
The Parliament of the Commonwealth of Australia

Report 424

Eighth biannual hearing with the Commissioner of Taxation

Joint Committee of Public Accounts and Audit

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Foreword

This is the first report into the biannual hearings with the Commissioner of Taxation from the Joint Committee of Public Accounts and Audit (the Committee). The hearings resulted from a recommendation made by the Committee in *Report 410: Tax Administration*. The rationale for the hearings was to provide a mechanism whereby dialogue between the Australian Taxation Office (ATO) and the Parliament could be promoted. The hearings have traditionally provided an opportunity for Members of the Committee to scrutinise issues surrounding tax administration. Integrity in the way tax is collected is a critical foundation block of the Australian taxation system. Whilst evidence suggests in the majority of cases this done well, the Committee has decided to upgrade its oversight of the ATO due to concerns that complaints, or errors, are not addressed with the speed they deserve.

There have been public hearings with the Commissioner of Taxation since 2007 but previously no reports have been tabled. The Committee in the 43rd Parliament is seeking to expand the Parliament's role with regards to the scrutiny of the ATO. In a bi-partisan way the Committee determined to prepare a report on the biannual hearing as a mechanism through which to increase scrutiny of the ATO and transparency to the public.


In keeping with the goal of increasing scrutiny of the ATO, the Committee will be enlarging future biannual hearings to include public evidence from external scrutiny bodies such as the Ombudsman, the Australian National Audit Office and the Inspector General of Taxation as well as peak industry and consumer bodies. The Committee also anticipates that one of its key responsibilities will be monitoring proposed changes to the taxation system and working to ensure that the ATO is sufficiently supported and positioned to implement any proposed changes.

The Committee intends this report to open a dialogue with the ATO and to create a foundation upon which future hearings will build. We look forward to continuing and further cultivating a productive relationship with the ATO, one

which encourages and promotes scrutiny and transparency and increases confidence in the ATOs work. This report has made a number of recommendations which are aimed at ensuring the ATO provides the Committee with sufficient and timely advice prior to the next biannual hearing to facilitate improved scrutiny, and ultimately leading to better results, and even greater confidence in the integrity of our tax system.

In conclusion, I would like to thank Committee colleagues for their work on this inquiry, and the hard working diligent secretariat of the Joint Committee of Public Accounts and Audits for their on-going work. I also thank representatives of the ATO who made themselves available to attend the hearing and look forward to a positive response from them to greater interest and oversight from the 43rd Parliament.

Rob Oakeshott
Chair



Membership of the Committee

Chair Mr Robert Oakeshott MP

Deputy Chair Mrs Yvette D'Ath MP

Members Hon Dick Adams MP

Mr Jamie Briggs MP

Ms Gai Brodtmann MP

Mr Darren Cheeseman MP

Mr Josh Frydenberg MP

Ms Deb O'Neill MP

Ms Laura Smyth MP

Hon Alexander Somlyay MP

Senator Guy Barnett

Senator Mark Bishop

Senator Annette Hurley

Senator Helen Kroger

Senator Glenn Sterle

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List of abbreviations

ATO	Australian Taxation Office
GST	Goods and Services Tax
ICT	Information and Communication Technology
TFN	Tax File Number
the Commissioner	Commissioner of Taxation
the Committee	Joint Committee of Public Accounts and Audit



List of recommendations

1 Biannual hearing with the Commissioner of Taxation

Recommendation 1

The Committee recommends that the Australian Taxation Office move to using a traffic light reporting system when reporting publicly on its achievements against benchmarks, in particular its achievements against its Service Standards.

Recommendation 2

The Committee expects the next submission to the biannual hearing from the Australia Taxation Office to contain explicit consideration of, and reporting on action taken to improve complaint handling and address the underlying causes of complaints.

Recommendation 3

The Committee recommends that the Australian Taxation Office, in its submission for the next biannual hearing, explicitly state and detail actions for the following:

- areas of improvement since the last hearing; and
- planned future improvements.

Recommendation 4

The Committee recommends that the Australian Taxation Office's submission to the next biannual hearing includes a report on compliance activities, specifically action taken to make compliance easier and improve communications.

Recommendation 5

The Committee recommends that the Australian Taxation Office details the process for developing implementation plans for policy, as part of its submission for the next biannual hearing.

Recommendation 6

The Committee recommends that the next submission to the biannual hearing details the status of the 900 current cases of compromised tax file numbers, including actions taken to resolve the issue and reasons for delay, should some remain unresolved.

Recommendation 7

The Committee recommends that the next submission to the biannual hearing details the Australian Taxation Office's responses to recommendations made by external review agencies such as the Australian National Audit Office, the Commonwealth Ombudsman and the Inspector General of Taxation.

Recommendation 8

The Committee recommends that the Australian Taxation Office respond to written reports and recommendations made by external scrutiny bodies in writing.

Recommendation 9

The Committee recommends that the Australian Taxation Office provide the Joint Committee of Public Accounts and Audit with its submission to the biannual hearing with the Commissioner of Taxation at least a month before the next hearing.

