**Senate Standing Committee on Economics**

ANSWERS TO QUESTIONS ON NOTICE

**Treasury Portfolio**

Supplementary Budget Estimates 2012

18 October 2012

**Question:** **SBT 34**

**Topic:** **Administration cost of MRRT (ATO)**

**Hansard Page:** **100**

**Senator CORMANN asked:**

**Senator CORMANN:** What is the cost of administration for the ATO for MRRT collections?
**Mr Quigley:** I would not have those figures to hand.
**Senator CORMANN:** It is not a top-of-mind figure?
**Mr Quigley:** No, it is not.
**Senator CORMANN:** Can you provide us with the detailed costings for this and the cost of administration of the MRRT.
**Mr Quigley:** We will take that on notice.

**Answer:**

The ATO was provided with additional funding in the 2010-11 Budget[1] to implement the new resource rent tax arrangements. The new resource rent tax arrangements include both the Minerals Resource Rent Tax (MRRT) and the extension to the Petroleum Resource Rent Tax (PRRT).

The ATO established a small Resource Rent Tax (RRT) project team, in 2010, to implement the MRRT and the extension to the PRRT. The project team's focus has been:

- to provide ATO input during the design stage on potential administrative or interpretive issues
- to implement the new arrangements and transition to ongoing operations, in a way that maintained the integrity of the policy intent, while providing a positive user experience for the resource sector
- to further enhance the ATO's capability in dealing with the resource sector.

In August 2011, the administration of the existing PRRT was integrated into the RRT project team. As the project team includes staff working across both MRRT, the extension to the PRRT and the existing PRRT, it is not possible to establish a separate cost of administration for MRRT collections or the cost of administration of the MRRT.

The operating cost of implementing and administering the new resource rent tax arrangements, including MRRT and existing and extended PRRT is estimated to be $60.48 million over the financial years 2010-11 to 2012-13.

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[1] 2010–11 Budget Paper No. 2, Part 1: Revenue Measures, Treasury