

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Individuals and Indirect Tax Division

Question No: 161

Topic: \$660 Million Budget Saving - Consultation

Reference: Hansard page 29 (30 May 2017)

Senator: Bernardi, Cory

Question:

Senator BERNARDI: What is the tax office doing about phoenixing in this area to try and redress the \$660 million that the government, by its own figures, suggests it is losing every year?

Mr Dyce: We have significant compliance resources directed to these issues. We have a number of audits underway constantly and we make a number of adjustments in this space as well. I do not have the figures on that but it is not something that we do not currently work on. The legislative change will significantly reduce the resourcing that we need in this space because it will require payment at settlement rather than at some point later on. Can I also add that when we talk about the risk here, that is a proportion of the industry. There is still a significant number of players in the industry that operate quite appropriately. It is a balanced approach that we adopt.

Senator BERNARDI: In respect to your resourcing within the ATO, do you have an estimate of the amount of money that will be saved from your compliance department in this particular area as a result of this measure?

Mr Dyce: There was a figure in the budget papers but I do not have it at hand right now. But that was factored in too because, with this change, we will need less resources in this space.

Senator BERNARDI: So will those resources be deployed into other areas of compliance or they are they a budget saving?

Mr Mills: We will work that out at the time because the measure comes in from 1 July 18.

Senator BERNARDI: Finally, Minister, what consultation took place through the industry in respect to this measure prior to it being announced?

Senator Cormann: I would have to take that on notice. This obviously comes within the portfolio responsibility of Minister O'Dwyer. I will consult with her and provide to you the answer in the usual way.

Answer:

Commonwealth officials held consultations as early as 2015 in developing this measure with State and Territory governments and relevant industry representatives.