

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: **BET 253**

Topic: **Petroleum resource rent tax – administrative costs (ATO)**

Hansard Page: **Hansard Proof E 92**

Senator JOYCE—I want to go through a range of things but before that I have one question. What portion of the money you collect from the Petroleum Resource Rent Tax is used for the administration of the Petroleum Resource Rent Tax?

Ms Granger—It might be none, as far as I am aware.

Senator JOYCE—That is fine if you do not know. I want to go forward to a range of things, more on general revenue. You can take that one on notice, Ms Granger, if you like.

Ms Granger—Yes.

Answer:

Petroleum Resource Rent Tax (PRRT) administration consists of a number of activities related to general administration, compliance assurance and relationship building with the petroleum industry. The ATO commenced measuring specific effort applied to PRRT activities from 1 July 2009. However, under the ATO's 'whole of client' approach, effort may be directed to an activity that includes several revenue types, including PRRT. As such, all elements of PRRT administration are not able to be costed separately.

The following table shows total costs (including direct labour, direct supplier and allocated indirect costs) attributed to PRRT-specific activities as a portion of the estimated total PRRT paid on PRRT taxable profits for the year ended 30 June 2010.

PRRT Administration Costs Year ended 30 June 2010	
Description	\$'000
PRRT administration costs	\$3,612
PRRT paid on taxable profits *	\$1,296,905
PRRT administration costs as a portion of PRRT paid	Around ¼ of 1 per cent

* Preliminary estimate based on actual year-to-date payments for the September 2009, December 2009 and March 2010 quarters plus an estimate for the June 2010 quarter due in the September 2010 quarter.