

Senate Select Committee on COVID-19
ANSWERS TO QUESTIONS ON NOTICE
Australian Taxation Office
Public Hearing

Department/Agency: ATO

Question: 3

Topic: Additional JobKeeper participants in Victoria

Reference: Written – 17 August 2020

Senator: Gallagher

Question:

Since the start of Stage 4 Restrictions in Victoria on 3 August, how many additional employers and business participants have enrolled for JobKeeper?

Answer:

From 3 to 17 August 2020 about 11,000 additional employers and business participants had applied for JobKeeper with a Victorian registered ABN.

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Question: 4

Topic: ERS rate of non-compliance

Reference: Written – 17 August 2020

Senator: Gallagher

Question:

What is the estimated rate of non-compliance in relation to the early access super scheme?

Answer:

Around 2.45 million individuals were approved for early release of superannuation (ERS) in tranche 1 (19 April to 30 June 2020). All of these applicants have been subject to analysis, across all eligibility categories, to determine the likelihood of eligibility. This analysis provides an indicative view of eligibility, rather than a determinative one which can only be achieved by 1:1 contact with each individual applicant. It is important to note that the ATO does not have data holdings relevant to all eligibility criteria.

Based on an analysis of our data holdings, there is evidence that approximately 92% of applicants in tranche 1 have met an ERS eligibility criterion.

The remaining 8% of applicants should not be considered in-eligible. Rather, we have not been able to assess their eligibility with confidence based on the data we hold.

During June and July 2020, we undertook an initial pilot to review 160 ERS applications, where we had not been able to confirm eligibility based on our data holdings. We were able to successfully contact 71 of these applicants. Of these applicants we established 63 were eligible. The remaining 8 had a genuine misunderstanding of their eligibility.

Whilst a final estimate of the compliance rate for ERS will not be known until all applications are made and the program ends, our analysis indicates that there are very low levels of non-compliance. By way of comparison the overall Australian tax system compliance runs at about 92 per cent and is based on self-assessment.

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Question: 5

Topic: ERS compliance

Reference: Written – 17 August 2020

Senator: Paterson

Question:

On Monday 17 August, the Shadow Assistant Treasurer Stephen Jones tweeted:

“The ATO has questions to answer. This independent report raises doubts about evidence given to a Parliamentary Committee last week. Four in 10 Australians dipping into their Super had experienced no drop in income during the pandemic.”

Included in the tweet was a link to this article published in the Sydney Morning Herald:
<https://www.smh.com.au/business/the-economy/second-stage-of-super-withdrawals-boosts-non-essential-spending-20200816-p55m9i.html?btis>

In light of this, does the ATO stand by Mr Hirschhorn’s evidence to the committee on compliance with eligibility requirements of the superannuation early access scheme?

Answer:

The ATO has conducted analysis of the entire population of applicants for early release of superannuation (ERS) from 19 April to 30 June 2020 against the actual criteria of the ERS program.

The analysis referred to in the article is not directly relevant to the operation of the ERS program. Where an individual has not had a reduction in income based on their banking data, this is not an indicator that an individual is not eligible for ERS, as a reduction in income is not a requirement of the scheme.

We would not expect to see any reduction in income in bank records for many of the eligibility categories, for example:

- eligible individuals in receipt of a relevant Government allowance/benefit who continue to receive that payment, can be eligible for COVID-19 ERS
- where business owners (sole traders) are eligible for COVID-19 ERS due to a reduction in turnover, this does not automatically result in a reduction in the income paid to the business owner
- individuals who are unemployed from 1 January 2020 and remain unemployed, would not have a reduction in income evident in their bank records, but could be eligible for COVID-19 ERS.