

From: [Small Business Consultation](#)
To: [Jillian O'Malley](#); [Flego, Adrian](#)
Cc: [Small Business Consultation](#)
Subject: FW: Invitation - tax improvements for small businesses [SEC=UNCLASSIFIED]
Date: Wednesday, 18 July 2018 9:41:39 AM
Attachments: [image001.jpg](#)

Hi Jill and Adrian,

We received an email from one of the Panel members who was unable to attend. He's provided some feedback that you might be interested in.

Thanks.

Kind regards,

Adrian.

Adrian Gunton

Small Business Experience
Australian Taxation Office
P 07 321 33119

From: Chris Laina [mailto:chris@taxspot.com.au]
Sent: Tuesday, 17 July 2018 4:45 PM
To: Small Business Consultation
Subject: Re: Invitation - tax improvements for small businesses [SEC=UNCLASSIFIED]

Once again, apologies that I can not attend tomorrow, below are my notes that I was intending to discuss

1. Small business concerns (Compliance and survival)

I think a major concern for many small businesses is that they do not have the capability to meet the ATO's current and proposed reporting requirements.

While the ATO has put a lot of effort into making self reporting possible and easy, the reality is that there is a huge number of small business owners that do not have any IT skills and will never have the skills needed to meet the ATO reporting requirements.

The reality is that these businesses will be forced to pay accountants to do the work which will add additional costs for many businesses that can not afford it.

What many people fail to realise is that there is a huge number of small business owners that are not educated and do not have the soft skills required to administer their business correctly.

It is easy to say these people should not be in business but many of these people are not employable either. If they are not in business then the chances are that they are unemployed and on government benefits. Also many of these small businesses are employers that employees are depending on to survive.

Also this group of employers I am referring to is not a minority group, we are referring to what

would be the majority of independent retail businesses.

The increase in reporting requirements is doing a great job in making it harder for businesses to participate in the cash economy. I fully support this change and it is something that was long over due however there is a reality that many small business will not survive these changes unless they are provided with additional support.

2. MOST USED CONCESSION

The most used concessions would be the "income tax concession" and the "asset write off concession".

I believe they are the most used because by nature they apply to most small businesses.

3. OPPORTUNITIES FOR IMPROVEMENT

TARGET INDUSTRIES - Currently a lawyer has the same access to a tax concession as your local cafe. The reality is that the lawyer does not need any help but the local cafe does. I believe industries that are doing it tough should receive more support than industries that are not.

4. Concessions not working

I feel all concessions work for the business that can use them. The question is whether the concessions are supporting businesses that actually need the support. In its current broad based form I do not believe that it is the case.

5. New concession Ideas

INCREASE GST FREE THRESHOLD

This could be done for selected small industries. For example:

- I guarantee that a Cafe with a turnover of less than 200k is not making any money and is not in a position to pay GST.
- On the other hand a lawyer with this turnover is doing very well and can pay GST.

This is a simple example of where a targeted approach could be beneficial and not as costly as a broad based approach.

SUBSIDISED EMPLOYEE

Small business owners in certain industries could have access to employ an employee on Newstart. For example:

- Local cafe owner employs someone pays the employee a full pay rate based on the award
- The employer receives the newstart allowance as a subsidy for the wage paid to the employee
- The person on Newstart gets the chance to earn more money and gain experience
- The business that is struggling to survive has access to a subsidised employee and gives it a chance of survival
- Condition of eligibility could be that the business is up to date with all tax reporting requirements

6. Reform Principles

I agree with the reform principles. We are in a time of monumental change and there needs to be consideration of the impacts of these changes for businesses that are already struggling to survive

7. Prioritising Principles

The principle that I feel should have priority is that concessions should be "targeted and affordable". It will mean the support is going to the businesses that need them and it will make it will also make it more affordable to provide the support that is required.

8.1 objectives of business structures

In the two main intentions that businesses are concerned with are:

- Asset protection
- Tax implications

8.2 Importance of reducing tax liabilities

Many business owners have this as a key concern however my key concern for business operators is how can they make sure their business is profitable. It is a sad reality that the majority of business owners have no business plan and will struggle to ever be profitable.

