

ATO ACCUSED OF HARASSMENT

# Small business attacks tax 'bully'

ANTHONY KLAN

The Australian Taxation Office routinely abuses its position to chase small businesses for debts that don't exist and should under no circumstances be given extra powers to hand on allegations of outstanding tax debts to credit reporting agencies, an industry group has claimed.

In a submission in response to proposed changes obtained by *The Australian*, Self-Employed Australia called for the bill to be withdrawn, describing it as a "grab for additional powers for the ATO to use against small business people".

The ATO already had expansive powers which exceeded "arguably any other government body" and it "routinely" abused those powers, the group said.

"The ATO already has the power to raid a person's home without a warrant, allege a debt, demand payment of an alleged debt, garnishee a person's bank account to force settlement of an alleged debt, sell a person's house and bankrupt a person before the person has a chance to 'disprove' the debt," Self-Employed Australia's submission says.

"Our opinion, based on solid evidence, leads us to allege that the ATO abuses those powers in order to bully and harass small business people into paying alleged tax debts that are often false or poorly supported by the evidence."

Financial Services Minister Kelly O'Dwyer released draft legislation last month that would allow the ATO to disclose to credit reporting agencies tax debts owed by small businesses.

Small businesses account for almost two-thirds of entities with outstanding tax debts and the changes are aimed at putting pressure on those small businesses that are not paying tax as well as providing other businesses with more information to better determine whether their customers will pay their bills.

Under the proposed changes the ATO will be able to report outstanding tax debts if the business has a tax debt of at least \$10,000 that is overdue by more than 90 days and if the business has not "effectively engaged" with the ATO.

Self-Employed Australia executive director Ken Phillips said the group had serious concerns with the ATO's definition of "effectively engaged" based on

past experiences, with the ATO remaining solely responsible for determining whether a business was "effectively engaged" or otherwise.

An ATO spokeswoman said the Transparency of Tax Debt measure was designed to "support more informed decision-making in the business community by making unpaid tax debts visible".

"This will enable businesses and credit providers to make a more complete assessment of the creditworthiness of a business when they consider extending credit or terms of trade," the spokeswoman said.

"The measure is also designed to reduce unfair advantage obtained by businesses that do not pay their tax on time, and

**'It already has the power to raid a person's home without a warrant, allege a debt ...'**

SELF-EMPLOYED AUSTRALIA

encourage businesses to engage with us."

The spokeswoman said the new legislation would "permit but not require" the ATO to inform credit-reporting agencies of unpaid debts.

She said many safeguards would be put in place and the ATO would issue a "formal notification" before disclosing tax debts, allowing the business 21 days to "contact the ATO to manage their debt".

Taxpayers who had a payment plan in place or who were deemed to be facing "exceptional circumstances" would not be reported.

Mr Phillips said his organisation was regularly contacted by aggrieved small business owners who his group had helped determine had been unfairly targeted by the ATO.

He said that in one case, small business owner Rod Douglass was told by the ATO he owed \$440,000 in back taxes and interest.

Mr Phillips said that with the help of Self-Employed Australia, including "\$100,000 to \$150,000" in legal assistance, Mr Douglass's case was taken to the Federal Court and he was found to owe the ATO nothing.

The ATO said it was unable to comment on individual cases.

# Growth in public sector can't last, CBA warns

DAVID UREN  
ECONOMICS EDITOR

The growth in federal and state public services is outstripping the private sector and being financed by an unsustainable increase in taxation, a Commonwealth Bank analysis finds.

Aggressive recruitment of public servants drove the rapid growth in employment through 2017, with the numbers in the latter half of last year up 9.1 per cent from the previous year.

Private-sector jobs growth by contrast was just 2 per cent.

Public-sector recruitment has been ahead of the private sector for the past two years, the report by Commonwealth Bank senior

economist Gareth Aird shows. The biggest contributors to public-sector employment growth over the past two years have been health, with the National Disability Insurance Scheme accounting for some of the 63,000 new jobs, education, with 59,000 more staff, and administration, information technology and security, which have added 24,000 positions.

Mr Aird notes that this does not include the big build-up of employment on state government infrastructure works, most of which has been contracted to firms in the private sector.

Not only has the public sector been hiring more people, it has also been offering bigger pay increases. In the latest quarter, public-sector wages were 2.4 per

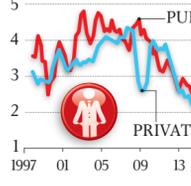
## EMPLOYMENT GROWTH

Annual % change, half-year moving average



## WAGE PRICE INDEX

Annual % change



Source: Commonwealth Bank, ABS

cent higher than a year earlier, while private-sector wages were up only 1.9 per cent.

The faster growth in public-sector pay has been a feature in 70 per cent of the quarterly Aus-

tralian Bureau of Statistics reports over the past two decades.

