

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 14 – 15 February 2007

Question: aet106

Topic: Calculation of Revenue Figures

Hansard Page: E93-95

Senator SHERRY asked:

Thanks for that. Given that we have just had a very helpful breakdown of some of the disaggregated costs that have not been published—the media, for example—I want to go to a couple of issues relating to the calculation of the components of the revenue figures that are contained on the back of the Treasurer’s press release of 7 December. Perhaps I can start with some issues on which I started to pose some questions to Mr Gallagher at the hearing on the bills a couple of weeks ago. Ms Vivian, you were there, too. I posed a question about the estimated revenue to be gathered from the estimated number of persons for whom tax file numbers would not be received. That is in the figure. Can you give me that figure today, please?

Mr Ray—We took that question on notice and we have provided an answer to the committee.

Senator SHERRY—Can you just refresh my memory? What was the answer? I did not see anything.

Mr Ray—We did not provide the number. The information has not been published.

Senator SHERRY—Why is it not being published?

Mr Ray—Because the government has not published it.

Senator SHERRY—I have just been given an example—and we have just talked it through—of the government not publishing the advertising media as a separate category, yet I have just been given that by the ATO, broken down and disaggregated.

Senator MURRAY—Quite properly.

Senator SHERRY—Yes, quite properly, and I appreciate the tax office’s cooperation. Why can I not get the figure that I have asked for on the non-provision of tax file numbers?

CHAIR—If this is a policy matter, this officer cannot respond to that question.

Senator SHERRY—I would beg to differ. If we go back to your opening statement, I think it is a perfectly reasonable question. When we have received the disaggregated figure—and we know that Ms Vivian has outlined it as an estimate—I do not see why we cannot reasonably receive a figure for this particular item. It has been costed, it has been published, it is on the public record—the revenue item—so why can we not receive an admitted estimate of the revenues that have been calculated?

Mr Ray—You did not ask us that question in the last hearings. You asked us for, I think, the estimated number of people—

Senator SHERRY—I think I asked for both. But I will ask for both now and I am happy to receive both the figures.

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Mr Ray—We are happy to take that on notice again.

Senator SHERRY—Frankly, Mr Ray, I think you are just being smart. I put the question on notice and I did indicate that I would be seeking that information here. Frankly, I expected to get it at the hearing on the bills, but it has not been provided. Because I am not going to get the information in this area, I ask: are you able to provide any other information that has been calculated on the revenue components?

Mr Ray—It would depend on your question.

Senator SHERRY—The estimated loss to revenue in that measure from, for example, the exit tax removal?

Mr Ray—If your question goes to whether we can break down the net impact on revenue of various elements of the package, we would need to take it on notice.

Senator SHERRY—Why?

Mr Ray—Because, as we have been through many times, the government has not published that information.

Senator SHERRY—I know they have not published it, but the ATO have just given me a breakdown of the expense item administration costs when I asked for it.

Mr Ray—I am aware of that.

Senator SHERRY—And you are aware that on previous occasions—or at least on some occasions—when I have asked for a breakdown of the revenue calculation I have received it?

Mr Ray—I did not say you would not receive it. I said I would take it on notice.

Senator SHERRY—Yes, but you have taken at least one question on notice—actually, I think it is two— and apparently you have said no. I have not checked the answer. You have just referred to it.

Senator Coonan—He said he would take it on notice and that he would look at the breakdown. He did not say anything other than that. Did you?

Mr Ray—No.

Senator SHERRY—Let us be frank. I am not going to get it, am I, Mr Ray?

CHAIR—I do not think that is a reasonable question. You have asked a question. The officer has said he does not have that information and will take it on notice. What the outcome of that might be, I do not think should be a matter of conjecture tonight.

Senator SHERRY—I think it should be. You were not at the bills hearing, Mr Chair. That is being denied in a response. I did indicate that I would be pressing the issue here tonight. I think it is in breach of the opening statement that you read out. I am not going to press the issue any further because it is probably futile to do so tonight, but I will take it up at a meeting of the committee because, frankly, I think it is unreasonable. Just so that we are clear on what I would like on notice, in terms of the revenue components we are obviously dealing with the revenue loss as a result of the non-provision of a tax file number. Is the abolition of what is known as the exit tax a component? I just want to deal with the components.

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Mr Ray—The revenue loss because of the non-provision of the tax file number?

Senator SHERRY—Yes. Sorry, that is a gain. There is a loss because you gain the revenue and then it is paid out—or at least largely paid out. I would like the estimate of both of those figures for each year. Then there is the loss to revenue. There may be other gains to revenue. Are you able to identify any other gains to revenue from this measure?

Mr Ray—As we discussed a couple of weeks ago, the package has some pluses and minuses in it. One of the things that you would expect to happen is that there would be a shift from, say, employment income that is taxed at marginal rates to a super fund—

Senator SHERRY—That is, as a consequence of behavioural change—

Mr Ray—That is correct.

Senator SHERRY—as distinct from loss resulting from the removal of taxes up to ETP, the exit tax, and the income tax free treatment? They are basically the categories of revenue we are dealing with, are they not? Are there any other categories?

Mr Ray—You would expect there would be a shift from other individuals to superannuation as well.

Senator SHERRY—The bottom line is: could I have the details, a list, of each item of revenue gain or loss within the category of revenue?

Mr Ray—What you are asking for is a head of revenue split of each element of the package?

Senator SHERRY—Yes, for each of the four years—obviously it is disaggregated—in the forward estimates. Having made no progress on the revenue side, the issue I did raise—

Answer:

The disaggregated revenue impact, by head of revenue, for the Government's *Simplified Superannuation* package has not been published.