



PARLIAMENT of AUSTRALIA

MEDIA RELEASE

House of Representatives Standing Committee on Tax and Revenue
Inquiry into taxpayer engagement with the tax system

Issue date: Tuesday 12 September 2017

Taxes and small business—easing the burden

The [House Committee on Tax and Revenue](#) will hear tomorrow from the Australian Small Business and Family Enterprise Ombudsman about the factors that can drive a small business into the cash economy.

Chair of the Committee [Mr Kevin Hogan MP](#) said that the Committee's inquiry into taxpayer engagement has heard that small business operators can struggle to meet tax obligations through no fault of their own.

"Small businesses can struggle with their tax obligations because larger businesses fail to pay them by agreed times. Phoenix activity, where a company goes bankrupt to avoid paying taxes as well its contractors and suppliers, is another major contributor to small business stress and insolvency," Mr Hogan said.

The Ombudsman's Office was established to assist small businesses and family enterprises should they find themselves involved in dispute with clients, other businesses or Commonwealth government agencies. The Ombudsman also plays a key role in reviewing government policies and regulations to ensure these are 'small business friendly'.

"In April this year the Ombudsman released a report on payment times and practices which clearly showed the relationship between late payments, small business stress and tax avoidance. The Committee values the opportunity to explore these findings with the Deputy Ombudsman and to discuss the relatively high level of small business non-compliance recorded by the ATO," Mr Hogan said.

Public Hearing details: 4.15pm to 5.15 pm, Wednesday 13 September 2017, Committee Room 2R1, Parliament House, Canberra.

The hearing will be broadcast [live](#).

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