

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: ATO

Question:

Topic: SBT 1949-1956 - National Tax Liaison Group

Reference: Written – 30 October 2015

Senator: Wong, Penny

Question:

1949. Can the ATO outline the role of the National Tax Liaison Group.
1950. Can the ATO advise what changes have been made to the membership of the NTLG in recent months.
1951. Can the ATO advise how those changes were made.
1952. Who was the decision-maker.
1953. Was the office of the Treasurer or Assistant Treasurer consulted.
1954. What organisations and individuals were targeted for removal.
1955. Was there a reason for their removal.
1956. Has the ATO received any complaints about the process – or the outcome.

Answer:

1949. Can the ATO outline the role of the National Tax Liaison Group?

The National Tax Liaison Group (NTLG) is one of the ATO's eight stewardship groups which address strategic issues to benefit Australia's taxation and superannuation systems.

The NTLG identifies significant issues and drives improvements in relation to the following aspects of the tax system:

- tax law interpretation, administration, design and policy (including technical issues)
- confidence in and compliance with the tax system
- ATO service delivery.

The NTLG minutes continue to be published on the ATO website.

1950. Can the ATO advise what changes have been made to the membership of the NTLG in recent months?

Membership of the NTLG has changed as follows:

- The number of tax, law and accounting member associations has reduced from nine in March 2015 to six associations.
- The total number of tax, law and accounting association representatives has reduced from 17 in March 2015 to nine representatives.
- The total number of ATO representatives has reduced from six in March 2015 to three.

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- The NTLG was formerly chaired by the Commissioner. Second Commissioner Andrew Mills (ATO) and Grant Wardell-Johnson (Chartered Accountants Australia and New Zealand representative) now co-chair the group.
- Treasury continues to have 2 representatives.

1951. Can the ATO advise how those changes were made?

Discussions about the operation and size of the NTLG began at a workshop in March 2014 where the difficulty of sustaining productive discussions in such a large group was recognised. Discussion continued for a number of meetings in 2014.

In March 2015, following approximately 12 months of operations since the initial workshop, members agreed that the operation of the NTLG in terms of composition and contribution should be reviewed.

It was acknowledged that the NTLG is a much better forum but still is not fulfilling its potential. It is a relatively large forum and there is a need to reduce its size to make it most effective. As a result, in April and May 2015 representatives of the member associations were contacted to discuss their future contribution to ATO consultation arrangements.

Member associations who were no longer required to be members of the NTLG were advised formally in writing that their membership had concluded and thanked for their contributions.

Continuing member associations were invited to nominate 1 or 2 representatives to attend the NTLG on their behalf. Associations responded to the invitation and their representatives were formally appointed for a period of 2 years.

1952. Who was the decision-maker?

Second Commissioner Andrew Mills.

1953. Was the office of the Treasurer or Assistant Treasurer consulted?

No.

1954. What organisations and individuals were targeted for removal?

No organisations or individuals were targeted for removal. The following criteria were used to determine NTLG membership:

- balanced representation across the eight stewardship groups which cover our key stakeholders in our key markets and products
- refreshing memberships to reflect the current and future needs of the tax system
- optimal number of members – in the case of the NTLG this meant reducing both external members and ATO members

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- clarifying membership between the NTLG and ATO Tax Practitioner Advisory Group (ATPAG).
- level of effective contribution and attendance.

1955. Was there a reason for their removal?

Membership and representation was determined based on the criteria listed in response to question number 1954 above.

The associations who concluded their membership with the NTLG are members of other stewardship groups, including the ATO Tax Practitioner Advisory Group. They can represent their constituents through their contribution and advocacy in these groups and other consultation working groups.

1956. Has the ATO received any complaints about the process – or the outcome?

The ATO has received one complaint through the Inspector General of Taxation (IGT). The complaint related to the process undertaken in determining the new membership of the NTLG. The association felt they had not been adequately consulted as the outcome for the association was that they were no longer a member of the NTLG.