



Dr Kathleen Dermody  
Committee Secretary  
Senate Economics Legislation Committee  
Parliament House  
CANBERRA ACT 2600

Dear Dr Dermody,

I am writing to provide a qualification to information provided at the ATO's appearance before Senate Estimates on 5 June 2014. I refer to information provided on page 53 of the Hansard.

Senator Williams asked, "Imagine I was running a small business and I employed a couple of people and the business fell over. I owed the ATO \$2,000 on BAS payments, for example. Would you bankrupt me for \$2,000?" In my response I replied, "It really depends on the individual circumstances.

I would like to note for the record, that under Section 44 of the *Bankruptcy Act 1996*, there is a \$5,000 minimum threshold on which a creditor may petition a debtor. The context for my original answer was that we take into account individual circumstances in our legal debt recovery actions, subject to any minimum thresholds.

Yours sincerely

Cheryl-Lea Field  
Deputy Commissioner  
ATO Service Delivery (Debt)

18 September 2014