

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
TREASURY

Australian Taxation Office

Supplementary Budget Estimates 3 November 2005

Outcome

Topic: Liquidation action

SBT-90 E41(ii)

Senator Sherry asked:

How many liquidation actions have the ATO been a party to in the last 12 months?

Mr Carmody—If I can give you wind-up petitions as an example: according to the figures I have, 786 wind-up petitions were issued in 2004-05 and 443 winding-up orders were granted. Comparing the first quarter of last year to the first quarter of this year, 265 winding-up petitions were issued in the first quarter of 2004 and 581 winding-up petitions in the first quarter of 2005.

Senator SHERRY—581 is almost double.

Mr Carmody—You will find that across the activities we are undertaking. If you remember, with the small business debt initiative we gave small businesses an opportunity on reasonable terms to come forward and clear their debts. But we did make it clear that if they did not do that we would have to take firm action and, if we do not take firm action, then the sort of compliance effect that I have talked about will be there.

Senator SHERRY—Those figures you gave were specifically for small business or for all entities?

Mr Carmody—They were not broken down, but I would imagine that small business would be a fairly significant proportion of those.

Senator SHERRY—Could you take on notice the breakdown—

Mr Carmody—Yes, certainly.

Senator SHERRY—Of small business and—I think you use ‘medium-large’?

Mr Carmody—I hesitate to say this, because of further refinement, but we use ‘micro’ and then ‘small-medium’.

Answer:

The break up of wind-up petitions between the micro business segment and small to medium enterprise (“SME”) segment in the first quarter 2004-05 and first quarter 2005-06 is as follows:

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Table 1

Market Segments	1st Quarter 2004-05	1st Quarter 2005-06
Micro Business	232	496
SME	30	82
Other	3	3
Total	265	581

Data obtained from the primary Tax Office debt case management system

Definitions:

1. Micro - Micro Businesses (turnover less than \$2 million)
2. SME - Small to Medium Enterprises (annual turnover between \$2 million and \$100 million)