

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 22

Topic: Treasury Portfolio Reviews

Hansard Page: Written

Senators BARNETT & EGGLESTON asked:

1. How many Reviews are currently being undertaken in the portfolio/agency or affecting the portfolio/agency?
2. When will each of these reviews be concluded?
3. Which Reviews have been completed since Budget Estimates?
4. When will the Government be responding to the respective reviews that have been completed?
5. What is the total number of Reviews *both completed and ongoing* in the portfolio/agency or affecting the portfolio agency since November 2007?
6. What is the estimated cost of these Reviews?
7. What further reviews are planned for 2009 - 10 FY?

Answer

1. There are currently 10 reviews being undertaken by the Treasury portfolio:
 - 1) Super System Review
 - 2) Equity Derivatives Review
 - 3) Review of options to reduce fraudulent phoenix companies
 - 4) Review of elections in the income tax law
 - 5) Review of the anti-avoidance provisions
 - 6) Review of the Tax Design Review Panel's recommendations
 - 7) Review of the operation of the Tax Issues Entry System (TIES)
 - 8) Post-implementation review of certain elements of the consolidation regime
 - 9) Review of the taxation treatment of Islamic finance products
 - 10) Review of the taxation treatment of collective investment vehicles

2.

Review	Report Date
Super System Review	The review is due to report to the Government by 30 June 2010.
Equity Derivatives Review	Advice was provided to the Minister for Financial Services, Superannuation and Corporate Law on 26 November 2009.
Review of options to reduce fraudulent phoenix companies	Report date not determined.
Review of elections in the income tax law	Report date not determined.
Review of the anti-avoidance provisions	Report date not determined.

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Review	Report Date
Review of the Tax Design Review Panel's recommendations	Report date not determined.
Review of the operation of the Tax Issues Entry System (TIES)	Report date not determined.
Post-implementation review of certain elements of the consolidation regime	The review is due to report to the Government by 31 December 2010.
Review of the taxation treatment of Islamic finance products	The review is due to report to the Government by June 2011.
Review of the taxation treatment of collective investment vehicles	Report date not yet determined.

3. The following reviews have been completed since the Budget Estimates:

- 1) Australia's Future Tax System Review
- 2) Review of the Terrorism Insurance Act 2003
- 3) Review of the tax arrangements applying to Managed Investment Trusts
- 4) Post-implementation review into the alienation of personal services income rules
- 5) Review into elements of the taxation of employee share schemes
- 6) Review of the application of GST to cross-border transactions
- 7) Review of Treasury's Government Partnership Fund
- 8) Review of the Report on Government Services

4.

Review	Date the Government will be responding to the respective review
Australia's Future Tax System Review	The Treasurer announced the Government's response on 2 May 2010 and in the 2010-11 Budget (Media Release No. 028).
Review of the Terrorism Insurance Act 2003	The Minister for Financial Services, Superannuation and Corporate Law announced the Government's response in conjunction with the release of the report on the review on 14 October 2009 (Media Release No. 028).
Review of the tax arrangements applying to Managed Investment Trusts	<p>The Government has introduced legislation into the Parliament implementing the Board of Taxation's interim advice to provide deemed capital account treatment to eligible managed investment trusts.</p> <p>The Assistant Treasurer announced the Government's response in conjunction with the release of the report on the review on 7 May 2010 (Media Release No. 086).</p>

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Review	Date the Government will be responding to the respective review
Post-implementation review into the alienation of personal services income rules	The Assistant Treasurer released the report of review on 16 December 2009 (Media Release No. 109). A date for a response by the Government is yet to be determined.
Review into elements of the taxation of employee share schemes	The Assistant Treasurer announced the Government's response in conjunction with the release of the report on the review on 23 April 2010 (Media Release No. 073).
Review of the application of GST to cross-border transactions	The Assistant Treasurer announced the Government's response in conjunction with the release of the report on the review on 11 May 2010 (Media Release No. 095).
Review of Treasury's Government Partnership Fund	To be determined.
Review of the Report on Government Services	COAG endorsed the review's recommendations at its 7 December 2009 meeting, including that 'the Steering Committee's central role in collecting and publishing data on government service delivery, and the need for timely access to data held by data providers, should be stated in [a] new terms of reference and mandated by COAG' (COAG 2009, recommendation 20).

