

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Productivity Commission  
**Question No:** 156  
**Topic:** Phoenix Activity  
**Reference:** Hansard page 52 (31 May 2017)  
**Senator:** Ketter, Chris

**Question:**

Senator KETTER: Could I just quickly move to another topic: we were talking about phoenix activity and your recommendation to adopt a direct identification number. Can you tell us why you have come up with that recommendation?

Ms Chester: I think that was from our report from the year before last on business entry and exit. Indeed, there has been a lot of recent media commentary and some of the regulators have developed a view on this as well. It just makes it easy to stop bad behaviour if you have a DIN. The commission was presented with fairly robust evidence to that effect from looking internationally, such that we felt, in principle, there was an overwhelming case of the benefits outweighing the costs.

Senator KETTER: How does it assist small business?

Ms Chester: I will have to take that question on notice. It was an inquiry of two years ago, and I was not the commissioner on it. I am happy to come back to you with a more fulsome answer.

**Answer:**

Please refer to BET157.