



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

1 February 2019

Mr Tim Rowe  
Assistant Commissioner  
Australian Taxation Office  
GPO Box 9977  
Melbourne VIC 3001

**By email: [Tim.Rowe@ato.gov.au](mailto:Tim.Rowe@ato.gov.au)**

Dear Mr Rowe

**LAW COMPANION RULING – EXPANSION OF THE TAXABLE PAYMENTS REPORTING SYSTEM TO ROAD FREIGHT, SECURITY, INVESTIGATION OR SURVEILLANCE, AND INFORMATION TECHNOLOGY SERVICES**

In our prior submissions in respect of expansion of the taxable payments reporting system we raised concerns regarding the compliance burden on small business which still stand.

Our main concern is that the exemption threshold of 10% is too low. This level will create another compliance obligation. We reiterate that an exemption level of 50% would better reflect the intention of this ruling as it would mean that a business that is predominantly in these industries only would be caught. The key benefit of this approach is that is that is a matter that would be readily known by a business.

We believe that any regulation needs to be proportionate to the problem and that any red tape that applied to small business is avoided. We are not aware of any data or analysis revealing the nature and extent of tax compliance issues in the road freight, security, investigation or surveillance and information technology services. We would appreciate referring to this data and analysis if it exists. Further, we are unaware of evidence of the effectiveness of the TPRS in the industries that it currently applies to.

The proposed date of effect of 1 July 2019 is too early. This will not provide enough time to for the change to be communicated and new administrative requirements to be in place. The unintended consequence being that small businesses, with limited resources, will not have sufficient time, or knowledge, to allow a smooth transition into the system.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6121 5312 or at [jill.lawrence@asbfeo.gov.au](mailto:jill.lawrence@asbfeo.gov.au).

Yours sincerely

**Kate Carnell AO**  
Australian Small Business and Family Enterprise Ombudsman

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