



Australian Government
Australian Taxation Office

COMMISSIONER OF TAXATION

Mr Tony Smith MP
Chairman
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Mr Smith

I have pleasure in providing you with a copy of the Tax Office's submission to your inquiry into "a range of taxation issues within Australia". The submission, on behalf of my staff and the many people in the tax system with whom we work, conveys a sense of success and professionalism in the care and management of the community's tax system that helps the Government deliver economic and social wellbeing for Australia.

The shape and incidence of taxation are of course matters for Government. As well as securing revenue to fund public goods and services, our tax system is used to deliver to a broad range of policies including health, education, family assistance, seniors' assistance, environment, as well as economic policy.

The Tax Office is an organisation proud to secure Australia's revenue and to do it in a way that instils community confidence. We strive to offer the highest levels of support for those who want to comply, while paying attention to those who don't.

On many measures, we are a successful tax administration, and recognised as such internationally. And yet, we are not complacent and continue to look for ways to build improvements in our administration – we listen to others, including Parliament and those charged with the scrutiny of our operations and work with others to lift the bar on excellence in tax administration.

In the self assessment system we manage, the Tax Office clearly has a role to help taxpayers and their advisers understand their rights and obligations and to do everything possible to make it easy for them to comply, within the framework of the tax law. There also needs to be appropriate deterrent strategies to non-compliance.

Having said all that, we are not able to chase down every dollar of revenue nor are we able to satisfy everyone's wish-list; we are simply not resourced to do that. We have to make informed choices in the management of the system and to direct our attention and effort (both help and active compliance) to the areas that are likely to have the biggest impact on levels of voluntary compliance. We have to do this while still maintaining a presence (both help and active compliance) across all the different market segments so as to ensure continued community confidence. These are not easy decisions. That is why we make our Compliance Program public and seek input from the community about priorities and the risks to the effective operation of their tax system.

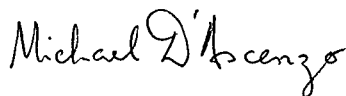
In providing information to the Committee, I'm mindful that the story of tax administration is a big one. Our submission has been guided by our meetings with you, and throughout the course of your inquiry we will continue to submit issues papers and responses to areas of interest to the Committee, so as to assist the Committee in its deliberations. For example, we will in the near future provide you with a report on the Tax Office's management of various tax avoidance schemes. We have not provided material on Part B, following our meeting with you where it was agreed that others would do so.

In addition to our submission, we have provided a suite of corporate publications to the Committee which set out our approaches, our results, and some of our areas of focus. An index of these publications is attached.

I am also happy to provide presentations to the Committee, for example on our change program, or to arrange visits by the Committee to the Tax Office to see our people and systems in action.

I look forward to assisting the Committee further.

Yours sincerely



Michael D'Ascenzo
Commissioner of Taxation

4 April 2006



Attachment

Index of publications and products

- The Commissioner of Taxation annual report 2004–2005
- Strategic statement 2003–05
- Managing the revenue system (A publication prepared annually to assist in briefings with the community, international tax administrations and delegations and the Australian public sectors)
- Compliance program 2005–06
- Large business and tax compliance
- DIY super – It's your money... but not yet!
- Making it easier to comply 2005–06
- Tax Office sub-plans
 - Information technology program 2005–06
 - Operations program 2005–06
 - People and place program 2005–06
 - Law program 2005–06
- Tax Office integrity framework
- Taxpayers' charter–what you need to know
- Taxpayers' charter–in detail
- Taxation statistics 2002–03 (on CD-Rom)
- e-record CD-Rom
- Employee handbook