

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury

Australian Taxation Office

Additional Estimates 17 February 2005

Outcome 1

Topic: Research on types of investors in mass marketed schemes or EBAs

Hansard Page: E44

Senator Webber asked:

Has the tax office done any research work on the types of people that have invested in either mass marketed schemes or employee benefit trusts, and by that I am leaning towards research that identifies them by things like annual salary, occupation or other demographic features? Certainly in my dealings with them as constituents the ones that approach me come from a certain profile.

Mr Fitzpatrick—People who have invested in mass marketed investment arrangements come from various backgrounds and, obviously, various states of Australia. There are quite a number, as you would probably appreciate, who invested—about 40,000, from memory. They have different backgrounds, and different home states. The number of people in employee benefit arrangements is much smaller. A lot of the people in employee benefit schemes are running small- or medium-sized businesses.

Mr Carmody—The only research—at a level you could call research—into mass marketed schemes was done by an institution called the Centre for Tax System Integrity out of the ANU, which, at the moment, we have an arrangement with to partly fund their operations. They did do research into this area. It is not in my mind exactly how far it went and whether it covered the issue, but it may be covered in that paper.

Senator WEBBER—Can you check that for me?

*Mr Carmody—*Certainly. I will.

Senator SHERRY—Is that published?

*Mr Carmody—*Yes, it was published some time ago.

Senator WEBBER—I will follow that up and try and get hold of it as well.

*Mr Fitzpatrick—*It would be nearly two years ago now, I think.

Answer:

The document ‘An examination of taxpayers’ attitudes towards the Australian tax system: findings from a survey of tax scheme investors’ was published on 6 May 2003. This followed a national survey of 6000 taxpayers involved in aggressive tax planning arrangements. The research was conducted by the Centre for Tax System Integrity, Research School of Social Sciences at the Australian National University. The following is a link to the document:

<http://ctsi.anu.edu.au/publications/taxpubs/Murphy.ATF.pdf>