

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Australian Taxation Office  
**Question No:** 137  
**Topic:** Multinational anti-avoidance law  
**Reference:** Hansard page 25-26 (30 May 2017)  
**Senator:** Hanson, Pauline

**Question:**

Senator HANSON: So have we moved from basically a paper-based tax loss, and should we be moving to, or are we moving to, a transaction tax, where they will pay their tax on sales and not just write it off as a paper loss with their subsidiary companies?

Mr Hirschhorn: Could I make just a couple of comments to give some context. The figure of one per cent or two per cent of income is often thrown around as the tax that is paid by some multinationals. I will go back a step. If we look at corporate tax in Australia, there is about \$70 billion a year in corporate tax. Of that, \$45 billion is paid by large companies and multinationals—that is, about 1,100 companies pay \$45 billion—about 100 companies pay \$30 billion and about 10 companies pay over \$20 billion.

Senator HANSON: Is the 90 per cent of corporate Australia mostly owned by multinationals? What is the percentage of multinationals owning corporate businesses here in Australia?

Mr Hirschhorn: Of course, any public company has a mixture of onshore and offshore ownership; it is very hard to tell, but—

Senator HANSON: But it is extremely high in Australia, isn't it?

Mr Hirschhorn: Australia is an open economy, and so, in the same way that Australians have many investments offshore, many of our companies have investment from offshore. I will take it on notice...

**Answer:**

The ATO defines large corporate groups as corporate entities with a group turnover greater than \$250 million. There are approximately 1,400 large corporate groups with over 7,500 income tax reporting entities. This represents around 30,000 active companies.

Of these 1,400 corporate groups, approximately 780 (56 per cent) are Australian public and private groups and approximately 620 (44 per cent) are foreign groups.