

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 727-728

Topic: Reviews (IGT)

Written: Received from Committee – 26 October 2012

Senator BUSHBY asked:

727. For this financial year to date (26 October 2012):

- a. How many Reviews are being undertaken?
- b. What reviews have concluded, and for those that are still ongoing, when will those reviews be concluded?
- c. Which of these reviews has been provided to Government?
- d. When will the Government be responding to the respective reviews that have been completed?
- e. Has the Government responded to all reviews within the timeframe? If not, why not?
- f. What is the estimated cost of each of these Reviews?
- g. What reviews are planned?
- h. When will each of these reviews be concluded?

728. For 2011-12:

- a. How many Reviews were undertaken?
- b. Where all reviews have, and for those that are still ongoing, when will those reviews be concluded?
- c. Which of these reviews has been provided to Government?
- d. Did the Government respond to all reviews within the timeframe? If not, why not?
- e. What was the estimated cost of each of these Reviews?
- f. For any ongoing reviews, when will each of these reviews be concluded?

Answer:

727. For this financial year to date (26 October 2012):

- a. As at 26 October 2012, nine.
- b. As at 26 October 2012,
 - * Review into the Australian Taxation Office's use of benchmarking to target the cash economy: submitted to the Minister 16 July 2012 and publicly released 4 October 2012.
 - * Review into improving the self assessment system: submitted to the Minister 24 August 2012.
 - * Follow-up review into the ATO's implementation of agreed IGT report recommendations (arising from IGT reports released between August 2009 and November 2010) – commenced in August 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

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* Review into the ATO's management of transfer pricing matters: commenced on 25 October 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

- c. Refer to the response in (b) above.
- d. Review reports must be publicly released or tabled by the Minister within 25 Parliamentary sitting days after receipt by the Minister.
- e. Yes, refer to response in (d) above.
- f. Met out of existing budget.
- g. On 10 October 2012, the Inspector-General of Taxation announced his latest work program which includes the following reviews:

* Review into aspects of the ATO's use of compliance risk assessment tools: commenced on 31 October 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

* Review into the Australian Taxation Office's compliance approach to individual taxpayers – income tax refund integrity program: commenced on 20 November 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

* Review into the Australian Taxation Office's compliance approach to individual taxpayers – superannuation excess contributions tax: commenced on 20 November 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

* Review into the Australian Taxation Office's compliance approach to individual taxpayers – use of data matching: commenced on 20 November 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

* Review into the ATO's administration of penalties: commenced on 22 November 2012 and expected to be submitted to the Minister within the usual planned six to twelve month timeframe.

* Review of the ATO's interaction with the Australian Valuation Office – announced in October 2012 but not yet commenced.

As part of this work program, resources permitting, or in a future work program, the following reviews may be undertaken:

* Review of the ATO's administration of the General Anti-Avoidance Rules; and

* Review of the ATO's services and support for tax practitioners.

- h. The length of reviews can vary depending on the nature and extent of the reviews as well as resource availability. However, the agency generally aims to complete reviews within six to twelve months.

728. For 2011-12:

- a. Five.
- b. * Review into the ATO's administration of class rulings – submitted to the Minister 28 September 2011 and publicly released 14 March 2012.

* Review into the ATO's compliance approaches to small and medium enterprises with annual turnovers between \$100 million and \$250 million and high wealth individuals – submitted to the Minister 16 December 2011 and publicly released 24 April 2012.
* The Review into the ATO's use of Early and Alternative Dispute Resolution – submitted to the Minister 25 May 2012 and publicly released 31 July 2012.

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* The Review into the ATO's use of Benchmarking to Target the Cash Economy – submitted to the Minister 16 July 2012 and publicly released 4 October 2012.

* The Review into improving the self assessment system – submitted to the Minister 24 August 2012.

- c. Refer to response in (b) above.
- d. Yes, refer to response in question 727(d) above.
- e. Refer to response in question 727(f) above.
- f. Refer to response in question 727(h) above.