



Australian Government

Australian Government response to the
House of Representatives
Standing Committee on Tax and Revenue report:

External scrutiny of the Australian Taxation Office

March 2017

STANDING COMMITTEE ON TAX AND REVENUE
EXTERNAL SCRUTINY OF THE AUSTRALIAN TAXATION OFFICE

Government Response

Recommendation 1

- To increase transparency, the Committee recommends that the Auditor-General, Commonwealth Ombudsman, and Inspector-General of Taxation examine ways to increase the profile of their co-ordination activities—potentially through their websites, annual reports, and consultations undertaken for work programs.

Recommendation 2

- To increase transparency, the Committee recommends that the Auditor-General, Commonwealth Ombudsman, and Inspector-General of Taxation improve the explanation in their reports of why each review was conducted and how the review fits in with past and other current reviews.

Recommendation 3

- The Committee recommends that that the Australian Taxation Office and the Inspector-General of Taxation redouble their efforts to improve communication before, during and after reviews.

Recommendation 4

- The Inspector-General of Taxation examine opportunities to conduct targeted reviews based on complaints and emerging issues in tax administration, and work with the Australian Taxation Office to develop a mutually efficient system for such reviews.

The Australian Government agrees with these recommendations.

The Australian National Audit Office (ANAO), the Inspector-General of Taxation (IGT) and the Australian Taxation Office (ATO) have already commenced activities to strengthen the working relationship between the agencies.

It is noted that the Commonwealth Ombudsman's jurisdiction for complaints about tax administration was transferred in May 2015 to the Inspector-General. The Ombudsman retains jurisdiction for other ATO complaints.

Recommendation 5

- The Committee recommends that the Standing Committee on Tax and Revenue of the next Parliament consider expanding its biannual inquiries into the Australian Taxation Office to include scrutiny of the Inspector-General of Taxation, or alternatively to conduct a separate dedicated regular inquiry into the annual report of the Inspector-General.

The Australian Government agrees with this recommendation.