"The more unionised public-sector workforce has more collective-bargaining power than the much less unionised private

sector. But it is very hard to make a justification for this disparity over such a long period of time," Mr Aird says.

As a result, government running costs are rising much more rapidly than household budgets. The latest national accounts showed that government costs, not including investments, were 4.9 per cent higher than a year earlier, which was a full two percentage points above the growth in household spending.

Government spending has now been rising at an average rate of 4 per cent a year for the past three years, significantly outpacing household spending growth.

"It has been driven by all three tiers of government, although

spending growth at the national level has outpaced that of state and local government."

The slower growth of household spending reflects the squeeze on incomes.

Indeed, households have been running down savings to maintain their consumption.

However, government recurrent spending is ultimately funded by taxpayers.

"Workers are handing over an increasing share of their income at a time when the savings rate is low, real wages growth is flat and household consumption growth is modest. It is no wonder that households are feeling the pinch," Mr Aird says.

"These trends are unsustainable in the long run."

# NDIS billions behind housing boom

EXCLUSIVE

RICK MORTON  
SOCIAL AFFAIRS WRITER

A pipeline of almost \$6 billion worth of housing investment for disabled people will soon be unleashed as part of the \$22bn National Disability Insurance Scheme which will help fund at least 10,500 more supported places across the country.

Market research commissioned by policy group the Summer Foundation, to be released today, shows the flagship disability scheme will spark a housing construction and investment boom from both the public and private sectors.

The *Australian* understands institutions and investors such as Macquarie Bank are eyeing supported disability accommodation as a new market, with the NDIS due to hand out \$700 million each year in housing support once the program hits full rollout.

At the end of last year, the scheme had committed \$63.1m in housing support to 6936 participants but that number will rise to 28,000 participants by 2020. There are 17,500 people living in such accommodation now, leaving a gap of 10,500 places that will need to be built.

The National Disability Insurance Agency will not itself construct accommodation but participants who are given housing subsidies — currently ranging from \$12,419 to \$107,235 each year per person — can pool those funds with investors and other organisations to construct new apartments and homes.

Residents will pay a "reasonable" rent contribution based on 25 per cent of the Disability Support Pension, which is an income-support payment separate to the NDIS.

Liz Ellis, 32, has lived in a group home for the past six years and says it has been a "mistake I've been trying to undo ever since".

Ms Ellis, who has a Bachelor of Social Work and is employed with a disability service provider, was an "unexpected" twin who was born with an oesophagus that was not joined. In recovery she suffered a cerebral haemorrhage and has cerebral palsy.

"I am very lucky because un-



AARON FRANCIS

Liz Ellis is due to move into new NDIS accommodation this year: 'It will be a home'

## FAR FROM HOME

The shortfall in special disability accommodation

	Existing residents of SDA	Per capita SDA distribution	Shortfall
NSW	5730	9020	3290
Vic	4260	7200	2940
Qld	3340	5650	2310
WA	1590	2980	1390
SA	1720	1990	270
Tas	500	600	100
ACT	210	470	260
NT	160	280	120

Source: Summer Foundation

like lots of other people I have my voice," she said. "I often say to my mum now, 'you can have a voice but it doesn't mean that people hear you'."

Ms Ellis had to move away from her family and support network to take up a place in a group home — she needs daily physical

support to get in and out of bed, to shower and have meals prepared — but has been provisionally approved to move into a new apartment in the Melbourne suburb of Fairfield.

Once her NDIS funding is ticked off and the apartments are completed, Ms Ellis will live on her own for the first time in her life in the units built by Summer Housing.

"Through my NDIS I will get a more suitable living environment which gives me flexibility of support and choice and control of who provides those supports," she said.

"It will be individualised supports as well as enabling you to have the privacy of a normal home environment. It won't be an institution, it will be a home.

"It will be easier for people to come and see me and for me to get to places. I will be spending less on transport costs.

"I don't necessarily think the

traditional models are very welcoming. I am capable of running my own life and the traditional model made me think I am incapable."

The analysis of demand for housing shows NSW will need to create a further 3290 places once the NDIS is at full rollout, with Victoria close behind, needing 2940 places. WA will almost double its number of places to 2980.

"To meet this level of demand, the supply and availability of specialist disability accommodation needs to grow. To support this growth, the funding available to participants for SDA has been designed to attract investment," an NDIS spokeswoman said.

"At full scheme, total funding for SDA is expected to be around \$700 million per year. This level of funding is expected to lead to investment in the development of new, high-quality, fit-for-purpose SDA which will increase availability."

# Push to axe legal aid for accused

BEN PACKHAM

Peter Dutton has thrown his support behind moves to stop funding the legal costs of accused pedophile Peter Scully as Julie Bishop sounded a note of caution, declaring Australia "assumes that people are innocent until proven guilty".

