

Attachment F – Guidance on the Shadow Economy Procurement Connected Policy

People Panel Professional Contractor Services

The Shadow Economy Procurement Connected Policy (the Shadow Economy Policy) applies to this procurement. The Shadow Economy Policy aims to increase the integrity of Commonwealth Government procurement processes by promoting good tax behaviour and creating an even playing field for businesses that comply with their tax obligations.

Information about the Shadow Economy Policy is available at [Shadow Economy Procurement Connected Policy | Treasury.gov.au](#).

What is a Statement of Tax Record?

The Statement of Tax Record (**STR**) is an official document issued by the Australian Taxation Office (**ATO**) to indicate whether or not an entity has met the requirements of the Shadow Economy Policy and shows satisfactory engagement with Australia's tax system.

When and where do I request or access my STR(s)?

Tenderers are encouraged to apply for STRs as soon as possible and maintain valid STRs in order to more easily submit their STRs for current and future tender processes. It is not necessary to wait until an approach to market is released. This will improve your ability to meet Request for Tender (**RFT**) timelines and/or to respond to possible issues with the ATO.

Requests for a STR(s) are to be made to the ATO. The method of application will depend on whether or not you are registered with the ATO or are applying during an ATO system outage. Information on how to access your STR(s) can be found at [Statement of tax record | Australian Taxation Office \(ato.gov.au\)](#).

What is a satisfactory STR?

A satisfactory STR will be issued by the ATO if the following conditions are met:

- (a) The applicant is up to date with registration requirements which may include being registered for an Australian Business Number (**ABN**) and Goods and Services Tax (**GST**), and having a Tax File Number
- (b) The applicant has lodged at least 90 per cent (90%) of all income tax returns, Fringe Benefit Tax returns and Business Activity Statements that were due in the last four years or the period of operation if less than four years. Reasonable delays in lodgements due to extensions agreed to by the ATO will not affect the receipt of a satisfactory STR; and
- (c) On the date the STR is issued, the applicant does not have \$10,000 or greater in overdue debt due to the ATO (excluding debt subject to a taxation objection, review or appeal under the provisions of Part IV C of the *Taxation Administration Act 1953*). If the applicant has entered into a payment plan with the Australian Taxation Office, they will meet this criterion.

If the applicant does not have a record with the ATO or has a record of less than four (4) years, they need to meet additional conditions outlined in the Shadow Economy Policy.

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You should provide all Valid and Satisfactory STRs required for your entity type with your Tender. Which entities do I need to submit a valid and satisfactory STR for?

All Tenderers will need to submit all Valid and Satisfactory STR(s) required for the entity type for the business tendering for the RFT.

In some cases, Tenderers may be required to submit more than one STR, as explained in sections 2 to 9 of 'Additional STR Documents' below, depending on the Tenderer's corporate structure, for example, if they are a partnership or trust. Tenderers that are a partnership, trust, joint venture, subsidiary of a tax consolidated group or multiple entry consolidated group (**MCE**), or GST group, or individual should review sections 2 to 9 below carefully, as strict compliance is required with these requirements.

Tenderers should also hold, and provide on request to Finance, all Valid and Satisfactory STR(s) required for the entity type of any first-tier subcontractor that the Tenderer will engage to deliver goods or services part of a contract resulting from a procurement with an estimated value of \$4 million or more, including GST. A first-tier subcontractor is a subcontractor that is directly engaged by the Tenderer for a contract.

What STR documentation needs to be submitted by the Closing Time?

By the Closing Time, each Tenderer **should** submit with their Tender **all Valid and Satisfactory STR(s)** required for the **Tenderer's entity type**.

If all Valid and Satisfactory STR(s) required for the Tenderer's entity type are not supplied with the Tender before the Closing Time, subject to paragraphs 8.11 of the RFT, the Tender will be excluded from further consideration.

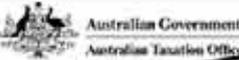
What if I receive an unsatisfactory STR?

If you did not meet the satisfactory STR criteria, you may be able to take corrective action to bring your tax obligations up to date. You can then reapply for an STR the day after the corrective action is recorded in the ATO's systems.

What does a Valid and Satisfactory STR look like?

The following image shows what a Valid and Satisfactory STR looks like.

