

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Additional Estimates 14 February 2007)

**Question**                    **AET147**  
**Topic:**                        **Expenditure on e-tax**  
**Hansard Page:**            **E85**

Senator **Sherry** asked:

What is the approximate expenditure on e-tax each year by the ATO?

*Mr Konza—We would have to take that on notice. Are you talking about the complete running costs, development costs and marketing?*

**Senator SHERRY**—Yes. You would probably need to separate them.

**CHAIR**—You mean the processing costs?

**Senator SHERRY**—Yes. The marketing, the establishment costs and the ongoing running costs.

*Mr D'Ascenzo—We can provide that.*

**Answer**

The table below provides a breakdown of the e-tax marketing, establishment and ongoing running costs for the 2004-05 and 2005-06 income years and an estimate for the 2006-07 income year.

Establishment and ongoing running costs are incurred to enhance the features of the e-tax software and to update it for legislative change.

The table also provides the number of taxpayers that lodged their income tax returns using e-tax for the 2004-05 and 2005-06 income years and an estimate for the 2006-07 income year.

<b>e-tax cost</b>	<b>2004-05 actual</b>	<b>2005-06 actual</b>	<b>2006-07 estimate</b>
<b>Marketing costs:</b>			
Marketing	<b>\$329,531</b>	<b>\$430,059</b>	<b>\$440,000</b>
<b>Establishment costs:</b>			
Cyclical	\$4,198,912	\$4,519,500	\$5,002,711
Software enhancements	\$845,802	\$847,838	\$880,370
	<b>\$5,044,714</b>	<b>\$5,367,338</b>	<b>\$5,883,081</b>
<b>Running costs:</b>			
Support and maintenance	<b>\$683,675</b>	<b>\$682,800</b>	<b>\$673,622</b>
<b>Total</b>	<b>\$6,057,920</b>	<b>\$6,480,197</b>	<b>\$6,996,703</b>
<b>Number of e-tax lodgments</b>	<b>1,369,468</b>	<b>1,612,258</b>	<b>1,800,000</b>