

From: [Jillian O'Malley](#)
To: [Flego, Adrian](#); [Seal, Nicholas](#); [I, Kerwin](#)
Subject: FW: Small Business Consultation [SEC=UNCLASSIFIED]
Date: Friday, 20 July 2018 2:37:18 PM

Good Afternoon Gentlemen

I thought I would share the information we rec'd below from one of our attendees at yesterday's consultation panel.

Regards

Jill O'Malley
Director
Small Business Experience
Australian Taxation Office
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-----Original Message-----

From: Mathew Umina
Sent: Friday, 20 July 2018 2:00 PM
To: Jillian O'Malley
Subject: FW: Small Business Consultation [SEC=UNCLASSIFIED]

FYI

-----Original Message-----

From: Alex Polglaze [<mailto:apolglaze@book-keepingnetwork.com.au>]
Sent: Friday, 20 July 2018 12:49 PM
To: Mathew Umina
Subject: Small Business Consultation

G'day Mathew,

I thought yesterday's session was quite interesting and for me, productive.

Thank you for getting the missing BAS situation sorted out. I hope they will be available early next week.

As a follow-up to some of the suggestions regarding small business operators, from my experience, there are two things that need to be fixed that will solve a lot of the problems that we come across in our daily activities.

Firstly, reduce the GST level back to \$20,000 from the current \$75,000. In fact, as I was waiting to get your e-mail address, I see that the government is thinking of abolishing it altogether and if you have an

ABN, your are automatically registered for GST.

Dealing with these businesses in this nether region is quite frankly a pain, and ever since GST was introduced, I have been telling my clients not to deal with unregistered business as there are plenty of legitimate business who are registered. These business invariably have incorrect paperwork, for example they use pre-printed invoices that say GST included when it isn't, or maybe it is. It is difficult to tell.

Of course this applies equally to businesses that don't have an ABN. In this case the business is required to withhold 47%, or what ever the current rate is, from the payment. As a BAS Agent, it is my responsibility to do this, however, if I do, everyone gets upset and we eventually loose the customer. As a case in point, several years ago we were the book-keeper for the Softball Assoc. of WA and they were leasing additional ovals from the local City of Stirling. Invoices were in the vicinity of \$3500 each. The invoices didn't even have an ABN so we withheld the 46.5% as required. The City rang up and said if the invoice isn't paid in full, you can't use the ovals. I informed them that there invoices were not proper tax invoices and that what I did was required by law. They basically told me tough, not their problem and of course there is no consequence for them and there never is. The only person who suffered any damage was us as we lost the very lucrative client. The other side is that if the Association had an audit and was caught, I would have had to pay as it was my responsibility to do things correctly.

In my opinion, tax concessions are less important than proper business procedures, because of the roll on effect bad business practices have on your suppliers and customers.

If I look at my customer base, we have one customer on an annual basis, several quarterly and most monthly.

The absolute worst customer for paperwork is the annual one.

At the end of the day, there are two things to remember about book-keeping and GST.

Firstly, no matter how often you do a GST return, there is still exactly the same amount of paperwork to process to arrive at the figures and secondly BAS calculation is purely a by-product of doing your bookwork properly. At the end of the period, the figures just pop out of your business records. Doing your books more regularly is much more beneficial to the business as you are not trying to remember transactions from anything up the 18 months ago, but rather, the period is down to no more than 4 weeks. This is a great stress relief for business owners.

So I reiterate the point that in my opinion, tax concessions are not a significant impediment to running a small business effectively.

Alex Polglaze

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