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People Panel Professional Contractor Services


 Australian Government
 Australian Taxation Office

<TITLE> <FIRST NAME> <LAST NAME>
 <ADDRESS LINE 1>
 <ADDRESS LINE 2>

Our Reference: ABN: <ABN>
 Date of issue: <DD Month CCYY>
 Date of expiry: <DD Month CCYY>

Statement of tax record – Satisfactory

<Entity Name> has met the criteria for a satisfactory tax record
 This statement may be required for your tender. **Check your tender request documentation.**

This statement of tax record is issued to <Entity Name> to confirm that this entity has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Procurement Connected Policy - Black economy - increasing the integrity of government procurement.
 For further information on how the criteria are applied to determine the outcome of a statement of tax record see ato.gov.au/STR

Yours faithfully,
 Tim Dyce
 Deputy Commissioner of Taxation

The details (organisation name and ABN etc) provided will match the Tenderer

The date of issue will be **before** the Closing Time, and the date of expiry will be **after** the Closing Time.

A valid and satisfactory STR will clearly indicate the STR is **satisfactory**.

The STR will confirm that the statement may be required for your tender.

This is the document that you should provide to Finance.

What documents can be mistaken for a STR?

Receipt for Statement of Tax Record request

This is the record that your application for a STR has been made to the ATO.

If you apply using the ATO online services for individuals, agents or Business Portal you will receive your STR receipt through the same online service.

<ADDRESS>

Australian Government
Australian Taxation Office

<COMPANY NAME>

Receipt Number: <ASIN>
Date of Issue: <DD Month YYYY>

Receipt for Statement of Tax Record request

- > Your request for a Statement of Tax Record was successfully submitted on 26 October 2022 at 02:43 PM AEDT.
- > Your receipt number is at the top of this page.

To whom it may concern,
Thank you for your request for a Statement of Tax Record for <COMPANY NAME>.
The Statement of Tax Record will be available through our Online services for business.
In most cases it will take only a short time to process. However it could take up to 4 working days.

Yours faithfully,
Louise Clarke
Deputy Commissioner of Taxation

NEED HELP?
Visit us at ato.gov.au/STR for more information about Statements of Tax Record.

SAMPLE

The main heading confirms the document is a receipt for a STR request.

The document is provided by the ATO for your information only and does not need to be provided with your Tender.

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Statement of Tax Record – Taxpayer Report

The STR Taxpayer Report provides information about how you met or did not meet the requirements for a satisfactory STR.



Australian Government
Australian Taxation Office

<TITLE> <FIRST NAME> <LAST NAME>
<ORGANISATION>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<LOCALITY> <STATE> <POSTCODE>
<COUNTRY>

Our Reference:
<ABN/ARNI> <ABN/ARNI>
Date of issue: <DD Month CCYY>
Date of expiry: <DD Month CCYY>

For your information
Statement of tax record – Taxpayer report

- > [This report is provided for your own reference.](#)
- > [You do not need to provide this taxpayer report when responding to tenders.](#)

Entity name: MR JOHN JONES

This report details how MR JOHN JONES has met or not met the criteria in relation to the statement of tax record, as outlined in the Procurement Connected Policy - *Back economy - increasing the integrity of government procurement*.

We've compiled this report based on information from our systems, and information you may have provided to us under Australia's self-assessment regime. If you believe the information on this report is incorrect or need help contacting any issues, refer to the next page for further information.

Registrations	
Registration type	Registration status
Australian business number	Active
Goods & services tax	Active
Tax file number	Active

Lodgment	
Lodgment type	Lodgment criteria status
Income tax returns	<input checked="" type="checkbox"/> Lodgment criteria met
Business activity statements	<input checked="" type="checkbox"/> Lodgment criteria met

Payments Payment criteria met

Your tax authority:
Tim Dyce
 Deputy Commissioner of Taxation

The main heading confirms the document is a Taxpayer Report and does not confirm if the STR is satisfactory.

The document confirms you do not need to provide it when responding to Tenders.

The document is provided by the ATO for your information only and does not need to be provided with your Tender.

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Additional STR Documents

The Shadow Economy Policy also applies to new business and foreign organisations, partnerships, trusts, joint ventures, tax consolidated groups and GST groups and, where relevant to a Tenderer, an additional STR should be obtained.

1. New Business and Foreign Organisations

The Tenderer will need to provide a statement to the ATO that states it:

- is a non-resident with no tax record or a tax record of less than four years in Australia (applicable to foreign entities);
- will comply and pay all their Australian tax obligations (applicable to Australian and foreign entities);
- has no tax related convictions in the last four years (applicable to Australian and foreign entities); and
- is complying with its tax obligations outside of Australia (applicable to foreign entities and new Australian businesses).

