

**GOVERNANCE JAMES EYERS**

# Calls to bolster ATO oversight, accountability

The government should act swiftly to ensure effective oversight of the Australian Taxation Office, says the Rule of Law Association of Australia, a group established to monitor the expanding power of government agencies.

The Tax Office is scrutinised by many bodies, including the parliament, Commonwealth Ombudsman, Australian National Audit Office and the Inspector-General of Taxation, but the Henry report found "the effectiveness of this scrutiny is dependent to some extent on the resources and other responsibilities of these institutions".

It found the complexity of the tax

system made it "difficult for parliamentarians to perform an active role in the cycle of public accountability of the ATO" and said the roles of the Ombudsman and Inspector-General of Taxation should be clarified, which would also remove the potential for overlap between them.

The report said it was imperative that the Inspector-General of Taxation, the ANAO and the Ombudsman were resourced properly, "recognising their importance in maintaining a fair and efficient tax system".

It also called for a board to be established "to advise the Commissioner of Taxation on the

general organisation and management of the ATO".

While the government has not responded to this aspect of the Henry report, it has not ruled out acting on the recommendations.

It said it would have more to say on these issues over the coming months.

Rule of Law chief executive Richard Gilbert said the recommendations on Tax Office oversight "go the heart of bolstering the integrity and perception of integrity of our tax administration".

"The ATO has gone to considerable length to disclose its practices and policies towards

greater transparency and integrity, however, the accountability and oversight of performance has been somewhat inconsistent and piecemeal," Mr Gilbert said.

The parliament should obtain independent advice on ATO administration performance, he said, and reports from the oversight agencies should be systematically reviewed by the parliament.

The government has recently been criticised for failing to properly resource the Administrative Review Council, a key body in the administrative law system, which covers the impact on individual rights of decision making by public officials. The ARC's resources and

capacity, and its independence from the bureaucracy, have been dramatically reduced in recent years after it was stripped of its secretariat, and its president, who departed late last year, was not replaced. It is hoped the Henry report's recommendations for administrative oversight of the ATO do not suffer the same fate.

"As these recommendations do not come with a big price tag, they are 'low hanging' fruit which should be picked in coming months," Mr Gilbert said.

The report also notes concern with the pro-revenue bias of the ATO and suggests materials used by the ATO be made public.