

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 47

Topic: Superannuation letters

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Senator Ryan asked:

Mr Olesen: I am kind of speculating. It is hypothetically possible. We would have the information to identify potentially a mismatch between super contributions made and income being returned by that person. If we were to choose to then audit that and follow up on that information, then pretty much all issues are potentially on the table.

Senator RYAN: So do you have any program in place to try to join these two sides of the triangle?

Mr Olesen: I am not expressly aware of it. I am happy to take that on notice and check that for you, if you like.

Senator RYAN: I would appreciate that because there are some stories that or some fear that this is being used to trigger the different treatment of contractors by the tax office.

Answer:

There is currently no specific program to match all superannuation contribution information reported to the ATO, against the income tax returns of contractors.

However, the ATO does examine the compliance of businesses engaging workers. Where the ATO finds businesses that have not been making the required superannuation contributions, either for employees who have been incorrectly treated as contractors, or for individual contractors who are engaged mainly for their labour, the ATO seeks to recover the unpaid superannuation contributions on behalf of the workers. The ATO also captures the details of the amounts paid to those workers and matches it against their income tax returns to check whether the income has been properly reported.