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House of Representatives Standing Committee on Tax and Revenue
Inquiry into the 2017 Annual Report of the Australian Taxation Office

Issue date: 21 February 2019

ATO's 'annus horribilis'—2017 performance report

The House Standing Committee on Tax and Revenue today tabled its [performance review of the ATO's Annual Report 2016–2017](#).

The Committee's review continues in the tradition of past assessments, which since 2015 have monitored the progress of the ATO's 'Reinvention' of its services model in support of voluntary compliance. According to the ATO's 2017 annual report, the Reinvention Program has delivered against this goal over the tax year. Tax lodgements were up again strongly—a positive outcome for the ATO.

But the 2016-17 reporting period was also a challenging one for the ATO, and one marked by controversy. In May 2017 the revelations of Operation Elbrus followed the prolonged system outages of late 2016 and early 2017 that left tax professionals without service access for lengthy periods.

Then, as the Committee commenced its annual report review in March 2018, there was an acceleration of bad press as the ATO fought off allegations of systemic unfairness to small business, and performance driven debt action, which were televised in an ABC/Fairfax media expose in April 2018.

These developments strengthened the Committee's resolve to conduct a more rigorous performance review of the ATO's progress against Reinvention values and objectives; in effect to test the ATO's annual reportage against the experience of the taxpayer, and tax agents, in the community.

[Committee Chair Mr Jason Falinski MP](#) said: "The Committee found that the ATO's digital reinvention of its services has changed every aspect of our tax administration framework for taxpayers and tax professionals alike. Taxpayers now have greater responsibilities to meet their obligations, and the work of tax professionals has increased rather than declined".

"Given this," Mr Falinski said, "it has never been more important that the ATO retain community confidence—that it meets its core obligations to procedural fairness, and that it is seen to do so, while also ensuring its online platforms are as efficient and as easy to use as promised."

The Committee's inquiry attracted 30 submissions, 18 of these from taxpayers in dispute with the ATO, as well as from tax professionals assisting them. The Committee has made 37 recommendations to ensure that there is consistent agency-wide benchmarking and reportage against core Reinvention commitments on fairness to taxpayers and on digital functionality.

The report also recommends for improved data disaggregation on small business debt, including on garnishees, the restructuring of the ATO's appeals, dispute resolution and compensation processes,



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refinement of key aspects of tax law, and improvements to the ATO's communications and information strategies.

The Committee's report, entitled *2017 Annual Report of the Australian Taxation Office: Fairness, Functions and Frameworks—Performance Review*, is available on the Committee's website [here](#).

The 2017 Annual Report of the Australian Taxation Office is available at: www.ato.gov.au/About-ATO/Annual-report-2016-17/

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Interested members of the public may wish to track the work of the Committee via the [website](#). Click on the blue 'Track Committee' button in the bottom right hand corner and use the forms to login to My Parliament or to register for a My Parliament account.

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