

QUESTION TAKEN ON NOTICE

ADDITIONAL ESTIMATES HEARING : 27 February 2017

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(AE17/038) - Notification from ATO in regards to Mr Burhala - Programme 2.3: Visas

Senator McKim, Nick (L&CA 69) asked:

Senator McKIM: Thank you; I appreciate that. Finally on this matter, a report published in Fairfax on 29 January this year stated that the department continued to pay Mr Burhala's companies even after he became involved in a tax dispute with the ATO. If someone is in dispute with the ATO, allegedly owing money to the ATO as a result of payments from the department, would the department generally take that sort of thing into account? Is there a mechanism for the department to even be made aware that that dispute is in place, and would the department consider those matters before continuing to make payments?

Mr Manthorpe: What I can say about that is that we were not aware of his financial issues until it received notice from the ATO.

Senator McKIM: When was that?

Mr Manthorpe: I am just looking at the notes that I have been handed. It does not seem to have a date. I might have to take the detail of that on notice. I can say that we immediately complied with the ATO's notice and did not pay any further moneys to BMA Lawyers. So, once we knew that Tax had an issue, and Tax informed us that they had an issue with them, we made no further payments.

Senator McKIM: Was that a notification from the ATO?

Mr Manthorpe: We received a notification in some form from the ATO, yes.

Senator McKIM: And that notification was that there was a dispute or that there had been a finding?

Mr Manthorpe: I would have to take the detail of that on notice. I do not have that with me.

Answer:

A garnishee notice under the *Taxation Administration Act 1953* was served on the Department of Immigration and Border Protection by the Australian Taxation Office (ATO) on 23 July 2015.

The notice informed the Department that an amount of \$857,720.53 had not been paid to the ATO by BMA Lawyers and directed that any funds owed to BMA Lawyers by the Department up to that amount should be paid to the ATO. No further information was provided.

The Department complied with the notice and paid the value of two invoices from BMA, for a total of \$33,721.96.

On 30 October 2015, the Department was released from the garnishee notice and was formally advised that further invoiced could be paid to BMA Lawyers.

No further invoices were received, and no further payments were made to BMA Lawyers.