

Introduction

Previous Parliamentary scrutiny of the Australian Taxation Office

- 1.1 Taxation and tax administration have long been a focus of Parliamentary scrutiny. A landmark inquiry was 1993's *An Assessment of Tax – An Inquiry into the Australian Taxation Office* conducted by the Joint Committee of Public Accounts and Audit (JCPAA).¹ The inquiry constituted a broad and comprehensive inquiry into tax administration and the new self-assessment system. The Committee made 148 recommendations, leading to the then Government announcing the Tax Law Improvement Project. A follow up inquiry was also conducted in 1995 to discuss progress of the Tax Law Improvement Project in more detail.²
- 1.2 In 2005 the JCPAA resolved to conduct a long term inquiry into administration of the tax system, culminating in 2008's report *Tax Administration*.³
- 1.3 Throughout the inquiry, the Committee met with the Commissioner of Taxation on a biannual basis, with the Committee noting the hearings ensured the ATO was held to account. The hearings also gave the ATO the opportunity to demonstrate to Parliament and the public that it operated to a high standard.
- 1.4 After the Committee tabled its report in 2008, it continued to hold biannual hearings with the Commissioner. The hearings were then

1 Joint Committee of Public Accounts, Report No. 326, *An Assessment of Tax – A Report on an Inquiry into the Australian Taxation Office*.

2 Joint Committee of Public Accounts, Report No. 343, *Tax Law Improvement – A Watching Brief*.

3 Joint Committee of Public Accounts, Report No. 410, *Tax Administration*.

expanded to include other witnesses and held on an annual basis from 2012.

- 1.5 The process of conducting a hearing, involving scrutineers and stakeholders, making recommendations, and ensuring that recommendations are implemented by following up at the next public hearing created a cycle of continuous monitoring and improvement of tax administration.
- 1.6 The Standing Committee of Tax and Revenue hopes to build on the good work of the JCPAA by continuing the cycle of continuous monitoring and improvement, while also conducting other inquiries into tax and revenue.

The report

- 1.7 The Committee's report is based on a public hearing held on 28 February 2014 at Parliament House, Canberra. Witnesses at the hearing included the Commissioner of Taxation, the Auditor-General, the Ombudsman and the Inspector-General of Taxation. One of the key themes at the hearing was the move to simplifying and streamlining the taxpayer experience, leading to a 'light or no-touch' engagement model for most taxpayers. A new engagement model has the potential to increase compliance whilst improving taxpayer confidence in the ATO and serving as a way to again make the ATO an innovator in tax administration.
- 1.8 The following appendices provide additional information:
 - Appendix A – Submissions
 - Appendix B – Public hearings
 - Appendix C – Exhibits
 - Appendix D – ATO Submission 4.1, *External Governance Arrangements*.
- 1.9 A copy of this report, transcripts of hearings and submissions are available on the Committee's website: www.aph.gov.au/taxrev.