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**Australian Government**  
**Australian Taxation Office**



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WANGARATTA VIC 3676

Our reference: 74198015  
Phone: 13 72 86

1 February 2012

## Small business benchmarks and your clients

Dear Sir/Madam

We're writing to you because we are focussing on businesses that may be operating in the cash economy. Your practice has 104 clients operating in high risk cash economy industries. While most of your clients are reporting within their industry benchmarks, we've identified 16 clients who are reporting sales below the benchmark for their industry. The details of these clients are enclosed.

The benchmarks are a guide for how a business performs against others in their industry. We're aware that there are often reasons for a business to be operating outside the benchmarks for their industry. However it is sometimes connected with not recording and reporting all their income.

We will not be writing directly to your clients in relation to this matter because we recognise that you, as the registered agent for these clients, are best placed to understand their individual circumstances.

### What we recommend

Next time you contact your clients we recommend you review their record keeping practices to ensure all transactions, in particular cash transactions, are correctly recorded.

If you find an error has been made, you should amend their income tax returns and/or activity statements. Alternatively, if you are satisfied that your clients are meeting their tax obligations correctly, you do not need to contact us or do anything further.

### Updating your clients registration details

To ensure we are comparing business performances against the correct benchmark, we suggest you use the next income tax return lodgment as an opportunity to review and update your client's industry code (ANZSIC) and business description.

To complete the update, you must update your client's ANZSIC via the Australian Business Register (ABR). You will need an Administrator.AUSkey or primary ATO digital certificate to access this service. For more information about this, go to [www.taxagent.abr.gov.au](http://www.taxagent.abr.gov.au)

### For more information

You can view all of the benchmarks on our website at [www.ato.gov.au/businessbenchmarks](http://www.ato.gov.au/businessbenchmarks)

If you have any questions, please phone **13 72 86** Fast Key Code **1 2 5 1** between 8.00am and 6.00pm, Monday to Friday.

Yours faithfully

Cheryl-Lea Field  
Deputy Commissioner of Taxation