

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury**  
**Australian Taxation Office**  
Budget Estimates 2004-05, (3 June)

**Outcome 2, Output 2.2.1**

**Topic: Refer to E125 (November 2003 estimates)—update of BAS figures**

**Hansard Page: E116**

Senator **Wong** asked:

Of the questions on notice that I referred to, again, the committee are not able to help me in providing them.

*Mr Carmody—I am sure we can make them available tomorrow for you. I am sure they were lodged. I can remember.*

**Senator WONG**—I did actually check on them a number of times. It is possible they got lost in the system. I asked for them prior to the last estimates rounds.

*Mr Carmody—They were certainly prepared and cleared and my understanding is they have been lodged. But we will have them available tomorrow.*

**Senator WONG**—Perhaps you can give me the answers you did lodge. Are you also able to give me your most up-to-date figures in the same categories?

*Mr Carmody—We know the categories. We have the questions. We will have available for the committee tomorrow the questions we prepared and we believe we lodged and then we will take on notice updating those figures.*

Answer:

The previously raised questions (Supplementary Budget Estimates 2003: 6 November), the subject of the above interchange, were:

- (1) How many business activity statements were overdue as at the end of the last financial year?*
- (2) How many of these activity statements have been overdue for more than one year?*
- (3) How many taxpayers who have registered for GST have never lodged an activity statement as at the end of: (3a) June 2002 and (3b) June 2003?*

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In order to provide an update, these questions are now recast, as follows:

- (1) As at June 2004 how many of the business activity statements for the first three years of the new tax system, overdue as at 30 June 2003, are still to be accounted for?*
- (2) As at June 2004 how many business activity statements, overdue for more than one year as at 30 June 2003, are yet to be accounted for?*
- (3) (a) As at June 2004 how many taxpayers registered for GST as at 30 June 2002, have never lodged an activity statement?*  
  
*(b) As at June 2004, how many taxpayers registered for GST as at 30 June 2003, have never lodged an activity statement?*

The answers now provided are as follows:

(1) As at 10 October 2004, there were 895,256 business activity statements recorded as overdue and expected to be lodged for periods up to and including the June 2003 activity statement obligations. (The number reported in the earlier response to Question on Notice E125 of 1.2 million outstanding did not include business activity statements for the month ended 30 June 2003 or the quarter ended 30 June 2003 as these statements were not due as at 30 June 2003. A comparative figure as at 10 October 2004, excluding the June 2003 monthly and quarterly activity statements, is 826,036.)

895,256 business activity statements recorded as overdue and expected to be lodged result in an overall 97 per cent lodgment rate for all business activity statements relating to the three years ended 30 June 2003. (The overall lodgment rate as at 30 June 2003 was 96 per cent.)

The Tax Office undertakes lodgment enforcement on a risk management basis. The outstanding activity statements are generally considered to be low risk. Experience indicates a substantial number will in fact have no obligation to lodge, for the reasons listed below.

- The introduction of the Australian Business Number and activity statements saw a number of businesses, who were expected to apply for an Australian Business Number, remain unregistered by the deadline. The Tax Office automatically issued an Australian Business Number to these businesses in expectation that they would continue to trade. Many did not, as a result of restructure and for other valid reasons.
- Some taxpayers registered for an Australian Business Number as a precaution against future, unrealised, obligations.

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- The high closure rate of small businesses is a factor. Notifying the Tax Office is not always a priority for a business that is failing or has failed. The Tax Office experiences difficulty in contacting many taxpayers in this situation.
- (2) As at 10 October 2004, around 584,400 business activity statements, overdue for more than one year as at 30 June 2003, remain to be accounted for. (This number is a reduction from 695,000 as reported earlier.)
- (3) (a) As at 10 October 2004 there were 51,318 taxpayers remaining recorded as registered for GST as at 30 June 2002 who have never lodged an activity statement. This represents less than 3 per cent of the relevant total of GST registered taxpayers. (The number reported as unaccounted for in the earlier response was 63,000.)
- (3) (b) As at 10 October 2004, there were 63,701 taxpayers remaining recorded as registered for GST as at 30 June 2003 who have never lodged an activity statement. This represents less than 3 per cent of the relevant population of GST registered taxpayers. (The number reported in the earlier response was 83,451.)

Note: The number of cases on hand cannot be directly compared to those detailed in the previous answer because the above figures include cases subsequently identified as a result of lodgement compliance activities, the securing of outstanding business activity statements and the ongoing updating of taxpayer registration details.