

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: BET 248

Topic: Change Program – transfer of business activity statements (ATO)

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Senator XENOPHON—The processing of BAS has not been transferred yet to the new system; is that right?

Mr Butler—Business activity statements?

Senator XENOPHON—Yes.

Mr Butler—No, and they have not been affected by this at all.

Senator XENOPHON—I understand that. When was the processing of BAS supposed to be transferred to the new system?

Mr Butler—We have not built the application yet to put the business activity statements into this integrated system.

Senator XENOPHON—Was it not scheduled to take place in July this year?

Mr Butler—No. Some time ago it may have been July of this year. There was perhaps—

Senator XENOPHON—Can we just go back a step? At some stage there was a proposal for the business activity statements to be brought within the new system from July this year?

Mr Butler—I would need to check that date, but going back to 2004 there were plans to have this integrated system for everything. Now in a much shorter time frame than that there has been time and costs added because of the significant law changes that I mentioned before.

Senator XENOPHON—Yes, but can you just clarify this for me: there was at some stage—and could you indicate at which stage—a proposal for BAS to be included or to be transferred over to the new system. Was that considered a few months ago, for instance?

Mr Butler—No. We have not had a plan to do the business activity statement. I have been with the tax office for less than two years and during that time we have not had firm plans to do the business activity statement. I would need to check if that has changed. We are not planning to do the business activity statement in this coming year either. It is a major piece of work. I will need to check when this happened but some months ago the ATO decided that, given the likely direction of what might come out of the Henry review and what may come out of other reviews that the government had under way, we could not take that work on hand.

Senator XENOPHON—Mr Butler, the Henry review would not have anything to do with business activity statements being transferred to the new system.

Mr Butler—No, but other changes in the Henry review could require an IT build, which means the people we have available to do the IT work may be tied up on work on the Henry review.

Answer:

Business Activity Statements (BAS) was previously included in Release 3.3 which, for planning purposes, was scheduled to be completed in December 2010. In 2008 when considering the changes to the Change Program schedule as a result of Super Simplification, the Change Program Steering Committee decided that each Sub-Release would be progressively confirmed through more detailed planning. Only the design activities for the Pay-As-You-Go instalment component of the BAS release was undertaken as part of the then Change Program schedule.

The ATO still sees benefit in considering if the business activity statement part of our systems should be implemented in our Integrated Core Processing system. The timetable for this possible work will depend on current business requirements and overall priorities.