



Media release

21 August 2019

ATO heading to Healesville to help protect honest businesses from the black economy

As part of its efforts to tackle the black economy and protect honest businesses from unfair competition, the Australian Taxation Office (ATO) is planning to visit around 400 small businesses in Healesville, Victoria during August and September.

Assistant Commissioner Peter Holt said the visits are all about ensuring a level playing field for honest businesses and curbing unfair competition as a result of black economy activities.

"We're particularly concerned about businesses in certain industries in Healesville like building and construction gaining an unfair competitive edge over their honest competitors, so businesses in these industries are more likely than others to get a visit from us," Mr Holt said.

"People from the Healesville area have told us about some building and construction businesses getting an unfair advantage over their honest competitors by not playing by the rules. Community reports from the area have alerted us about sham contracting, underpayments and paying wages in cash, all of which are signs of black economy activities."

"We take non-compliance of employer obligations seriously and are committed to do the right thing for honest businesses in the area by identifying those who are engaging in black economy practices and ensure a level playing field", Mr Holt said.

The cash and hidden economy is a part of the black economy. It exists when individuals or businesses deliberately hide income to avoid paying the right amount of tax or super.

"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."

"Some business may use the cash payments to hide income and not meet other obligations, for example paying cash wages without keeping records, not declaring cash sales, not recording some sales and other activities to avoid their tax and super obligations", Mr Holt said.

During the visits, the ATO will also be running some information sessions tailored to support small businesses. A Single Touch Payroll information session will also be held on the same day.

“We hope these visits and information sessions will be of great help to small businesses in the Healesville area”, Mr Holt said.

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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

- Building cleaning, pest control and gardening services
- Building completion services
- Residential building construction
- Building installation services
- Other construction 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

Wednesday 28 August, The Memo, 235 Maroondah Highway

11.20am–12.20pm and 3.30pm–4.30pm

Single Touch Payroll introduction session: Wednesday 28 August, 9.30–11.00am