



ATO ramp up of small business debt collection

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The Joint Committee of Public Accounts and Audit are currently examining the Australian Tax Office's management of small business collectable debt, including its plan to set a specific measurable target to increase collections.

At the same time, construction project feasibility is deteriorating, interest rates are rising and there are ongoing economic pressures placing significant strain on small building businesses.

This is alongside recent concerns about the proposed banning of ATO credit card payments.

In its submission to the Committee, Master Builders Australia says the significant financial pressures on small businesses must be taken into account when considering debt management policies.

Acting CEO Melissa Byrne said today small builders and tradies have every right to be sceptical of the ATO's approach as we move forward, following the credit card ban fiasco, the Government's proposed trust changes and a series of recent policy hits on small building businesses.

"For many tradies, this feels like yet another hit on the sector.

"We are not suggesting this is the ATO's intention, but this must not become a disproportionate crackdown on small businesses that are doing their best to stay afloat.

"The Committee should examine whether recent administrative decisions, including the proposed withdrawal of ATO credit card payment facilities, may adversely affect the ability of small businesses to manage cash flow and meet their tax obligations.

"This is particularly important for industries such as building and construction, where elevated insolvency rates and project-based cash flow arrangements can create temporary financial pressures for otherwise viable businesses.

"Businesses should meet their tax obligations, but the ATO needs to distinguish between businesses that won't pay and businesses that are struggling to pay.

"Tradies remain ready to deliver the homes, infrastructure and commercial projects Australia needs. We should be backing policies that help them take on new work, not making the situation even worse."

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