



Media release

21 August 2019

ATO protecting small businesses in Hornsby from the black economy

Officers from the Australian Taxation Office (ATO) will be visiting around 500 small businesses in and around the Hornsby area in September as part of the office's efforts to protect honest small businesses from unfair competition by tackling black economy activities.

Assistant Commissioner Peter Holt said the visits are all about ensuring a level playing field and curbing unfair competition.

"We're particularly concerned about businesses gaining an unfair edge over their honest competitors by not playing by the rules" Mr Holt said.

The ATO is visiting these towns as a result of some tell-tale signs of black economy behaviour.

"The Hornsby community has told us that some businesses are not paying their employees their correct entitlements like super and PAYG withholding tax."

"Black economy signs that we look out for are things like not being registered for GST or pay as you go withholding, poor record keeping, operating a 'cash only' business, and failure to provide pay slips", Mr Holt said.

Another reason we're heading to Hornsby is because we know that these local visits give us an opportunity for one-on-one education with businesses about the tools and information they need to correctly register, lodge on time, maintain accurate business records, and correct any mistakes.

"We're happy to help and support those who want to do the right thing and need help. However, if we think a business is deliberately doing the wrong thing, we also have an obligation to the community to investigate further", Mr Holt said.

During the visits, the ATO will also be running some information sessions tailored to support small businesses.

"We will be offering information sessions in both English and Mandarin", Mr Holt said.

"Our information sessions are designed to help business owners understand the newly introduced Single Touch Payroll system and the benefits of good record-keeping." Mr Holt said.

"The Black Economy Taskforce estimates that the black economy is costing the community as much as \$50 billion, which is approximately three percent of Gross Domestic Product (GDP)," Mr Holt said.

“This is money that the community is missing out on for vital public services like roads, schools, welfare, healthcare, and infrastructure.”

“These local visits give us an opportunity to talk to business owners and help them get things right. During the visits, we may discuss record-keeping and payment facilities, outstanding lodgments, tax debts, and managing employee entitlements such as superannuation,” Mr Holt said.

The visits are part of the ATO’s strategy to deal with the black economy. The ATO plans to visit almost 10,000 businesses this financial year in all states and territories, across a variety of industries. As part of the visits, ATO officers will be providing information about recent changes, such as Single Touch Payroll and the extension of the Taxable Payments Reporting System to certain industries.

ATO staff will also be visiting tax practitioners of small businesses in these areas as part of our early intervention strategy. These visits will enable us to better understand the drivers behind agent behaviour and provide education and support to encourage willing participation of their clients in our tax and super systems.

To find out more or to register for an information session, visit ato.gov.au/protectinghonestbusiness

Industries more likely to be visited by the ATO

- Legal and accounting services
- Building cleaning, pest control and gardening services
- Cafes, restaurants and takeaway food services
- Computer system design and related services
- Adult, community and other education services

Note to journalists: Audio of Assistant Commissioner Peter Holt discussing the business visits is available in our media centre (<https://www.ato.gov.au/Media-centre/>)

Audio of Assistant Commissioner Peter Holt discussing the black economy more generally is also available in our media centre (<https://www.ato.gov.au/Media-centre/>)

Information sessions

Thursday 29 August, Magpies Waitara, Black & White Room, 11-37 Alexandria Parade, Waitara, NSW

ATO business visits information session – English: 9.30am – 10.30am and 6.00pm – 7.00pm

ATO business visits information session – Mandarin: 2.30pm – 3.30pm AEST

Single Touch Payroll introduction session: 11.00am – 12.30pm