



PARLIAMENT of AUSTRALIA

MEDIA RELEASE

House of Representatives Standing Committee on Tax and Revenue

Inquiry into taxpayer engagement with the tax system

Issue date: Tuesday 5 September 2017

Taxpayer engagement—when less is more

The [House Committee on Tax and Revenue](#) will hold a public hearing tomorrow with the Tax Institute, a leading tax educator and professional association, to discuss new ways to make Australia's tax system more 'simple, equitable and effective'.

Chair of the Tax and Revenue Committee [Mr Kevin Hogan MP](#) said that the Committee's inquiry into taxpayer engagement has revealed that in comparable nations like the United Kingdom and New Zealand most people don't have to lodge a tax return.

"Overseas approaches to reduce tax complexity and the compliance burden include a combination of advanced prefilling and a reduced capacity for deductions, with tick box acceptance of the completed form made easy using a mobile phone", Mr Hogan said.

While the Tax Institute is positive about technical progress under the ATO's 'digital by default' agenda, it sees complexity in Australia's tax system as an invitation to tax avoidance.

The Institute has proposed specific reforms to simplify the tax system, including by introduction of a standard Work Related Expenditure deduction.

The Institute also argues that the ATO must prioritise becoming a 'data warehouse' of tax information. By linking directly to commercial software used by agents, the ATO could wind back its public interface and focus on increased simplicity and flexibility.

"Tax legislation is complex. Incremental change can introduce unintended consequences, making tax administration more complicated. The Committee welcomes input from the Tax Institute on the most effective ways to simplify the tax system and improve voluntary engagement", Mr Hogan said.

Public Hearing details: 4.15pm to 5.00pm, Wednesday 6 September 2017, Committee Room 2R1, Parliament House, Canberra (*via teleconference*)

The hearing will be audio cast [live](#).

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