

**STANDING COMMITTEE ON ECONOMICS****ANSWERS TO QUESTIONS ON NOTICE****Australian Taxation Office**

Tax Laws Amendment (2012 Measures No. 6) Bill 2012

30 January 2013

**Topic:** Employee impacts of changes to in-house benefits rules.**Hansard Page:** 11**Question:** 1

**Mr Smith:** As Paul said, we did do some analysis 12 to 18 months ago. I have not got those numbers at hand. There was some extrapolation of a sample that we did at that time. I can provide that later as to what numbers we came up with, but I do not have that at the moment.

**Mr BUCHHOLZ:** I think that would be a significant contribution to committee's awareness of how many Australians or how many people in the workforce this piece of legislation actually has the potential to impact. In the event that we have a rough idea of what that number is: how many of those will actually be blue-collar workers? There is a higher echelon there. Again, some of the data that has been provided to us on table 1.8 of our documents here show a breakdown of managers, professionals, associate professionals et cetera. What percentage of them would be blue-collar workers on an average wage?

**Mr Ellis:** Certainly in the industries that I have just talked about—so in the electricity sector and the retail sector and similar sectors—my colleagues Rodney and Barry are suggesting it would be upwards of 90 per cent that would be blue-collar workers in their organisations.

**Mr BUCHHOLZ:** Chairman, in closing, can I put some questions on notice. How long does it take for them to get back to us? How long do you think you need to get that back to the committee, gentlemen?

**CHAIR:** Is the tax office able to make an estimate of the number of people who would be on salary sacrifice?

**Ms O'Neill:** The costings done for this measure were based on compliance data, and then they were extrapolated to bring them up to a complete population. So, they are estimates based on that ATO data.

**CHAIR:** So, we already have the best that you can give us?

**Ms O'Neill:** Yes.

**Mr Walker:** We would have to come back to you. We could do something in whichever timeframe you might suggest to us, but we could make it a priority and get something back to you as soon as we can.

**Mr BUCHHOLZ:** Just an indicative number would be great.

**Mr Walker:** Of course.

**Mr BUCHHOLZ:** Thank you.

**Answer:**

In 2012, the ATO reviewed a sample of the population engaged in salary packaging in-house benefits. Subsequent Treasury analysis and modelling, based on the ATO data, indicates around 390,000 individuals are salary packaging in-house benefits.

The ATO does not know the number of blue collar workers that salary package in-house benefits.