

**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:** Complexity of corporate insolvency laws  
**Reference:** Written (22 December 2022)  
**Senator/MP:** Senator Deborah O'Neill

**Question:**

1.

An issue raised by several submitters is the complexity of Australia's corporate insolvency laws.

- a. How does the ATO address or handle the complexity in its operations?
- b. If the corporate insolvency laws were simplified would that reduce operating costs for the ATO? If so, how could the savings be estimated?

**Answer:**

1.

- a. The ATO has a separate team that deals with the more complex areas of insolvency where specialised expertise is required.
- b. Any changes in ATO operating costs as a result of simplification of current corporate insolvency laws could only be properly assessed once such changes have been articulated and the impacts have been fully considered. It should be noted that complexity is only one driver of operating costs. A more significant driver of operating costs is the volume of insolvencies, and a simplification of corporate insolvency laws is a factor that has potential to lead to an increased uptake in corporate insolvency work.