

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Individuals and Indirect Tax Division

Question No: 267

Topic: Small Business / Individual engagement with Tax System

Reference: Hansard page 84 (01 March 2017)

Senator: McAllister, Jenny

Question:

Senator McALLISTER: [...] What is the structure of that consultation process?

Ms Smith: The consultation process is currently in train. I do not have the detail with me around exactly who is engaged—which industry bodies. I can give you some examples that I know have been engaged, but, if I can take that on notice, we can come back to you with an outline of exactly how we have been approaching this.

Senator McALLISTER: Can you give me some indication of it? I am not asking you to provide a list of everyone you have ever talked to, but is it by invitation? Are you having any open processes? Is it with small and medium enterprises themselves or their representative organisations? Just some sense of the structure of it would help.

[...]

Mrs Purvis-Smith: I will have to take that on notice.

Senator McALLISTER: Is there no-one in the room who could do it?

Mrs Purvis-Smith: No, but we will take it on notice.

Senator McALLISTER: Could you also take this on notice. It would be helpful to understand what kind of feedback you are receiving through that consultation process. It is a measure in the MYEFO, so I would have expected to be able to talk to someone about it. I do not want a great deal of detail, and I would have thought answers today would have been reasonable.

Answer:

- The Australian Taxation Office (ATO) and Treasury held face to face meetings with invited stakeholders through February and March, across Brisbane, Sydney, Canberra and Melbourne.
- Stakeholder feedback, in the main, was supportive of the measure. Most participants concurred with the intent that the ATO disclose tax debts to credit reporting bureaus provided there are safeguards in place to delay reporting where extenuating circumstances exist.
- Safeguards will restrict the Commissioner from reporting debts where the debt is disputed, where a payment plan is in place, or where there is a request for review of the decision to report. The Commissioner can also agree to a temporary deferral of disclosure where other exceptional circumstances exist.
- Consultation also drew out that the benefits of the measure to the broader business community had not been well understood. In particular, the advantage businesses entering into commercial arrangements with each other having an improved transparency of a business's credit position, now including aged tax debts.