

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 30 May 2006)

Question **BET 150**

Topic: **SUPER GUARANTEE NON-COLLECTION**

Hansard Page: **E80(b)**

Senator Sherry asked:

—You did provide some figures on notice about the amounts of money unpaid that are being wiped off, for want of a better word, that cannot be collected. You provided me with the figures that, for example, in the 2000-01 financial year there was \$3.8 million in super guarantee contributions that could not be collected presumably because the employer has gone bankrupt or whatever. To what period did those moneys relate? So, for example, 2000-01, did that relate to the previous financial year or is it just an amalgam of moneys over a number of previous years that you have just come to the conclusion you could not collect?

Ms Vivian—It would be an amalgam of money over a variety of different years.

Senator SHERRY—I notice from those stats that the amount of money that was being wiped off, if you like, and just not collectable, increased significantly. For the period December 2003 to June 2005, \$84 million was wiped off. Over what time period was that money owed, over a couple of years? Do we have any period it relates to?

Ms Vivian—No. Again, it would vary. It would be an amalgam over a number of years. I would surmise it is probably fairly old debt and that we will find that it was both irrecoverable and uneconomical to pursue to collect.

Senator SHERRY—What is the level of debt at the present time, or the last time for which you have figures that you have checked?

Ms Vivian—I would need to take that one on notice.

Q1 You provided me with the figures that, for example, in the 2000-01 financial year there was \$3.8 million in super guarantee contributions that could not be collected presumably because the employer has gone bankrupt or whatever. To what period did those moneys relate?

Answer:For the financial year ended 30 June 2001, \$3.8 million in superannuation guarantee charge debt was written off as either irrecoverable at law or uneconomical to pursue.

Q2 For the period December 2003 to June 2005, \$84 million was wiped off. Over what time period was that money owed, over a couple of years? Do we have any period it relates to?

Answer: For the period covering December 2003 to June 2005, \$84 million in superannuation guarantee charge was awaiting write off as either irrecoverable at law or uneconomical to pursue.

The amount of superannuation guarantee charge debt written off / awaiting write off¹ over the past five years is as follows:

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<i>Financial Year</i>	<i>Total Amount(\$M)</i>
2000-01	3.79
2001-02	5.35
2002-03	11.81
2003-04	48.57
2004-05	55.03

¹The business system for Superannuation Guarantee was replaced in December 2003. The new system did not provide the same write off functionality. Records of cases that were determined as suitable for write off have been maintained to enable write off action to be taken when the required system functionality is provided.

The system functionality will be released in three stages. The first stage is currently undergoing final testing, and will allow for a percentage of held write off cases to be actioned, commencing late October 2006. The second stage is expected in November 2006 with release of the final stage expected in April 2007.

Q3 What is the level of debt at the present time, or the last time for which you have figures that you have checked?

Answer: At 31 May 2006, superannuation guarantee charge collectable debt was \$283 million. Collectable debt is debt that is not impeded by dispute or insolvency action.