

Administration of the Australian Business Register

Audit Report No.48 2013–14

Opening Statement by Auditor-General

JCPAA Review 23 October 2014

1. Good morning Chairman and committee members.
2. Introduced in July 2000, the Australian Business Register (ABR) is the repository of Australian Business Numbers, and is maintained by the Australian Tax Office (ATO), with the Commissioner of Taxation also the Registrar of the ABR.
3. The whole-of-government objectives of the ABR were to allow business to comply with regulatory requirements; to have as few entry points as possible, for business to gain information and assistance from all government agencies; and to allow business to notify a change of details to one government agency that would be shared with other agencies. Meeting these objectives requires the ATO to coordinate with other key agencies, particularly the Australian Securities and Investments Commission (ASIC) and the Department of Industry, with oversight by the Department of the Treasury.
4. Overall, our audit of the administration of the ABR found that some 14 years after establishing the ABR, little real progress has been made by the ATO, in conjunction with ASIC, Industry and the Treasury, in achieving the goal of making it easier for business to deal with government through reducing business reporting and registration requirements and entry points to government. In contrast to the objective of reducing the number of entry points for business, the ABR is currently one of a

number of business entry points to government, and initiatives with a similar purpose to the ABR have recently been developed, for example Industry's Australian Business Account. Further, the ABR is not the 'single source of truth' for whole-of-government business registrations, as businesses are required to provide the same information to different agencies, or different parts of the same agency.

5. More also needs to be done to strengthen the operation of the ABR. Prior to 2012–13, the ATO had also not developed a formal ABR compliance strategy, and had undertaken only limited assurance activity to assess if ABN holders were compliant with requirements for registering or maintaining their ABN status. Accordingly there continues to be problems with the integrity of ABR data, particularly regarding the number of entities on the register and incomplete and inaccurate entity information on the ABR. Further, there was also scope to strengthen the planning, reporting and resource allocation supporting the ABR to enable appropriate differentiation from the ATO's administration of the tax and superannuation systems.
6. The ATO, ASIC, Industry and the Treasury had acknowledged these shortcomings in the administration of the ABR, and at the time of the audit, were progressing initiatives to improve the operation of the ABR or had advised a willingness to do more to achieve the whole-of-government objectives for the benefit of business. It is important for these agencies to work more closely together, as without a cohesive approach and a strong focus on the business user, it is unlikely that progress will be made in achieving whole-of-government objectives of the ABR and related services.
7. The audit team and I would be happy to answer any questions the Committee may have.