

**Parliamentary Joint Committee on Corporations and Financial Services**

**Inquiry into Corporate Insolvency in Australia**

**ANSWERS TO QUESTIONS ON NOTICE**

**Australian Taxation Office**

January 2023

**Agency:** Australian Taxation Office  
**Question No:**  
**Topic:** ASBFEO interactions  
**Reference:** Spoken (13 December 2022)  
**Senator/MP:** Deborah O'Neill

**Question:**

**Senator SCARR:** If you could take on notice feedback in terms of those ARITA notifications, that would be helpful.

**CHAIR:** As well as some material that we've had from ASBFEO with regard to assumptions of deliberate non-compliance by insolvent businesses despite the ATO's commitment to treat clients as being honest. I'd like to understand how frequently you interact with ASBFEO and what changes you've implemented as a result of advocacy from the ombudsman. AFSA, there are further questions on notice for you too.

**Answer:**

The ATO recognises that a number of factors may lead to insolvency, including non-compliance. However, we do not assume that non-compliance in insolation is always deliberate. As per the Taxpayers' Charter, the ATO treats all taxpayers as being honest in their tax affairs unless we see behaviours of deliberate non-compliance. The ATO uses a range of tools to assess client behaviour and doesn't make broad assumptions without understanding the specific characteristics of each client.

The ATO has an open and effective relationship with Australian Small Business and Family Enterprise Ombudsman (ASBFEO) and their senior staff. We value our relationship with the Ombudsman, and we meet regularly both unilaterally and as members of significant ATO / ASBFEO-led stakeholder forums focusing on improving the experience of small business of the tax, superannuation, and other regulatory systems. We have open channels of communication with ASBFEO and regularly meet informally to discuss issues, workshop opportunities and share information outside of our more formal meetings.

To date, we have not had any specific interactions with ASBFEO in relation to their concerns, nor received any formal feedback or advocacy on this issue.