

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 23-24

Topic: ATO Response Time

Written: 3 March 2014

Senator WILLIAMS asked:

- 23) My office has received complaints about the Australian Tax Office being tardy in following complaints about non-payment of employee superannuation by employers. What is your standard response time?
- 24) My office raised one complaint with the ATO 18 months ago but still the matter lingers on. In that time, the business has changed hands and still the ATO has not resolved the matter. Do you believe this an acceptable situation?

Answer:

- 23) The ATO actions all superannuation guarantee complaint cases. Our service standards for superannuation guarantee complaint cases are that the ATO is to:

- commence 99 per cent of cases within 28 days of receipt;
- complete 50 per cent of cases within four months of receipt ; and
- complete 90 per cent of cases within 12 months of receipt.

The service standards measuring completion rates refer to the time taken to finalise an outcome on the case. These do not include time taken in the debt collection process.

These service standards were either met or exceeded in the 2012-13 financial year, and the 2013-14 financial year to date.

- 24) We understand it can be frustrating for an employee when it appears that their complaint is not being actioned. We can generally determine an outcome in a reasonable timeframe, although more complex cases may take longer. Unfortunately, even once a liability is established, there are a number of circumstances that can cause delays in the collection of any debt raised.

Due to secrecy provisions, we are restricted from commenting on individual cases. We receive and investigate close to 20,000 employee enquiries of unpaid superannuation each year and we provide employees with written updates throughout each step of the audit process. Once a superannuation guarantee assessment has been raised, we try to collect the debt from the employer as soon as possible. General interest charge accrues on outstanding liabilities and once collected, is ultimately paid to the employee's super account. The timeframe for debt collection depends on the employer's ability to pay or their response to our request for payment. The employee is notified when payments have been made to their super account, or if the employer debt cannot be collected for reasons such as employer insolvency.