

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates 19-23 October 2015

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: Outcome 1: Prime Minister and Cabinet
Topic: Tax Whitepaper

Senator: Senator the Hon Joe Ludwig

Question reference number: 322

Type of question: Written

Date set by the committee for the return of answer: 4 December 2015

Number of pages: 3

Question:

It was reported on 23 September, 2015 in the Sydney Morning Herald that one of Prime Minister Turnbull's first acts in the job was to secretly suspend all work on the Tax White Paper that was being developed by Treasury under the previous Prime Minister, Tony Abbott and Treasurer, Joe Hockey.

<http://www.smh.com.au/action/printArticle?id=1000716502>

1. When did the Prime Minister tell Treasury that work on the White Paper should be suspended?
2. How did the Prime Minister relay this information to the department?
 - a) If it was relayed in a written form, could you please provide a copy of this document?
 - b) If it was in a non-written form, can you please detail? Please include who the Prime Minister passed this request on to?
3. Did the Prime Minister consult with anyone before deciding to suspend work on the White Paper? If yes, please provide a list of these people or their position within the department and the dates they were consulted.
 - a) Did the Prime Minister discuss the suspension of the Tax White Paper with Joe Hockey before he directed the department to suspend work? If yes, when?
 - b) Did the Prime Minister discuss the suspension of the Tax White Paper with Scott Morrison before he directed the department to suspend work? If yes, when?
4. How much money had Treasury spent producing the document up to the point it was suspended?
 - a) How many Treasury staff were working on this project?
 - b) Could you provide the amount that they would have been paid in wages over this period?

- c) Did the department pay for external consultancy with regard to the white paper? If yes, please provide a list of consultants, the date they were engaged and the amount spent on the consultation.
- d) Were any contracts in place with any external firms for any type of work on this project that had to be cancelled after it was suspended? If yes, please provide a list of the firms and the amount that was paid to end the contract.
- e) Were any contracts in place with any external firms for any type of work on this project that remain in place? If yes, please provide a list of the firms and the amount that has been paid to them. Please also include the reason the contract has not been cancelled and what work they have performed since the project was suspended.
- f) Please provide a list of any other costs not relating to staffing or consultancies.

5. How many submissions had been received relating to this white paper?

- a) How many total pages would be contained in these documents?
- b) Are their estimates of how much money had been invested by the private sector into these submissions? If yes, please provide the figures.

6. The article quotes a senior department executive who says they were told that a “reset on tax reform was taking place”.

- a) Is a reset on tax reform taking place?
- b) Are there new terms of reference for a new white paper? If yes, please provide a copy. If no, when can we expect them?
- c) What changes are taking place on tax reform?
- d) When can we expect a new White Paper on tax reform?
- e) Has work on the Turnbull vision for a tax reform white paper begun?
- f) What work has been done towards the new white paper?
- g) Will existing submissions be considered?
- h) Has former Treasurer, Peter Costello been consulted about the new tax white paper? If yes, by who and on what dates?

Answer:

- 1. The Prime Minister did not direct that work on the Tax White Paper should be suspended. The Prime Minister tweeted on 22 September 2015, when the SMH story was first released, ‘this story is not true. Tax reform is at the centre of our efforts to create a more productive, innovative economy’.
- 2. As above.
- 3. As above.
- 4. Work on the Tax White Paper has not been suspended. Any questions relating to the staffing and resourcing of the Tax White Paper Taskforce should be directed to the Treasurer as the Taskforce sits within the Department of The Treasury.
- 5. The Treasury received approximately 870 submissions in response to the tax discussion paper. Those which were not identified by the submitter as confidential have been published on the website, www.bettertax.gov.au. Further information regarding the length and estimated cost of the submissions should be sought from the Treasurer.

6. a) The Prime Minister has stated publicly that all options for tax reform are 'on the table', including those areas which previously may have been ruled out.
- b) No. The Government's objective in pursuing tax reform remains focussed on delivering a growth friendly tax system which is fair for all Australians and supports jobs, small businesses and innovation.
- c) The Government is looking at all options for tax reform including those areas which previously may have been ruled out.
- d) The Government will not be rushed into making announcements about any proposed changes to the tax system but has committed to detailing its plans for reform before the 2016 Federal election.
- e) Work on tax reform never stopped. The fundamental objective is to support growth and jobs and the Treasury is working through all options for tax reform methodically.
- f) As above.
- g) All submissions received to date are being considered as part of the tax reform process.
- h) The Department has not consulted Peter Costello on the tax reform process.