

**Department/ Agency:** Australian Taxation Office

**Question:** BET 768-781

**Topic:** 2011-13 Financial Data

**Reference:** Written 12 June 2014

**Senator:** Williams

**Question:**

Could the ATO provide the following information for the YE's 2011-13 in paper and electronic structured data format:

768. The amount of money received in creditor dividends (as opposed to the amount claimed as creditor) for all corporations wound up by the ATO
769. The total transaction costs (itemising fees and disbursements) of liquidators in dollar terms relative to the realised estate assets size in creditors report in dollar terms and ATO creditor dividend received in dollar terms
770. The transaction costs of trustees in bankruptcy or official trustee in dollar terms (itemising fees and disbursements) relative to the realised estate assets size in dollar terms and ATO creditor dividend in dollar terms
771. Median, mean and high and low amounts in dollar terms claimed in winding up corporations, and total count of all company wind up applications nationally, itemising State and Federal Court filings, , itemised further by income tax and GST
772. Median, mean and high and low amounts in dollar terms amount claimed in bankruptcy notices, and total count nationally, itemised further by income tax and GST
773. Median, mean and high and low amounts in dollar terms claimed in garnishee notices (or equivalent) under the Tax Act and total count of notices nationally
774. Median, mean and high and low amounts in dollar terms claimed in garnishee notices (or equivalent) under the Tax Act counted by per taxpayer entity XX
775. Median, mean and high and low amounts in dollar terms amount claimed in creditor petitions, and total count nationally, itemising Circuit Court and Main Court count (this is separate to money claims in the Federal Court)
776. Count of money claims instituted in the Federal Court other than creditor petitions and wind ups) and median, mean and high and low amounts in dollar terms nationally, and itemised further into GST and income tax
777. Count of money claims instituted in inferior courts nationally & median, mean and high and low amounts of claims nationally, and itemised further into GST and income tax
778. Count of money claims instituted in State superior courts (other than creditor petitions and wind ups) and median, mean and high and low amounts in dollar terms nationally, and itemised further into GST and income tax
779. Total matter count and total payments made to external legal firms by the ATO for the above, excluding barristers by direct brief. Please itemise disbursements for barristers paid by the external legal firms and fees to the external legal firms, including median, mean and high and low amount of hourly fees.
780. Total matter count and total payments made to barristers by direct brief (rather than by interposed law firms) from the ATO for the above including median, mean and high and low amount of hourly fees.

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781. Median, mean and high and low ages of individual taxpayer entities claiming negative gearing deductions

**Answer:**

Most taxpayers meet their tax and superannuation payment obligations on time and most taxpayers who don't pay on time make arrangements to address the resulting debt.

While the ATO supports taxpayers who try to do the right thing, it has a responsibility to take timely firmer or legal action, including insolvency proceedings, with the minority who don't.

This approach ensures fairness for all taxpayers and a level playing field for business. It is not solely driven by dividends.

768. The provision of this information would be an unreasonable diversion of departmental resources.

769. The following response has been provided by the Australian Securities and Investments Commission (ASIC):

ASIC does not presently collate and report the information referred to in the question.

From 1 July 2014, in order to improve the collection and reporting of insolvency statistics and ASIC's supervision of the insolvency market, registered liquidators can, although not required by law, lodge accounts of their receipts and payments (Corporations Forms 524) with ASIC electronically.

The electronically lodged information includes details of asset realisations, external administrator remuneration and dividends paid. If provided electronically, ASIC could interrogate its database and collate information of the nature referred to if required.

The Insolvency Law Reform Bill proposed by the Commonwealth provided for an Annual Administration Return to replace the current Form 524. ASIC anticipates that the return, to be lodged electronically by all registered liquidators, would readily provide the information referred to in this question.

770. Please refer question to the Australian Financial Security Authority (AFSA).
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Financial year	Amount paid to external legal firms (GST exclusive) (\$)	Barrister fees (GST exclusive) (\$)	TOTAL (GST exclusive) (\$)	Number of cases
2010-11	2,988,507	-	\$ 2,988,507	100
2011-12	1,474,484	\$ 246,037	\$ 1,720,521	88
2012-13	1,528,343	\$ 673,625	\$ 2,201,967	106

Details of hourly rates of legal firms and counsel cannot be disclosed because these rates should be treated as commercial-in-confidence. This practice has developed to protect the Government's financial interests and to maintain the Government's negotiating position in relation to individual contracts with panel firms and counsel.

780.

Financial year	Barrister fees (GST exclusive) (\$)	Number of cases
2010-11	1,589,064	163
2011-12	1,133,929	143
2012-13	983,093	128

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781. Negative gearing refers to arrangements where an asset is purchased with the assistance of borrowed funds and the net income, after deducting other expenses, is less than the interest on the borrowings. Negative gearing can be associated with a range of investment assets including property, shares, etc. For assets other than rental properties, claims for the associated borrowing \ interest costs would form part of the consolidated deduction labels on the individual income return and it is not possible to clearly identify negative gearing arrangements. Accordingly the following table provides aged based analysis for the negative gearing of rental properties only. The analysis is based on tax returns as lodged by individuals under self-assessment:

	2011	2012	2013
Median	46	46	46
Mean	45.89	46.08	42.29
High	100	101	99
Low	10	11	6