Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Supplementary Budget Estimates 1-2 November 2006)

Question   **SBT 91**

Topic: **ABNs ALLOCATED TO TRADING BUSINESSES**

Hansard Page: **E104-05**

Senator Joyce asked:

As regards the allocation of ABNs, what portion of them are actually trading businesses, buying and selling products, as opposed to contract basis ABNs? As you know, I am an accountant. I seem to have an inordinate number of people come in asking for ABNs who were formerly just employees. There are, what, 1.6 million ABNs out there at the moment, aren't there?
Mr D'Ascenzo—We will take it on notice and see if we can find something out for you, Senator.
Senator JOYCE—Can we find out what portion of those are actually trading entities—that is, buying and selling products?
Mr Ray—If we have data broken down that way, but I am not sure that we would.
Mr D'Ascenzo—There is a 'tick the box' on the application that will provide a rough-and-ready measure. That is the best we can do.

Answer:

There are no accurate measures readily available to determine the break-up between contractors and trading entities.

The ATO is therefore unable to accurately identify a breakup of businesses into the two categories described by Senator Joyce.

Australian Business Number (ABN) applicants are asked at initial registration about their reasons for application. However, this information is only collected and relevant at the point of initial registration to assist in determining the entitlement of the client.

Whilst clients are obligated to inform the Australian Business Registrar (ABR) of changes to certain information held on the ABR, this particular item is not subject to this requirement. The Registrar employs other methods to determine ongoing entitlement to ABN registration using data from other sources.