The *Australian* revealed this week that Mr Scully, on trial in The Philippines for child murder, rape and human trafficking, has received \$500,000 in taxpayer-funded legal aid over three years under the Serious Overseas Criminal Matters Scheme.

Attorney-General Christian Porter said he was reviewing access to the scheme, arguing the support was out of step with community expectations.

Mr Dutton, the Home Affairs Minister, applauded his colleague for the tough stand.

"I think you're seeing a fresh approach from Christian Porter. He's not only got a smart mind but he's got a great nose for these sorts of issues," Mr Dutton told radio 2GB yesterday.

The Foreign Affairs Minister said the scheme was an important one, ensuring legal advice in foreign countries for "Australians who may be innocent".

"This is particularly where the person is facing more than 20

## Our \$500,000 bill for accused pedophile



How The Australian broke the story on Tuesday

years in jail or the death penalty," Ms Bishop told ABC radio this week.

"Our legal system assumes that people are innocent until proven guilty and clearly there are circumstances where support is absolutely appropriate."

Ms Bishop said she was concerned about pedophiles getting access to taxpayer-funded support but "it would depend very much on what was known about their history, about whether they've got a history of convictions or offending".

Mr Scully fled Australia in 2011 to escape fraud charges. It is believed he had no history of sexual offence convictions in Australia. He is now contesting 75 charges in The Philippines, where police allege he was a cyber-porn producer who sold videos of depraved acts for \$10,000 each on the dark web.

Mr Scully is alleged to have sexually assaulted a 12-year-old girl before strangling her and burying her body in a grave under

a house he was renting in the southern city of Surigao.

Police and prosecutors wept, according to a Fairfax report, when they viewed one video called Daisy's Destruction that Mr Scully allegedly sold on the internet showing an 18-month-old girl being sexually abused while tied upside down by the legs.

The girl was later found alive but suffers lasting physical and mental injuries.

Two teenage girls were allegedly found naked and chained in another apartment he rented.

Mr Porter said he was reviewing eligibility to the Serious Overseas Criminal Matters Scheme to ensure people such as Mr Scully were unable to claim funds from it.

# Sacked Border Force boss 'hid girlfriend'

Continued from Page 1

and his subsequent termination. Mr Quaedvlieg said he was not notified of his sacking until 2.55pm yesterday, nor had he been given a copy of Mr Dutton's statement outlining the reasons before it was tabled in the parliament.

"I have consistently maintained my strong denial of those particularised grounds over the lengthy duration of this inquiry and I continue to maintain those denials," Mr Quaedvlieg said in a media statement.

"I had been given a short opportunity to resign prior to termination, however I chose not to do that as it is tantamount to a concession of culpability, which I strenuously deny."

Mr Quaedvlieg said he had made a number of "observations" about the inquiry process and would now "pursue these more formally in the relevant forums".

former commissioner said. Mr Quaedvlieg's sacking ends a remarkable law enforcement career that began in Queensland during the 1980s at the sharp end of operational policing and ended at the lofty heights of the Commonwealth public service.

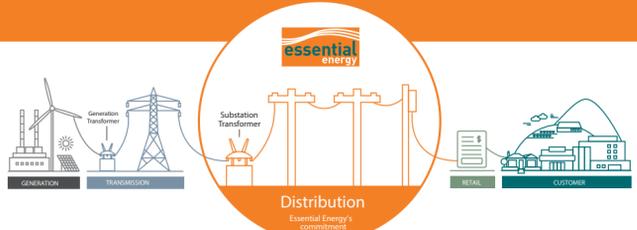
Mr Quaedvlieg began his career working as a deep cover operative infiltrating crime syndicates and then later as a surveillance officer.

He moved to the Australian Crime Commission in the early 2000s, where he found himself embroiled in controversy following the sacking of a number of officers.

From there Mr Quaedvlieg segued into the Australian Federal Police, where he worked briefly as commissioner Mick Keelty's chief of staff before taking on a number of senior operational roles, including ACT Policing chief commissioner.

He became the inaugural Border Force Commissioner in July 2015.

## EXPRESSION OF INTEREST TO JOIN ESSENTIAL ENERGY'S CUSTOMER ADVOCACY GROUP



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The Customer Advocacy Group is a proactive forum for consultation, engagement and insight across Essential Energy's customer base, on any matters relating to the supply of electricity and associated services.

Applications are sought from consumer group representatives and customers who are members of regional organisations or are active members of their communities who reside within Essential Energy's distribution area and can provide feedback and advise on electricity network distribution topics relevant to the communities/organisations they represent.

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➤ The EOI is open from 9am Monday 19 March to 5pm Thursday 12 April, 2018.

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