9. Concessions and life cycle

It seems most concessions are only of benefit if you are already profitable and successful. The focus should be on supporting non profitable small businesses, especially in the early years of trade.

10. Broadly based concessions

I agree 100% that concessions should not be broadly based and should be targeted as per my earlier notes.

11. Threshold influence on growth

I have never seen anyone say that they do not want to grow their business for this reason. Someone with that mentality would not have a successful business to start with.

11.1. Alternative phase out

I think the hard cut off is simple, phasing out will add to complexity and I do not support this idea.

12. Compliance reduction

Increase the GST free threshold for selected industries as previously noted

13. Change in definition of a small business

I have no issue with current definition, my concern is that different industries are treated the same.

14. Technology & access to Concession

Changes in technology offer amazing things to business owners that are willing to adapt to them. That said, I do not really see how this has anything to do with access to concessions for most small businesses.

Hopefully this is of some assistance, feel free to contact me directly if required.

Chris Laina

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From: Small Business Consultation <SmallBusinessConsultation@ato.gov.au>
Sent: Tuesday, 17 July 2018 12:45 PM
To: Chris Laina
Cc: Small Business Consultation
Subject: RE: Invitation - tax improvements for small businesses [SEC=UNCLASSIFIED]

Hi Chris,

Sorry to hear that you are unwell. We look forward to receiving your response.

Thanks.

Kind regards,

Small Business Consultation Panel
Australian Taxation Office

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From: Chris Laina [mailto:chris@taxspot.com.au]
Sent: Tuesday, 17 July 2018 10:14 AM
To: Small Business Consultation
Subject: Re: Invitation - tax improvements for small businesses [SEC=UNCLASSIFIED]

I am sick and no longer able to attend this panel discussion tomorrow.

I will still email across my response to various questions asked as I do want to contribute to this topic

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From: Small Business Consultation <SmallBusinessConsultation@ato.gov.au>

Sent: Thursday, 12 July 2018 4:15 PM

Cc: Small Business Consultation

Subject: Invitation - tax improvements for small businesses [SEC=UNCLASSIFIED]



SMALL BUSINESS CONSULTATION PANEL

Work with us to design solutions that work for you!

Have your say on tax improvements for small businesses!

Thanks for agreeing to participate in our consultation session next week.

Session details

Wednesday 18 July 2018

1:30pm to 4:30pm (3 hours)

Address: 52 Goulburn Street, Sydney, NSW, 2000

Please ensure you bring photo ID with you.

Jill O'Malley will be your contact on the day. Her mobile number is 0418 410 040. If you have any questions before the event, or you can't make it on the day, please give Jill a call.

When you arrive, please go to the security desk to arrange a visitor's pass and ask them to call Jill – she will escort you to the event.

Please arrive 15 minutes early to ensure that the session starts on

time.

Arranging payment

We'll pay you a consultation fee of \$250 (plus GST if your business is registered) and we are also happy to reimburse reasonable travel costs.

After you have attended the event, please issue us with an invoice so we can arrange payment.

The invoice needs to be itemised (ie it should list the consultation payment, GST and travel costs separately). Please also remember to include:

- Bank account details for payment.
- ABN, Business name and address.

The invoice can be emailed to smallbusinessconsultation@ato.gov.au.

Please note:

- There is a 30 day standard processing time for invoices to government
- The consultation fee forms part of your assessable income.

Registered for GST?

If you are registered for GST you need to add GST to your invoice for the consultation payment (\$250) but not for any travel costs you are claiming reimbursement for.

Travel costs

We're happy to reimburse any reasonable travel costs you have incurred to attend the event, including fares for public transport, taxi fares and parking.

If you used your own car to drive to the event we can also reimburse you for this. Our preference is for you to use the cents/km method (66 cents per kms travelled) to calculate your costs.

Kind regards,

Small Business Consultation Panel Team.

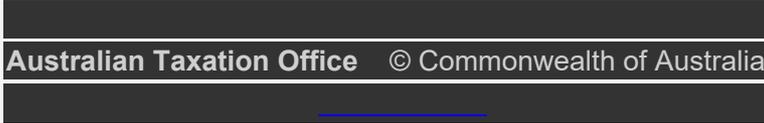
Do you know other small business owners/operators who would like to have their say? Forward this email and invite them to [join the panel](#).

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