

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

(Budget Estimates 29, 30 & 31 May 2007)

Question: BET 12 (ATO)

Topic: New Business Intensive Assistance Programme – Support Provided

Hansard Page: Written

Senator SHERRY asked:

I refer to the Budget announcement that the government will provide \$40.0 million over four years for the New Business Intensive Assistance Program to enable the Australian Tax Office to increase support to new businesses, particularly those that prepare their own Business Activity Statement.

a) What sort of support will this policy provide?

The additional funding will be used to expand the current assistance service by providing:

- tailored assistance to businesses that are new to a tax obligation, for example, pay as you go withholding if they commence employing;
- practical assistance to help taxpayers use the business portal and transact on-line with the Tax Office;
- an increase in the number of assistance visits to small businesses;
- an expanded range of support to small businesses who may be genuinely experiencing difficulties in meeting their tax obligations; and
- an increase in the number of seminars and workshops.

b) Specifically, will this support provide assistance to a small business for obtaining its own specific ratio that it could apply in future GST calculations using the simplified accounting method?

No, but it would inform relevant businesses of the simplified accounting methods available to them. The assistance provided would be related to the simplified accounting methods that are available at the time.

c) How many public servants are being hired to provide this support?

Approximately 95 staff will undertake the work. The number of staff required to deliver the program will be adjusted over time to take into account feedback from consultations with industry representatives in order to deliver an overall program which best meets the needs of small business. Changes in staff numbers will be dependent on the mix of assistance services and delivery channels being requested.

Current recruitment activities include business assistance outbound call staff numbers being doubled through recruitment. The in-take of outbound call staff is being staged, with offers underway for a team of fifteen in one location and another recruitment process underway for a further fifteen staff,

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The first year will involve a number of pilots using different strategies and existing staff are being re-directed to undertake the one-to-one business assistance visits and workshop delivery instead.

d) When will those hired to provide this support start?

Recruitment of staff to deliver the New Business Intensive Assistance Program will be progressive from 1 July 2007. Existing staff have been made available to undertake the work from 1 July 2007. The first of the newly recruited staff will commence training late August 2007. The second stage of recruitment is currently underway and comprises a total of thirty additional staff. Further recruitment requirements will be determined through feedback from consultations with industry and business representatives.

e) Will small business owners be able to approach the ATO for the support and if so how?

Yes, small business owners are able to obtain assistance, request a business assistance visit, or make booking arrangements for a seminar or workshop through the Tax Office 13 28 66 telephone information line.

f) How will the support be delivered?

The support will be delivered through telephone assistance, one-on-one visits, or in workshop groups, dependant upon the nature of the assistance being sought. Other delivery channels may be identified through industry consultations.

g) Where will the telephone service be located?

Global routing enables Tax Office staff in existing call centre locations to manage incoming telephone enquiries on the 13 28 66 information line. The outgoing calls made to small business operators will be made from Melbourne and Perth.

h) What percentage of support visits will be face-to-face and what percentage will be telephone visits?

New businesses and new employers who prepare their own business activity statements will receive an education call from the Tax Office offering assistance. As part of that discussion the small business owner would be offered the choice of a business assistance visit or a workshop. As the small business owner has the choice of whether or not to take-up the offer, the Tax Office is not currently able to advise a percentage split by type of assistance, but will be able to advise on this once the New Business Intensive Assistance Program progresses.

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i) What is meant by a telephone visit? Exactly what will occur in a telephone visit?

Where a small business owner is located in a remote or smaller regional area it is generally not possible to arrange a field visit; instead Tax Office staff will spend additional time on the telephone with the taxpayer. The tax officer will also discuss other options with the small business owner depending upon their needs. In some cases a field visit may be arranged to take place when other Tax Office activity occurs in that area.

j) Where will ATO staff that conduct the face-to-face visits be located? And how many face-to-face visit staff will there be in each of those locations?

The staff providing the face-to-face visits will be in a number of locations in all states around Australia. The number of staff in the various locations will be influenced by taxpayer demand.

k) What will determine whether a small business owner receives a telephone or face-to-face visit? For instance is location the issue.

The Tax Office offers education calls and as part of that a small business owner would also be offered the choice of a business assistance visit or a workshop. A face to face visit will be arranged where requested.

Where the small business owner is located in a remote or smaller regional area as previously advised, it is generally not possible to arrange a field visit, but tax officers are able to spend additional time on the telephone with the taxpayer's issues.