

SENATE ECONOMICS COMMITTEE
CORPORATE COLLECTIVE INVESTMENT VEHICLE FRAMEWORK AND
OTHER MEASURES BILL 2021

ANSWERS TO QUESTIONS ON NOTICE

Agency: Australian Taxation Office
Topic: Estimated tax gaps
Senator: Chisolm

Question:

Senator CHISHOLM: Does the ATO have any estimates of the existing tax gap—that's the gap between tax due and tax payable—in the existing Australian funds management industry?

Mr Werbik: I'm not aware of any such tax gap work, but I'll invite Mr Kasmarik to supplement my answer.

Mr Kasmarik: I'll probably have to take that one on notice and come back to you with an answer.

Senator CHISHOLM: I have a follow up on that, if you could take that on notice as well: what strategies does the ATO currently have in place to reduce this gap?

Mr Werbik: That's on the assumption that there is such a gap—

Senator CHISHOLM: Yes—

Mr Werbik: As I said, I'm not aware. We've got a number of tax gap analyses that have been released over the last couple of years, spanning a number of different taxpayer populations and sectors. As I've said, I'm not aware of there being any such work in relation to the fund management industry, but we can take that on notice.

Mr Kasmarik: I'd just add that there is a large corporate tax gap which covers the full industry, including the private wealth tax gap as a subset, and we have a justified trust program that covers the markets in their entirety, which those funds sit within. I suppose if we want to get down to the specifics, as we mentioned before, we will take the question on notice.

Answer:

Australian funds management industry participants form part of the 'High wealth', 'Medium business' and 'Large corporate groups' income tax gap estimates, according to their market segment. We note the ATO receives over 93 per cent of the tax we expect to collect from each of these markets, which is consistent with our overall tax performance results.

Further details regarding these estimated tax gap calculations can be found at

<https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Tax-gap/Australian-tax-gaps-overview/>