5. 27 (10 in progress and 17 completed).

In progress (10)

- 1) Super System Review
- 2) Equity Derivatives Review
- 3) Review of options to reduce fraudulent phoenix companies
- 4) Review of elections in the income tax law
- 5) Review of the anti-avoidance provisions
- 6) Post-implementation review of certain elements of the consolidation regime
- 7) Review of the Tax Design Review Panel's recommendations
- 8) Review of the operation of the Tax Issues Entry System (TIES)
- 9) Review of the taxation treatment of Islamic finance products
- 10) Review of the taxation treatment of collective investment vehicles

Completed (17)

- 1) Australia's Future Tax System Review
- 2) Review of the Terrorism Insurance Act 2003

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- 3) Review of Credit Rating Agencies and Research Houses
- 4) Review of the Income Tax Exemption for Structured Settlements (Division 54)
- 5) Review of non-forestry Managed Investment Schemes
- 6) Statutory Review of Film Tax Offsets
- 7) Review of unlimited amendment periods
- 8) Review of the tax arrangements applying to Managed Investment Trusts
- 9) Scoping study of small business tax compliance costs
- 10) Review of the taxation treatment of off-market share buybacks
- 11) Review of the foreign source income anti-tax-deferral regimes
- 12) Review of the legal framework for the administration of the GST
- 13) Post-implementation review into the alienation of personal services income rules
- 14) Review into elements of the taxation of employee share schemes
- 15) Review of the application of GST to cross-border transactions
- 16) Review of Treasury's Government Partnership Fund
- 17) Review of the Report on Government Services

6.

Review	Estimated cost of the review
Super System Review	Approximately \$2.6 million.
Equity Derivatives Review	Review conducted internally.
Review of options to reduce fraudulent phoenix companies	Review conducted internally.
Review of elections in the income tax law	Review conducted internally.
Review of the anti-avoidance provisions	Review conducted internally (with the assistance of a consultant at a cost of \$67,584).
Post-implementation review of certain elements of the consolidation regime	Review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants are also to be used at a current expected cost of \$40,000.
Review of the Tax Design Review Panel's recommendations	Review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff.
Review of the operation of the Tax Issues Entry System (TIES)	Review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants are also to be used at a current expected cost of \$50,000.

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Review	Estimated cost of the review
Australia's Future Tax System Review	\$10.59 million
Review of the <i>Terrorism Insurance Act 2003</i>	Review conducted internally.
Review of Credit Rating Agencies and Research Houses.	Review conducted internally.
Review of the Income Tax Exemption for Structured Settlements (Division 54)	\$19,914
Review of non-forestry Managed Investment Schemes	Review conducted internally.
Statutory Review of Film Tax Offsets	Review conducted internally.
Review of unlimited amendment periods	Review conducted internally.
Review of the tax arrangements applying to Managed Investment Trusts	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were also used at a cost of \$90,410.
Scoping study of small business tax compliance costs	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were also used at a cost of \$78,114.
Review of the taxation treatment of off-market share buybacks	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were also used at a cost of \$53,900.
Review of the foreign source income anti-tax-deferral regimes	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were also used at a cost of \$57,500.
Review of the legal framework for the administration of the GST	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff. Consultants were also used at a cost of \$49,148.

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Review	Estimated cost of the review
Post-implementation review into the alienation of personal services income rules	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff.
Review into elements of the taxation of employee share schemes	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff.
Review of the application of GST to cross-border transactions	Review conducted by the Board of Taxation, with assistance from Treasury and ATO staff.
Review of Treasury's Government Partnership Fund	External reviewer's cost \$22,398.61.
Review of the Report on Government Services	The Productivity Commission does not have access to this information.
Review of the taxation treatment of Islamic finance products	Review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff.
Review of the taxation treatment of collective investment vehicles	Review is being conducted by the Board of Taxation, with assistance from Treasury and ATO staff.

7. No further reviews are currently planned.