



ATO more responsive, but care needed

The Australian Taxation Office (ATO) has been commended on its consultative and responsive, yet careful, approach to technology innovation, in a report tabled today by the [Tax and Revenue Committee](#). However, the Committee notes that there is still concern among tax practitioners about the operation of the ATO's IT systems and the move to new systems by the ATO.

The first report for the inquiry into the 2015 ATO Annual Report deals with the ATO's introduction of new technology, its relationships with tax professionals, its handling of disputes and debts, estimates of the tax gap and the cash economy, and draft public rulings.

Committee Chair, Bert van Manen MP, said the Committee commended the careful approach of the ATO in its latest round of technology innovations in an effort to ensure a smooth transition.

"For tax time this year, a new system using Standard Business Reporting will be used for business tax returns, but the old Electronic Lodgement System will remain in place as a backup at least until March 2017," Mr van Manen said.

Mr van Manen noted that tax practitioners have also commented that the ATO has been more consultative and responsive when implementing its latest round of technology innovations.

"It is especially pleasing to hear tax practitioners talk about the improvements in relationships with the ATO, for example by visiting 50 tax agents' offices to see how they are affected by new technology," he said.

"However, the report suggests that the ATO should engage in broad education campaigns for individual taxpayers and for tax agents about the new technology."

One interesting innovation is the ATO's use of new methodologies to gather evidence for its estimates of the cash economy, including observing live situations such as farmers' markets.

Mr van Manen said that estimating the tax gap and the cash economy involves very complex data collection and calculations and that often there is a trade-off between developing rigorous estimates and getting them sooner.

Mr van Manen also said the Committee recognised the good performance by the ATO and noted that the ATO's program of technological and cultural renewal seems to be progressing well.

"While the committee was impressed by the renewal, it will require vigilance by management to ensure that the results flow through the whole organisation," he said.

The report can be found on the Committee website: <http://www.aph.gov.au/taxrev>.

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For information about the inquiry: please contact the committee secretariat by telephone (02) 6277 4821, e-mail taxrev.reps@aph.gov.au, or visit the committee website <http://www.aph.gov.au/taxrev>.