

YOUR KNOWLEDGE



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The ATO's updated small business benchmarking tool

The ATO has updated its small business benchmarks with the latest data taken from the 2022–23 financial year. These benchmarks cover 100 industries and allow small businesses to compare their performance, including turnover and expenses, against others in their industry.

While the ATO doesn't use the benchmarks in isolation, small businesses who fall outside the ATO's benchmarks are more likely to trigger a closer examination from the ATO. The ATO uses information reported in business tax return with key performance benchmarks for the relevant industry to identify potential tax risks.

Aside from determining the risk of unwanted attention from the ATO, the benchmarks can also be used to compare your business performance against other businesses in the same industry. The benchmarks could help you spot areas where you might be able to reduce costs or improve efficiency.

The small business benchmarks can be accessed [here](#).

Aside from the small business benchmarks, the ATO also has a business viability assessment tool which can help business owners identify whether there are any obvious financial risks. The ATO consider a

business to be viable if it is generating sufficient profits to meet commitments to creditors and provide a return to the business owners. If a business isn't generating profits, the ATO looks at whether the business has sufficient cash reserves to sustain itself.

The business viability assessment tool can be found [here](#).

Please let us know if you would like us to review your business performance and make recommendations on ways that performance could be improved.

Note: The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

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