



Australian Government

Australian Government response to the
House Committee on Tax and Revenue report:
2018-19 Commissioner of Taxation Annual Report

May 2024

Response to the recommendations

Recommendation 1

The Committee recommends that the Australian Taxation Office increases its levels of transparency and communication about its compliance activities to better foster community trust and confidence in tax administration in Australia.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2

The Committee recommends that the Australian Taxation Office raises awareness and educates taxpayers and tax professionals about its products, regulations, and the complaint process to minimise unmet needs for independent tax advice and better protect taxpayers.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 3

The Committee recommends that the Australian Taxation Office records in its annual reports a breakdown of resourcing both by business areas and job family to increase transparency in the allocation of resources and accountability for resources and funding allocated to special programs and taskforces, and that resources are matched with activities and outcomes.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4

The Committee recommends that the Australian Taxation Office adopt the definition of 'complaints' as per the Australian and New Zealand Standard AS/NZS 10002:2014 Guidelines for complaint management in organisations, to adequately and consistently capture complaints data.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5

The Committee supports the Inspector-General of Taxation and Taxation Ombudsman's Recommendation 1(d) from the Review into Taxpayers' Charter in 2016 and recommends that the Australian Taxation Office categorises complaint cases in line with the principles of the Taxpayers' Charter.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 6

The Committee recommends that the Australian Taxation Office provides more detailed reporting for each financial year to reflect: the number of complaints, feedback and compliments received; and a differentiated reporting of complaints resolved within the 15 business days target timeframe, and those resolved within the adjusted timeframe negotiating with the taxpayer.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7

The Committee commends the Australian Tax Office for work already commenced on modernising the Australian Business Register. The Committee urges the Federal Government to consider the use of blockchain and other leading technologies to optimise the use of the registry, and minimise ongoing costs of maintaining the Registry. Such technical deployments should also future proof the work currently being undertaken by the Australian Taxation Office.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8

The Committee recommends that the Australian Tax Office publish a report into the economic activity gap and its analysis on an annual basis.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 9

The Committee recommends that the Australian Government establish a cross departmental team with the intention of drawing up Australian standards for data collection, definition and formatting to further enable the open data objectives of the Australian Government.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 10

The Committee recommends that the Australian Charities and Not for Profit Commission review its regulatory burden on all organisations but especially those reporting to more than one regulatory body.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 11

The Committee recommends that the Australian Taxation Office ensure that debts are not be payable by the tax payer until a final determination is made by the relevant dispute body or court. If the Australian Taxation Office fears that funds will be removed during an enforcement action, it should apply as all other plaintiffs do for a court ordered injunction.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 12

The Committee reiterates Recommendation 7 from the Tax dispute inquiry report and recommends that legislation be introduced to shift the onus of proof to the Australian Taxation Office in relation to allegations of fraud or evasion after a certain period has elapsed.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 13

The Committee recommends amending section 170 of the Income Tax Assessment Act 1936 (Cth) to reduce the statutory timeframe for cases involving fraud or evasion to 10 years after the issue of an assessment by the Australian Taxation Office. The Committee also recommends that the period of review of evidence requested by the Australian Taxation Office should be harmonised with the record keeping requirements. The amendment should contain provisions to extend the period on a case-by-case basis.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 14

The Committee recommends that the Australian Taxation Office aligns the interest rate it charges taxpayers on any loans for tax liabilities, to the interest rate paid by the Federal Government.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 15

The Committee recommends that the Australian Taxation Office enhances its staff awareness about taxpayers' rights through guidance and training, xvi including in the management of complaints, objection and disputes, and in their engagement with vulnerable taxpayers.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 16

The Committee recommends that the Australian Taxation Office develops and promotes an Australian Taxpayers' Bill of Rights that clearly outlines taxpayers' rights and obligations.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 17

The Committee reiterates Recommendation 4 of the 2015 Tax dispute report, that suspicion or finding of fraud or evasion be made by an officer from the Senior Executive Service.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 18

The Committee reiterates Recommendation 9 from the 2015 Tax dispute report and recommends that the Australian Taxation Office conducts earlier engagement with taxpayers in cases of fraud and evasion, and align the process to that of the tax avoidance process. Specifically, the Committee recommends that the Australian Tax Office provides taxpayers with information about suspicion of fraud or evasion, inviting them to provide a submission to ensure that the auditor has access to comprehensive information, ensuring that taxpayers are informed about their rights and the appeal process. The Committee also recommends amending the makeup of review panels to include independent members, and that they be chaired at the Deputy Commissioner level or above.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 19

The Committee recommends the Inspector General of Taxation be renamed the 'Taxpayer Advocate', and that the role aligns more closely with the powers and structure of the United States Taxpayer Advocate, based on the needs of the Australian tax system. The Taxpayer Advocate must continue to have the freedom and independence enjoyed by the current Inspector General of Taxation.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.
