

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
TREASURY
Australian Taxation Office
Supplementary Budget Estimates 3 November 2005

Outcome

Topic: Forward estimates: anticipated collection cost ratios
SBT-82 Hansard Page: E19(ii)

Senator Sherry asked:

Based on current forward estimates of taxation revenue and your anticipated planned resourcing, is it possible to project anticipated collection cost ratios into the forward estimates?

Mr Carmody—It would be possible but I do not know how reliable they would be. The world moves on. I imagine it would be possible but it may have to be a little bit rough.

Senator SHERRY—It is just that you have graphed it historically. I just wondered whether you had looked at what you believe it would be going forward.

Mr Carmody—I do not have that calculated at the moment but I imagine it would be possible to get a rough estimate.

Senator SHERRY—Could you take that on notice?

Answer:

The projected cost to collect \$100, 2005-06 to 2008-09 is depicted in the table below:

	2005-06	2006-07	2007-08	2008-09
Exclusive of GST	\$0.85	\$0.82	\$0.78	\$0.75
Inclusive of GST	\$0.98	\$0.93	\$0.90	\$0.86

This table measures Tax Office costs incurred against the cash collections, net of refunds paid. The calculation excludes all costs and receipts that do not relate to the collection of tax. Also, superannuation and excise costs that relate to transfers of moneys are excluded. The “exclusive of GST” calculation excludes GST administration costs and GST collections.

The above calculations have been based on forward estimates of tax collections and expenses as contained in the 2005-06 Commonwealth Budget. In order to determine out year tax collections and out year costs, and exclude those costs not related to the collection of tax, a number of assumptions have been applied to base budget data.

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In estimating the forward year costs, it has also been assumed that there is no major change in current activity levels. That is, it is assumed there will be no major shift in revenue collection activity to non-revenue collection activity, such as transfers.