
The Parliament of the Commonwealth of Australia

2014 Annual Report of the Australian Taxation Office

Second Report

House of Representatives
Standing Committee on Tax and Revenue

November 2015
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Chair's foreword

This report covers the Committee's September hearing with the Commissioner of Taxation, the Inspector-General of Taxation, and stakeholders. It is the fourth regular review of tax administration by the Committee. Regular scrutiny of the Australian Taxation Office (ATO) through these hearings allows the Committee to closely monitor developments in tax administration, and provides the ATO and stakeholders a forum to discuss emerging issues in the field of taxation.

The September hearing particularly focused on the Tax Agent Portal. The portal is a crucial tool for most tax practitioners, and as digital transactions continue to grow, the need for a reliable Tax Agent Portal will become more important. The problems identified by tax practitioners in being able to access the portal in a timely manner were disappointing to hear. Along with the consumer issues with the recent roll-out of *myTax*, these suggest that the deployment of IT solutions continues to be an area that requires the attention of senior ATO management. While many online portals experience difficulties during roll-out, taxpayers expect their experience to align with the ATO's goal of providing a streamlined client experience. The Committee will continue to monitor developments in this area.

The Committee notes that the ATO is working with software providers to help them incorporate Standard Business Reporting (SBR) into their software products. The ATO has an opportunity to be open and transparent with tax practitioners about the implications of SBR for their business model.

We were pleased to hear that the ATO had taken a flexible and consultative approach in revising the implementation date for Single Touch Payroll. Taking the time to consult with key stakeholders, even if there is short term delay, can produce a successful rollout that in the long run saves tax practitioners' time and reduces frustration. The Committee will continue to monitor the introduction of Single Touch Payroll in future reviews.

Taxpayer uptake of *myTax* was also a positive development. The eTax system was ageing and not accessible to every online user. The Committee looks forward to the further expansion and enhancement of *myTax* and *myDeductions*.

The Committee continued our focus on estimates of the tax gap. The Committee notes the delayed publication of the estimates for high wealth individuals and Fringe Benefits Tax until 2016, but looks forward to continued improvement in the ATO's reporting of tax gaps across the board and the resulting benefits in transparency and understanding of the tax system.

The cash and sharing economies also remain areas of interest for the Committee. We note the ATO's commitment to reducing cash economy behaviours. The Committee also looks forward to receiving advice from the ATO about the legal and policy developments regarding taxation in the sharing economy.

I was also pleased to see the ATO releasing quarterly performance information on its 12 strategic key performance indicators and to receive further information about taxpayer perceptions of fairness in tax disputes. A commitment to monitor and report performance information on a quarterly basis will enable the ATO to more readily respond if there is underperformance in key areas. It will also improve the transparency of tax administration.

As the Committee's report notes, the ATO is making good progress in a range of areas, continues to focus on improving the taxpayer experience, and has developed strategies to address emerging tax issues. With these encouraging outcomes the Committee supports the Commissioner of Taxation and his executive team in continuing to drive the reinvention project throughout the ATO.

I thank the Australian Taxation Office, the Inspector General of Taxation and all other stakeholders that assisted us in the conduct of this inquiry. I also thank my colleagues on the Committee.

Bert van Manen MP
Chair



Membership of the Committee

Chair Mr Bert van Manen MP

Deputy Chair Dr Jim Chalmers MP (until 22/10/15)

Hon Bernie Ripoll MP (from 22/10/15)

Members Mr John Alexander MP (until 12/10/15)

Ms Clare O'Neil MP

Hon Bronwyn Bishop MP (from 9/11/15)

Mr Michael Sukkar MP

Ms Terri Butler MP

Mr Angus Taylor MP (until 20/10/15)

Mr Ian Goodenough MP (until 19/10/15)

Mr Tim Watts MP

Mr Andrew Hastie MP (from 19/10/15)

Mr Matt Williams MP

Mr Steve Irons MP (from 19/10/15)

Committee Secretariat

Secretary	Mr David Brunoro (from 29/10/15)
	Ms Susan Cardell (until 28/10/15)
Inquiry Secretary	Mr David Monk
Research Officer	Ms Jean Cuthill
Administrative Officer	Ms Tamara Palmer



Terms of reference

Under Standing Order 215(c), the Committee is authorised to examine annual reports of agencies allocated to it by the Speaker. The Speaker's schedules in this Parliament have allocated the Australian Taxation Office, as well as other agencies, to the Committee.



List of abbreviations

APS	Australian Public Service
ATO	Australian Taxation Office
CAANZ	Chartered Accountants Australia and New Zealand
FBT	Fringe Benefits Tax
GST	Goods and Services Tax
IGT	Inspector-General of Taxation
JCPAA	Joint Committee of Public Accounts and Audit
KPI	Key Performance Indicator
LCT	Luxury Car Tax
PAYG	Pay As You Go
SES	Senior Executive Service
SBR	Standard Business Reporting