

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: Specialised client support team
Reference: Spoken (13 December 2022)
Senator/MP: Deborah O'Neill

Question:

CHAIR: What if a business can't get any consistency in terms of who they're speaking to? This what we get from businesses, that they can't speak to somebody, that accountants can't even speak to somebody in a consistent way and get clear messages, and it hits a point where it just becomes so hard. Action is taken, and insolvency is triggered without a sense of whether the cost of going through that insolvency process is actually going to cost even more than what's in there to recover. What's going on in that part of the equation? How much observation of that part does the ATO have?

Ms Kitto: An observation that I would add to your comment is about the ATO's approach to vulnerable clients. If clients are engaging with us and expressing vulnerability, we do have existing processes in place to assist those clients. During the pandemic we set up what we call our high client impact action framework, which guides our staff when making decisions that, as the name suggests, would have a high impact on the client. These are things like garnishees, DPNs, or a decision to initiate legal recovery such as statutory demand under section 459E of the *Corporations Act*. In addition to that, it is now mandatory for all frontline staff to complete training on managing and assisting vulnerable clients. For those matters where the staff member has identified extreme vulnerability, so they've reached a point where they don't feel that they can adequately assist the client within their own control, they can then escalate that to the specialised client support team or for those—

CHAIR: How many of them are there?

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

CHAIR: Are there hundreds of them for the 2½ million businesses?

Ms Kitto: I couldn't tell you off the top of my head. I would have to take that on notice.

CHAIR: Okay. I would put it to you that perhaps the ones who do not communicate with you are in fact the most vulnerable, and that I haven't heard anything about a process to actually interact with such people outside of them fitting the system.

Answer:

All frontline staff are trained in how to assist vulnerable clients and have channels by which they can escalate and/or refer the client for additional support if needed. There are 60 staff specifically trained in helping vulnerable clients who are experiencing financial hardship.

In addition to this, there are 3 dedicated staff in the 'Specialised Client Support Team', who provide direct support for the highest risk vulnerable clients.