To Black Economy Taskforce

Response to Round Table Briefing last Wednesday

I am Michael James, I am from Accentuate Data, Sydney NSW

My submission is about items that appear to be not covered in the Briefing that I think the new Legislation needs to cover.

I applaud the efforts to cut down non payment of Tax by a lot of business large & small which use large cash payments to avoid being accessed for appropriate levels of Taxation.

What the issues are:

1. Subverting the tax system by appealing to customers cost conscious -no body will catch you attitude
2. Systematically set up to reduce business’s taxable income

However, I think you have missed a large segment that uses Tax payments as a optional requirement & succeeds in this by offering small customers a 10% discount.

This group I will collectively name “Tradies” supply electrical, plumbing handyman, carpentry & other skills to the general public & small business.

They appear to excel in this irresponsible behaviour & will be the first to complain about Government not having sufficient funds to spend on Hospitals, Schools & other public services.

I intend to surprise & shock you to get your attention. I hope this gets outside the box treatment.

How to address issues raised

Have two levels of compliance

Have Exceptions for pensioners & a simple method to verify entitlement ( already been used by banks when opening new accounts online using Centrelink Pension Number)

Details

1. No cash payments over $10,000

For Businesses

1. No cash payments over $100

For small businesses & individuals

Any person who pays for goods/services over $100 is to be considered a business. Some businesses now require customers to obtain an ABN to transact with them.

However, the 2nd phase of $100 phased in as the shock of this may cause unreasonable effect on some small business’s.

In this context, the Perception of Shock & Outrage will be the determining factor.

The ability to pay electricians (for example) more easily & quickly has developed to such an extent that it is EASIER than withdrawing cash.

Most cash in hand businesses are small food shops who don’t offer customers EFT payments.

With One Touch Payroll having been rolled out & NOW active, Super Payments via new ATO service, businesses are now required to gear up or get out of business.

It is suggested that Electricians, Plumbers be hit with Compliance SHOW CAUSE Notices after customer reports them to ATO for offering a 10% discount for no invoice.

Another aspect of the Black Economy is to enlarge invoices to cover for “Service Charges” for items that cannot be listed separately for commissions of one kind or another that is not made aware to customers. These are morally ethically questionable.

I appreciate some politicians will use this an opportunity to grand stand & say that older people will be disadvantaged.

Tap & go, debit cards with new bank devices now make it easier along with Pay ID’s to pay electronically.

When GST was introduced a lot of press was given to doom & gloom. The world didn’t end & large no’s of businesses didn’t close. The general public adapted quickly.