

ATO figures reveal final 2022 DPN tally

TAX

After a slow start in May, the office went up through the gears with director penalty notices.

By [Philip King](#) • 19 January 2023 • 4 minute read

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Australian Government
Australian Taxation Office

Our reference: [REDACTED]
Phone: 13 11 42
Client ID: [REDACTED]
28 March 2022

Warning of possible director penalty notice (DPN) for an unpaid company debt

You may be personally liable for certain amounts if the company fails to pay by the required date.
Advise the company to pay the due amounts, enter into a payment plan or contact us to avoid a possible DPN, if any.

Dear [REDACTED], [REDACTED] has unpaid amounts of Pay As You Go Withholding.

A director's obligations include ensuring the company meets its obligations. As a current director of [REDACTED], you are personally liable to a penalty amount equal to the unpaid amounts for the periods you were a director. You may also be liable for any unpaid amounts for the periods prior to your appointment.

A former director also remains liable for director penalties equal to the unpaid amounts that were due before the date of resignation, and in certain circumstances, debts that fell due after resignation. New directors have 30 days, starting on the day of appointment, to ensure the company meets its obligations before becoming liable to director penalties.

If the company does not pay the amount owing to us or contact us to make other arrangements, we may issue a DPN to each current director and anyone who was a director at the time the company failed to pay. The penalty amount is not payable by a director unless the Commissioner serves a DPN.

Here are the details of the overdue amount as at 11 March 2022.

Account Type	Amount owing
Pay As You Go Withholding / 1	[REDACTED]

If the company has paid this overdue amount or entered a payment plan since the above date, then you, no further action is required.

The amount in the table above represents only the company overdue amount that may be subject to the DPNs as at 11 March 2022. To understand the overall tax position of the company you should speak with the company's tax or BAS agent.

HOW TO PAY

The company payment reference number (PRN) is [REDACTED]

DEBIT
Pay online with a credit or debit card at www.governmentexpress.gov.au/PayATO or phone 1300 888 089. A card payment fee applies.

CREDIT OR DEBIT CARD
Pay online with a credit or debit card at www.governmentexpress.gov.au/PayATO or phone 1300 888 089. A card payment fee applies.

OTHER PAYMENT OPTIONS
For other payment options, visit ato.gov.au/paymentoptions

NEED HELP?
For help with paying visit ato.gov.au/whatspaying

What you need to do
You need to arrange for the company to:
• pay the outstanding amount, or
• enter into a payment plan.
You should contact the company's tax or BAS agent for assistance.
Please go to ato.gov.au/dpn for more information about DPNs.

If you do not respond
If the company does not take action, we may issue a DPN under section 269-25 of Schedule 1 of the Taxation Administration Act 1953 (TAA) directly to each director who is liable for the penalty.
The DPN will explain the review rights available to the directors.

Why we are taking this action
We have a legal obligation under the TAA to collect tax debts. This includes taking enforcement action when tax debts are not paid on time.
We believe it is important that you, as a director, be aware of the personal liability you have in respect of unpaid company amounts. We do not make these decisions lightly and we consider the impact these decisions may have on the company and its directors before taking this action.

Contact us
If you have any questions, you can phone us on 13 11 42 between 8.00am and 6.00pm, Monday to Friday.
For information about your rights and obligations visit ato.gov.au/tax

Yours sincerely
Melinda Smith
Deputy Commissioner of Taxation

The ATO accelerated up through the gears on debt collection in 2022 to issue a total of almost 18,500 director penalty notices, figures released yesterday reveal.

The office also unsheathed a fresh weapon in its armoury by disclosing the tax debts of almost 500 businesses to credit referral agencies for amounts of \$100,000 and above.

The final figures show that more than one in three directors failed to act after an April mail blitz by the ATO warned 52,000 directors about debts involving 30,000 companies.

By August, the ATO had issued 7,000 DPNs and was dispatching them at the rate of 120 a day. For the final five months of the year, it was also referring about 20 businesses a day to credit agencies after sending warning letters to more than 29,000.

The ATO said its debt recovery campaign, suspended during the pandemic, had been a success.

“We’ve seen an encouraging response to our letter campaigns, with a significant level of clients making payments or entering payment plans,” an ATO spokesperson said.

“The value of debt owed by clients at the start of the campaigns was \$17.3 billion. As a result of these two campaigns, over \$714 million has already been paid in full and a further \$5.4 billion is now actively managed under payment arrangements.

“For those that have not responded we have progressed to issuing DPNs and disclosing the tax debt information of eligible businesses.

“In the 2022 calendar year, we issued almost 18,500 DPNs to individual directors in respect of more than 13,500 companies for unpaid GST, income tax withholding, and superannuation guarantee charge.

“In relation to Disclosure of Business Tax Debt, we disclosed nearly 500 businesses in 2022 to credit reporting agencies.”

The result of the ATO campaign also showed up in final insolvency figures for 2022, released by ASIC.

They revealed 4,806 total appointments over companies for the second half of 2022, a rise of 51 per cent of the corresponding period in the previous year.