The Economic Storm – and How To Weather It

Date : March 23, 2023

The Australian Tax Office (ATO) have reinvigorated their efforts in debt collection after a period of reduced collection over the pandemic. The ATOs post-pandemic debt collection campaign is characterised by recent surges in Director Penalty Notices (DPNs), an upswing in winding up filings, statutory demands and insolvency appointments. This, coupled with the challenging nature of the current Australian economy has hit businesses hard, especially in NSW, with insolvency appointments up 62 percent in the first half of 2022-23.

The ATOs low-impact tax collection efforts during the pandemic period brought in $6-7 billion in payments under arrangements made with taxpayers. The problem is, this was only a third of the tax debt for the pandemic period, leaving many businesses yet to address their debts.

As if that wasn't enough, rising interest rates, continually growing costs of living, labour and material shortages and supply chain issues have prevented many businesses, especially small to medium size enterprises, from being able to put money aside for the inevitable resurgence of tax collection.

This has created an environment where financial management and debt collection is even more challenging for small to medium sized businesses.

Matthews Folbigg Lawyers has specialists that can assist you regardless of how the current economic conditions have impacted your business:

- We can advise and act for you in disputes with the ATO, and we back up a skills with

decades of experience in dealing with complex commercial litigation;

- We can advise on how to restructure your business, address your debts and ensure compliance with the complex law in this area;
- We can refer you to a range of trusted specialist advisers in accounting, tax debt negotiation and financial planning, and
- We can ensure that your own debt collection procedures and actions are best practice, in order to ensure your own profitability is not compromised by the challenging economic environment.

If you would like more information or advice in relation to debt recovery law or business restructuring, please contact a Principal of the Matthews Folbigg Insolvency, Restructuring & Debt Recovery Group:

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