Australia generally, and more specifically for Camplify itself.

This submission is set out in 3 sections:

Section 1 - Concerns/Observations relating to the Australian tech industry

Section 2 - Concerns/Observations relating to Camplify

Section 3 - Further information about Camplify

1. Concerns/Observations relating to the Australian tech industry

- 1.1 The government has indicated support for jobs created in Australia in the digital economy. The imposition of additional data collection requirements makes it more difficult for companies in the digital economy to succeed. This reporting regime will add friction to all online sharing platform operators and inhibit success, thereby limiting job creation opportunities. We think this is an unreasonable request from government, and contrary to its stated objective of encouraging expansion of the digital economy in Australia.
- 1.2 There is growing concern that the government is asking the private sector to disclose increasing levels of personal information to government agencies. This perception of being spied on by private companies on behalf of the government is not good for public trust in government, or the efficient operation of digital economy businesses.
- 1.3 It is not the private sector's responsibility to police the collection of tax payments. Requiring private businesses to establish processes to collect and report earnings data for non-employees is time-consuming and costly. It is disruptive and forces businesses to incur cost to do the government's work - an inappropriate use of shareholders' funds. It also puts digital economy businesses at a disadvantage to non-digital businesses who are not subject to these additional reporting requirements.
- 1.4 We do not believe that data reporting will result in substantially increased tax collection given the profile of users and average value of earnings generated on sharing economy platforms. Nor does the typical user of an online sharing platform fit the categories of worst tax evaders the ATO is currently targeting.
- 1.5 The negative impact on digital economy platform operators and the foregone employment opportunities those platforms create, outweigh any small benefits the ATO might derive from additional data sources available for tax collection purposes.
- 1.6 This policy will impact and disadvantage Australian companies compared to global internet giants that are able to structure their operations to circumvent Australian regulation. This adds to the perception that the Googles and Facebooks of this world get a free ride when it comes to tax compliance compared to local Australian companies competing in the same space.
- 1.7 This policy will create a disproportionate amount of work for smaller companies. The administration required in setting up data collection, extraction and reporting

is not insignificant for a smaller company. This is just another hurdle likely to stifle innovation.

2. Concerns/Observations relating to Camplify

- 2.1 Camplify would like to work with Treasury and the ATO to find the most effective way to deliver the information they need, in a way which does not have a negative impact on the rental of RVs of RV owners via the Camplify marketplace to generate an income.
- 2.2 Camplify's platform is able to create new Australian job opportunities and has helped launch over 1000 micro-Australian businesses, because of the ease with which users can access the platform and its services. Anything which adds friction to the registration process makes it less likely that a customer will list their van for rental. Requiring data from users during the registration process adds friction. Collection of data beyond what is already collected or requiring it to be collected earlier in the process, adds friction.
- 2.3 Trust is an important component of Camplify's marketplace. The perception that we are working for the government to identify tax reporting failures could have a negative impact on relations with our community.
- 2.4 Median tasker earnings on the Camplify platform last year was \$8,610. Of the total RV owners who are not already registered businesses the average earnings are only; \$6842 per RV owner. We do not believe that these customers on our platform fall within a category of tax evaders that would yield a substantial increase in dollars collected.
- 2.5 We want to work with Treasury and the ATO to achieve their objectives, but request that we do so on the basis that it does not:
 - increase friction in the platform
 - require additional data to be collected beyond what we already collect from taskers, or can acquire from our own data:
 - Name
 - Email
 - Address
 - Mobile
 - Earnings on platform and fees paid to Camplify
 - require data to be collected at a time other than it is currently collected in the task acceptance and completion work flow

- Introduce collection of any additional categories of data we do not currently collect (eg. enquiries as to GST registration)

3. Further Information about Camplify

Who is Camplify and what does it do?

Camplify is one of Australia's leading peer-to-peer (P2P) digital marketplace platforms connecting recreational vehicle (RV) Owners to Hirers. Camplify has built a platform that delivers a seamless and transparent experience for consumers and potential RV Hirers to connect with RV Owners and SMEs with a fleet of RVs. A wide variety of caravans and campervans are available on Camplify.

What industry does Camplify operate in?

Camplify operates in the RV rental market. Camplify is an online platform and differs from a traditional RV rental agency as Camplify does not own or hold product inventory, or require physical retail outlets but acts as an intermediary to connect Owners and Hirers. The characteristics of the Hirer and Owner demonstrate a growing community of customers who are likely to use P2P platforms such as Camplify. As at January 2021, there were approximately 741,000 RV registrations in Australia, indicating a substantial number of available RV assets that Camplify can potentially capture and make available for rent. Over the past 5 years since 2015, approximately 141,000 caravans have been added representing a 26.7% increase over this period.

What is the history of Camplify?

Camplify was conceived in 2014 by Justin Hales. When searching for the perfect van to hire, he noticed all of the unused caravans and campers sitting on driveways around his neighbourhood.

Camplify has grown to become one of the country's largest RV sharing platforms with over 5,400 RVs registered on Camplify. Camplify now has a global community of over 150,000 RV members in Australia, the UK, Spain and New Zealand that allows Owners to boost their income by sharing the joys of caravanning with others.

What is the Camplify platform and what services are offered?

The Camplify marketplace platform enables transactions between RV Owners and potential Hirers. The technology platform is available online through internet connected devices. Camplify provides RV discovery, booking and payments, handover checklists, insurance facilitation and 24/7 support. Everything the Owner and Hirer need to have a safe and secure RV rental.

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