

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio
Budget Estimates
31 May – 2 June 2011

Question No: BET 46
Topic: Sham contracting reporting

Hansard Page: 93-94

Senator Abetz asked:

Senator ABETZ: ...Minister, on 13 October 2010, Mr Shorten, the Assistant Treasurer, pledged not to change personal service income tax law 'or make life difficult for self-employed working people'. Would it be fair to say that this measure will make life more difficult for at least some self-employed working people, given the new reporting requirements that will become necessary?

...

Senator Sherry: Firstly, I do recall generally comments of that nature but not the specific detail. Secondly, I will have to take it on notice for Mr Shorten, despite the long list of titles that I read.

...

Senator ABETZ: All right. We have identified the building and construction sector with a view to moving on to the cleaning sector. Do we have a third one in mind—another sector—or do we think that would pull it up?

Mr Heferen: As I understand the measure in BP2, there will be consultation. The government will also consult publicly on options to introduce a similar reporting regime for payments as to contracts in the commercial cleaning industry.

Senator ABETZ: That is right.

Mr Heferen: That is the only one highlighted.

Senator ABETZ: So the only one highlighted. I am interested in the ones that might not be highlighted but might expect a similar regime.

Senator Sherry: Well, there is nothing beyond what has been publicly announced. I am happy to take it on notice and see if there is anything else.

Senator ABETZ: Thank you. It was publicly announced as well that there had been a carbon tax. It was publicly announced that we would not make life difficult for self-employed working people. Anyway, we shall see what comes out of it. If I may, I will hand over to Senator Ryan.

Answer:

In response to the first question, the reporting regime will not make life difficult for self-employed people, as it will only require businesses to provide information that they should currently already collect and record as part of their normal business practices. The only additional requirement will be to provide that information to the ATO once a year. The Government is also undertaking consultation with industry about how to streamline the reporting arrangements in order to minimise compliance costs.

In response to the second question, the outcomes of this consultation process for building and construction will also inform a further public consultation on options to introduce a similar reporting regime for payments to cleaners.