

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 2 June 2005)

Outcome 2

Topic: Adult industry revenue

Hansard Page: E94-95

Senator Sherry asked:

Senator SHERRY—You say you have a special unit dealing with the industry?

Mr Mann—Yes.

Senator SHERRY—Have you any idea of the sort of revenue at risk or recovered?

Mr Mann—I do not have those details with me.

Senator SHERRY—You say there is a special unit dealing with this industry. Presumably, because you have a special unit, it must be worthwhile in terms of revenue recovered.

Mr Mann—No, I do not have those figures with me.

Senator SHERRY—Could you take on notice the moneys recovered as either tax revenue or social security adjustments as a result of the unit's activity?

Mr Mann—I will undertake to provide what information I have on that matter.

Answer:

The Tax Office has an ongoing project to address undisclosed income in Adult Industries (Adult Clubs, Brothels, Escort Agencies, Adult Goods Retail & Wholesale and Stripping Agencies). The project employs a range of strategies from industry engagement and assistance through to audit. At this stage the focus of audits has been on the major business activities. Further leveraged activities addressing micro providers are planned for 2005/06.

Adult Clubs

A small number of staff in Qld have been involved in this aspect of the project. To date assessments of adult club owners (GST and PAYG) have amounted to \$5,231,000 primarily in Qld at this stage. Assessments are currently being raised following audits undertaken in Qld and Victoria.

In 2005/06, the project will raise the profile of work in NSW and Victoria, with some further coverage in SA and WA. It is expected that further revenue will be raised due to assessment of undisclosed income and non compliance with PAYGW.

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Dancers

The process has been conducted as a whole of government project with joint agency participation.

The Tax Office is undertaking registration work as part of an overall industry solution including leveraged strategies. Our activities in relation to dancers have included a focus on both the larger businesses with licensed premises, as well as individual dancers. Activities were commenced in Qld and are now well advanced in Victoria and NSW. The activities of our Qld staff have resulted in the registration of 1200 dancers who now have ABN's. We are pursuing them for outstanding tax returns and have provided their details to Centrelink through the joint agency protocols.