<p>Statement of Tax Record</p> <p>NEW BUSINESSES – this template applies to all New Businesses which are individuals, Companies, Partnerships, Trusts, Consolidated Groups and Joint Ventures</p> <p><TITLE> <FIRST NAME> <SURNAME> <ORGANISATION> <ADDRESS LINE 1> <ADDRESS LINE 2> <LOCALITY> <STATE> <POSTCODE> <COUNTRY></p>	 <p>Australian Government Australian Taxation Office</p> <p>Our Reference: <ABN/ARN>: <ABN/ARN> Date of issue: <DD Month CCYY> Date of expiry: <DD Month CCYY></p>
<h3>Statement of Tax Record</h3> <hr/> <p>This Statement of Tax Record is issued to Entity Name to confirm that this entity has an Australian tax record of less than four years and has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Block Economy - increasing the Integrity of Government Procurement</p> <p>The entity has made the following statements that it:</p> <ul style="list-style-type: none"> > is a non-resident, with less than four years tax record in Australia, > will comply with and pay all of its Australian tax obligations, > has no tax-related convictions in the last four years, and > is complying with or does not have tax obligations outside of Australia. <p>For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ero.gov.au/STR</p> <p>Yours faithfully, Deputy Commissioner of Taxation</p>	

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2. Partnerships

If the tenderer or subcontractor is a partnership, a valid and satisfactory STR should be provided on behalf of the partnership and in respect of each partner who is directly involved in the delivery of Services. If a new partner subsequently becomes directly involved a valid and satisfactory STR should be provided to the contracting entity within a reasonable time after the partner becomes involved. STR requirements in respect of partners are limited to the time they remain partners in the partnership.

Statement of Tax Record
INDIVIDUAL



<TITLE> <FIRST NAME> <SURNAME>
<ORGANISATION>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<LOCALITY> <STATE> <POSTCODE>
<COUNTRY>

Our Reference:
<ABN/ARN> <ABN/ARN>
Date of issue: <DD Month CCYY>
Date of expiry: <DD Month CCYY>

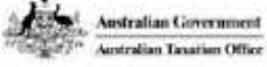
Statement of Tax Record

This Statement of Tax Record is issued to Individual Name to confirm that this Individual has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Black Economy - Increasing the Integrity of Government Procurement.

For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ato.gov.au/STR

Yours faithfully,
Deputy Commissioner of Taxation

Statement of Tax Record
PARTNERSHIP



<TITLE> <FIRST NAME> <SURNAME>
<ORGANISATION>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<LOCALITY> <STATE> <POSTCODE>
<COUNTRY>

Our Reference:
<ABN/ARN> <ABN/ARN>
Date of issue: <DD Month CCYY>
Date of expiry: <DD Month CCYY>

Statement of Tax Record

This Statement of Tax Record is issued to Entity Name to confirm that this entity has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Black Economy - Increasing the Integrity of Government Procurement.

For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ato.gov.au/STR

Partnership

This entity is a partnership. Each partner that is directly involved in the delivery of the contract must also provide their own Statement of Tax Record to satisfy the Procurement Connected Policy. Refer to the tender process documentation for more information.

Yours faithfully,
Deputy Commissioner of Taxation

Statement confirms that each partner that is directly involved in the delivery of the contract should also provide a STR to comply with the Shadow Economy Policy

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3. Trust

If the Tenderer or subcontractor is a trust, a valid and satisfactory STR should be provided in respect of the trust and trustee.

Statement of Tax Record
TRUST



<TITLE> <FIRST NAME> <SURNAME>
<ORGANISATION>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<LOCALITY> <STATE> <POSTCODE>
<COUNTRY>

Our Reference:
<ABN/ARN> <AIN/ARN>
Date of issue: <DD Month CCYY>
Date of expiry: <DD Month CCYY>

Statement of Tax Record

This Statement of Tax Record is issued to <Entity Name> to confirm that this entity has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Black Economy - Increasing the Integrity of Government Procurement.

For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ato.gov.au/STR

Trust

This entity is a trust. The Trustee will also need to provide a Statement of Tax Record to satisfy the Procurement Connected Policy.

Yours faithfully,
Deputy Commissioner of Taxation

Statement confirms that the Trustee should also provide a STR to comply with the Shadow Economy Policy

4. Foreign Trust

If the tenderer or subcontractor is a foreign trust without an Australian tax record of at least 4 years, a valid and satisfactory STR should be provided in respect of the trust and trustee (refer to Part 8.a. of the *Shadow Economy Procurement Connected Policy*).

5. Joint Venture

If the Tenderer or subcontractor is a joint venture, a valid and satisfactory STR **should** be provided in respect of each party to the joint venture. Where the joint venture operator is not a participant of the joint venture, the operator **should** also provide a valid and satisfactory STR.

