Mr VAN MANEN (Forde) (09:47): On behalf of the Standing Committee on Tax and Revenue, I present the following reports, with minutes of proceedings: *2015 Annual report of the Australian Taxation Office: first report* and *External scrutiny of the Australian Taxation Office*.

Reports made parliamentary papers in accordance with standing order 39(e).

Mr VAN MANEN: by leave—I wish to speak to both the House Committee on Tax and Revenue's reports just presented, commencing with the report entitled *2015 Annual report of the Australian Taxation Office: first report*.

This report reviews the evidence gathered by the inquiry through submissions and the committee's public hearings in February with the Australian Taxation Office, the Inspector-General of Taxation, and other stakeholders. This is part of the regular scrutiny by the parliament of one of the most important agencies of government. It is the fifth such report in the life of this parliament.

The ATO's introduction of new computer systems was again the chief topic of discussion. Take-up of the new web-based lodgement system by individuals, myTax, has been rapid and appears to be going smoothly, albeit that around tax time, in early July, there are glitches and it certainly gets a little bit slower.

Tax practitioners have also complained that the ATO's tax agent portal, which was heavily criticised in previous hearings, was still not functioning well. Practitioners were also concerned that the timetable for replacing the portal was unclear. The committee has recommended in this report that the ATO publish a timetable for that development.

On the other hand, tax professionals reported that the ATO had been more willing to engage with them and to hear their concerns.

The committee welcomed the ATO's caution in retaining the existing electronic lodgement system alongside the new lodgement system which will replace it. The new system will use standard business reporting, which has the potential to create greater efficiencies and reduce red tape for business in their dealings with all areas of government.

The ATO is engaged in a broad and ambitious program of technical and cultural change, which it calls 'reinventing'. This has already shown some good results, but a change such as the one envisaged will take many years and will require sustained energy and engagement of all the senior staff of the ATO.

I now move to the second report presented, entitled *External scrutiny of the Australian Taxation Office*.

The ATO's main scrutineers are the Auditor-General, the Inspector-General of Taxation, parliamentary committees, the courts, and the Administrative Appeals Tribunal.

The key issue during the inquiry was the extent of overlap between these scrutineers. In particular, some stakeholders suggested that there was overlap in reviews, or that external scrutiny was 'haphazard'. The ATO gave several examples of what it saw as overlap.

The scrutineers, however, rejected these claims. They stated that they held co-ordination meetings that were effective. In addition, some scrutiny reports have described why reviews from different scrutineers were not duplicative, although sounding similar at the 'headline' level.

The committee concluded that the extent of any duplication, if it does occur, is minimal. The committee supports the ability of scrutineers to select the reviews they think are the most valuable and within their mandate. The committee also decided that their co-ordination process is sound.
I would like to make two other comments in relation to the inquiry. The first is that the committee supports the work of external scrutineers. The tax system is complex. The ATO has considerable resources and strong powers. The cost and practicalities of the legal system mean that most taxpayers cannot have their day in court. However, we all benefit from the integrity and expertise of our scrutineers.

My other comment is that the quality of communication between the ATO and the Inspector-General of Taxation appears to be problematic. The committee has recommended that these parties redouble their efforts to improve communication before, during and after reviews. I would personally add that the Inspector-General and the ATO could also look at occasions to engage in dialogue more widely, not just around reviews. My understanding is that both parties would welcome such an opportunity.

Both inquiries benefitted from the views of stakeholders, the scrutineers and the ATO. The committee very much appreciates the time, effort and expertise that stakeholders applied to their submissions. The committee also appreciates the contribution made by witnesses at the hearings and their readiness to engage with the committee.

Finally, I would like to thank the secretariat for their tremendous work over the course of this parliament. It was my privilege to chair the committee for the second half of this parliament. So, to David Monk, the committee secretary, and the team, thank you very, very much for all of your hard work. I know they are here in the chamber. I would like to thank my colleagues on the committee for their support and assistance during the inquiries and, in particular, the deputy chair, Bernie Ripoll, who is now retiring and leaving this place.

I commend the reports to the House.