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The Secretary
Senate Economics Committee
Suite SG.64
Parliament House
Canberra ACT 2600

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Dear Sir/Madam,

Inquiry into the Inspector-General of Taxation (ITG) Bill 2002

The following brief comments are offered in the event that the Committee has time to consider them, noting that the deadline for submissions was 11 November.

After perusing the submissions accessible on the internet as at 26 November, the main comment I would add is that rather than restrict the ITG's function to simply "review systems ...and report [thereon]", it would be advantageous to allow a discretion to perform other [perhaps incidental] functions consistent with achieving the ultimate objective stated in section 3 (ie to improve the administration of the tax laws).

For example, the present Bill does not fully recognise a key feature of the ITG role which is to act as a clearing house for systemic tax administration issues. A key part of the ITG's day-to-day activities will be to obtain submissions. Whilst section 13 (3) allows such submissions to be made public in an "appropriate" way, it is not clear that the ITG would be authorised to add value by collating, categorising and adding his or her comments to assist the public appreciate the nature and status of the various issues raised.

Another function that would be of significant benefit is to prevent tax administrative issues arising in the first place. Again, limiting the ITG's functions to reviewing and reporting on existing systems may be unnecessarily restrictive.

I would like to voice my support for the following key matters raised in other submissions.

1. The scope of systems allowed to be reviewed should be extended in three ways to include
 - a) systems not established by the ATO but nevertheless impacting on tax administration
 - b) relevant systems that are proposed but not yet "established"
 - c) laws that are not "tax laws" (as defined) but nevertheless impact on tax administration

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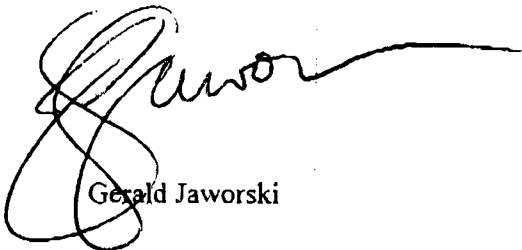
2. The ITG should not be compelled to undertake a review directed by the Minister. It is suggested that the Minister still be allowed to direct the ITG to conduct a review, however the ITG should be allowed the option to decline the request in circumstances where it would be counter-productive to perform the review. In such a case, the ITG would be obliged to provide reasons for forming such a view. This approach could also be applied to requests by Parliament or a Parliamentary Committee (at present, the Bill allows such requests to be declined by the ITG with no reason specified).

3. If the Taxation Commissioner is to be allowed a "reasonable opportunity" to respond to any critical comments contained in an ITG report, it would be useful to specify a timeframe that is "reasonable" (eg 14 days subject to a mutually agreed extension no longer than, say, a further 14 days) By their nature, it is likely that every report issued by the ITG would be critical of the ATO administration and there is a high risk of unwarranted delay if a timeframe for the Commissioner's response is not specified.

Although I am a founding director of Tax Technology Pty Ltd [a start-up organisation dedicated to streamlining tax planning and administration for tax practitioners], the above comments are made in my capacity as an individual tax agent with considerable experience in tax administration and designing tax systems to suit Top 100 corporations as well as individual taxpayers.

Please do not hesitate to contact me should you wish to discuss the above comments in more detail.

Yours faithfully



Gerald Jaworski