

Parliamentary Joint Committee, Corporations and Financial Service

Corporate Insolvency in Australia

ANSWERS TO QUESTIONS ON NOTICE

Agency: Australian Taxation Office
Topic: Payment plan amendments
Senator/MP: Mr Steve Georganas MP

Question:

Ms Kitto: Previously, if you wanted to change or amend a payment plan you actually had to cancel your payment plan and get a new one approved or agreed to. Now the functionality is available in our systems to amend those within set parameters. For example, my understanding is that the maximum amount of time that can be entered into is 24 months for that up to \$100,000 debt. So there are parameters, but yes, as long as you are within those parameters you can amend.

Mr Georganas: Since this new system has come in, what percentage of amendments have been granted? Would you have any figures?

Ms Kitto: I would have to take that one on notice. My apologies.

Mr Georganas: It would be good if you could, so we can see how many do get granted.

Ms Kitto: Absolutely, we can take that on notice.

Answer:

The new system was deployed in March 2020. Since then, around 2% (60,000) of payment plans have had **on-line** modifications processed.

Since the new system was implemented, the ATO has further enhanced the payment plan functionality changing the way arrears payments are reported, giving eligible (low risk) clients additional time to get back on track with missed payments without their payment plan defaulting.

As at the end of February 2023, the status of approximately 50,000 (12%) active payment plans moved from **active**, to **arrears** rather than **default**.