

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20 October 2011

Question No: SBT 10

Topic: Excess Contributions Tax – complex case numbers

Hansard Page: 132

Senator CORMANN: On notice, could you tell us what proportion of applications for discretion in 2008-09, 2009-10 and 2010-11 were classified as complex and received such consideration?

Mr Olesen: Yes.

Answer:

The ATO's definition of a 'complex' matter is one that:

- requires the formation or review of a precedential ATO view
- requires the review of substantial technical information or significant technical research
- involves multiple issues, multiple entities or multiple transactions.

Applications for the Commissioner's discretion in relation to excess contributions tax are generally straight forward rather than complex in terms of this definition.

In 2008-09, 30% of applications for the Commissioner's discretion in relation to excess contributions tax were classified as 'complex', reflecting the fact that administration of excess contributions tax was still in the early stages.

In 2009-10, 6% of applications for the Commissioner's discretion in relation to excess contributions tax were classified as 'complex'.

In 2010-11, 7% of applications for the Commissioner's discretion in relation to excess contributions tax were classified as 'complex'.

All excess contributions tax discretion decisions were initially considered by a panel of senior staff.

Over time as more knowledge and experience was developed in the exercise of the discretion, only cases where there was consideration of exercising the discretion, or where the circumstances raised a new feature, were escalated to the weekly panel of senior staff and the relevant case officers for discussion.

With further experience this was reduced to ad hoc panel meetings for cases which raised a new feature (the current arrangement).

In total, since the commencement of the excess contributions tax in 10 May 2006 to 31 October 2011, it is estimated the panel of senior staff would have considered approximately 400 discretion cases. By far the majority of these were in relation to the 2006-07 and 2007-08 financial years, as these formed the majority of applications in the initial period. Very few cases are currently referred to the panel.