

MEDIA RELEASE: 23 August 2013
For Immediate Release



ASSOCIATION OF
ACCOUNTING TECHNICIANS

Paper Cut Leaves Small Business Bleeding

Kevin Rudd's plan to allow 1.35 million small businesses to lodge their GST returns once a year instead of quarterly is fraught with danger. The Association of Accounting Technicians (AAT) Australia would like to alert the Prime Minister that such a policy, whilst well intentioned, may create more issues for thousands of small businesses than it solves.

A recent media report stated that the nearly half of the businesses that have been served with wind-up notices in the past three months, have had proceedings initiated against them for issues such as outstanding GST liabilities. For many of these businesses the main issue has been an inability to pay the GST collected over the previous quarter.

Stuart Norman, CEO, AAT Australia believes such a policy could be a poison chalice for small businesses who may find they have an unexpectedly large bill to pay when they lodge their Business Activity Statement (BAS) annually.

"On the surface this announcement by the Prime Minister seems like a good idea. Small business is grappling with too much red tape but the lodging of BAS returns is only one aspect. Businesses who are on top of their GST obligations may well be able to comply with an annual return, but we fear for those small businesses who may find themselves with a sizeable GST liability at the end of the year."

"Cash flow is vitally important for the success of small businesses and while we applaud Mr Rudd's sentiment, this announcement should come as a warning to those the policy is looking to assist."

"GST reporting is only one of many reporting requirements for businesses to adhere to. It is our fear that this policy may actually hurt those the policy is aiming to assist."

"How often have we heard politicians across the political spectrum stumble over 'unforeseen and unintended consequences' when a policy which looked good on the surface actually carried flaws which caused pain to those it was meant to help?"

"AAT Australia is alerting Mr Rudd and his government to the consequences of this policy now to avoid any unforeseen and unintended pain to small business."

AAT Australia represents registered BAS Agents who are well aware of the red tape that small businesses grapple with on a daily basis. This announcement to reduce the number of times a BAS needs to be lodged is contrary to what the Government has done in their last term of Government. For instance, the building and construction industry are now required to report the total payments they make to each contractor for building and construction services each year.

We would encourage both the major parties to look at what red tape should be cut without the possible of it being detrimental to small business, Mr Norman said.

For more information please contact Stuart Norman on 0427 496 434.

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About The Association of Accounting Technicians Australia

The Association of Accounting Technicians (AAT) Australia is the country's largest paraprofessional body in the accounting / finance / bookkeeping sector and is the only association that has the support of the three professional bodies being CPA Australia, the Institute of Chartered Accountants in Australia and the Institute of Public Accountants.

AAT Australia membership provides a commitment to high standards, professionalism, recognition and status for paraprofessional accounting technicians including self employed bookkeepers; payroll officers; BAS Agents; assistant accountants, accounts payable/receivable officers and other accounting support staff.

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