

Introduction

- 1.1 The House of Representatives Standing Committee on Tax and Revenue is authorised by Standing Order 215(c) to examine annual reports of agencies allocated to it by the Speaker.
- 1.2 The Speaker's schedule of 10 December 2013 allocates the Australian Taxation Office (ATO), as well as other agencies to the Committee. This mandate allows the Committee to act as a scrutineer of the ATO, a responsibility previously held by Joint Committee of Public Accounts and Audit (JCPAA).
- 1.3 In February 2014 the Committee took carriage of the JCPAA's hearings into the ATO, by commencing an inquiry into the agency's 2013 annual report. It conducted a hearing and published a report in March which discussed the ATO's progress towards prefilled tax returns, estimating the Tax Gap, independent dispute resolution and a number of other initiatives.
- 1.4 On Thursday 27 August 2014 the Committee held a second hearing into the ATO's 2013 annual report, to assess the agency's progress since February. This report focusses on the evidence provided at the August hearing. It includes discussion of the innovative services instigated by the ATO to simplify tax returns, the agency's move towards a contemporary service culture and its commitment to formally assess the Tax Gap. It details how the ATO is progressing with its Capability Action Plan and notes the publication of the agency's Strategic Intent and Corporate Plan, setting out priorities for 2014-18. It concludes that, since February, the ATO has clarified its vision to become a leading tax administration known for contemporary service, and is steadily working towards this goal.

1.5 Witnesses at the second hearing included the:

- Commissioner of Taxation and senior staff of the Australian Taxation Office
- Inspector-General and Deputy Inspector-General of Taxation
- Senior Tax Counsel of the Tax Institute
- Senior Tax Adviser of the Institute of Public Accountants
- Head of Tax Policy of the Institute of Chartered Accountants Australia
- CEO of the Council of Small Business Organisations of Australia.

1.6 The following appendices provide additional information:

- Appendix A - Submissions
- Appendix B - Public Hearings
- Appendix C - Exhibits

1.7 A copy of this report, a transcript of the public hearing and submissions are available on the Committee's website: www.aph.gov.au/taxrev.