



## Progress report 2 - 2010 returns

6 August 2010

In our last update, on 30 July 2010, we noted that in the period from 1 July 2010 to 29 July 2010, the ATO had issued more than 1.25 million notices of assessment, including just over 1.04 million refunds.

This week, we have finalised a further 800,000 assessments and the vast majority of these are refunds, with electronic funds (EFT) payments being made from today (6 August 2010). By the time these refunds issue, the ATO will have paid out over \$4 billion in refunds since 9 July 2010.

### Have there been delays in processing 2010 tax returns?

- As is the case every year, we could not begin processing returns straight away, because we had to test the new software installed for the 2009-2010 year. This happens every year because it is necessary to install new software for any changes in the tax laws. This year, we did not begin processing income tax returns until 9 July 2010 and if you lodged your return prior to 9 July, processing would have been delayed.
- Up to 23 July, there were delays with the processing of returns for taxpayers who have Higher Education Loan Program (HELP) and Student Financial Supplement Scheme (SFSS) obligations. We needed to carry out extended testing of the accuracy of assessments for these returns. Processing of these returns commenced on 23 July 2010 – therefore, if you filed a return before 23 July 2010 and you had a HELP or SFSS obligation, your assessment would take longer to complete.
- Last week, we had more returns on hand than we were able to process. While refunds were issued every day, last week-end we caught up, which enabled us to finalise 800,000 assessments this week.
- Overall, the regular flow of assessments and refunds has not been as consistent during our first four weeks of processing as we would have liked and we are taking steps to smooth out these fluctuations.

We apologise for any inconvenience these delays may have caused.

### Service standards

- As was the case last year, this year we aim to process
  - 94% of individuals' electronic returns within 14 days, and
  - 80% of paper returns should be processed within 42 days.

### Time it takes to process a return

- This year, the ATO has upgraded its technology to help detect over-stated or fraudulent claims for refunds. This has added two days to the processing time for all returns, but we still aim to meet our 14 and 42 day targets.
- However, as explained in earlier updates, some returns will take longer than others, because, for example, more information is needed, cross-checking is needed with Centrelink or the Child Support Agency or there are errors in the return.

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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