Statement of Tax Record
JOINT VENTURE



Australian Government
Australian Taxation Office

<TITLE> <FIRST NAME> <SURNAME>
<ORGANISATION>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<LOCALITY> <STATE> <POSTCODE>
<COUNTRY>

Our Reference:
<ABN/ARN>: <ABN/ARN>
Date of issue: <DD Month CCYY>
Date of expiry: <DD Month CCYY>

Statement of Tax Record

This Statement of Tax Record is issued to <Entity Name> to confirm that this entity has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Black Economy - Increasing the Integrity of Government Procurement.

For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ato.gov.au/STR

Joint Venture

If the entity is applying for tender as part of a joint venture, the other participants including a nominated joint venture operator will also need to provide a Statement of Tax Record to satisfy the Procurement Connected Policy.

Yours faithfully,
Deputy Commissioner of Taxation

Statement confirms that the other participants including a nominated joint venture operator should also provide a STR to comply with the Shadow Economy Policy

6. Head company of a Tax Consolidated Group or Multiple Entry Consolidated group

If the Tenderer or subcontractor is the head company of a tax consolidated group, or a MEC group, a valid and satisfactory STR should be provided by the head company, but need not be provided for subsidiaries.

7. Subsidiary of a Tax Consolidated Group or Multiple Entry Consolidated Group

If the Tenderer or subcontractor is a subsidiary of a tax consolidated group, or a MEC group, a valid and satisfactory STR should be provided by the subsidiary and the head company.

Statement of Tax Record
SUBSIDIARY OF AN INCOME TAX CONSOLIDATED GROUP

Australian Government
 Australian Taxation Office

<TITLE> <FIRST NAME> <SURNAME>
 <ORGANISATION>
 <ADDRESS LINE 1>
 <ADDRESS LINE 2>
 <LOCALITY> <STATE> <POSTCODE>
 <COUNTRY>

Our Reference:
 <AIN/ARN> <AIN/ARN>
 Date of issue: <DD Month CCYY>
 Date of expiry: <DD Month CCYY>

Statement of Tax Record

This Statement of Tax Record is issued to <Entity Name> to confirm that this entity has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Black Economy - Increasing the Integrity of Government Procurement.

For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ato.gov.au/STR

Consolidated group

This entity is part of a consolidated group for Income Tax for Taxation purposes. Its Income Tax Group Head will also need to provide its own Statement of Tax Record to satisfy the Procurement Connected Policy.

Yours faithfully,
 Deputy Commissioner of Taxation

Statement confirms that the consolidated group Income Tax Group Head should also provide a STR to comply with the Shadow Economy Policy

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8. GST Group

If the Tenderer or subcontractor is a member of a GST group, a valid and satisfactory STR should be provided by the group representative and the group member.

Statement of Tax Record
MEMBER OF A GST GROUP



Australian Government
Australian Taxation Office

<TITLE> <FIRST NAME> <SURNAME>
<ORGANISATION>
<ADDRESS LINE 1>
<ADDRESS LINE 2>
<LOCALITY> <STATE> <POSTCODE>
<COUNTRY>

Our Reference:
<ADNARN>: <ADNARN>
Date of issue: <DD Month CCYY>
Date of expiry: <DD Month CCYY>

Statement of Tax Record

This Statement of Tax Record is issued to <Entity Name> to confirm that this entity has met the criteria of having a satisfactory engagement with the Australian tax system, as detailed in the Commonwealth Procurement Connected Policy - Black Economy - Increasing the Integrity of Government Procurement.

For further information on how the criteria is applied to determine the outcome of a Statement of Tax Record see ato.gov.au/SIR

GST group

This entity is part of a GST Group for Goods and Services Tax. Its GST Group Representative member will also need to provide its own Statement of Tax Record to satisfy the Procurement Connected Policy.

Yours faithfully,
Deputy Commissioner of Taxation

Statement confirms that the GST Group Representative member should also provide a STR to comply with the Shadow Economy Policy

9. Individual

Where the tenderer is an individual, a valid and satisfactory STR should be provided by the individual. Individuals who are not in business should apply to the ATO for their STR application to be processed manually.

Contact

For additional information regarding this RFT, please contact the Request Manager as described in paragraph 6.1.1 of the RFT.

For more information on how to apply for a STR, please visit www.ato.gov.au/STR

Should you have any questions regarding the Policy, visit Shadow Economy Procurement Connected Policy | Treasury.gov.au