

Australian Taxation Office Statement of Intent

This Statement of Intent outlines the ATO's response to the Government's Statement of Expectations for the Australian Taxation Office (ATO).

The *ATO strategic intent*, published in May 2014, outlines the ATO's vision to be a leading tax and superannuation administration, known for its contemporary service, expertise and integrity.

The strategic intent is aligned with the Government's commitment to good corporate governance and reducing red tape for business and the community.

The ATO will continue to act independently and objectively in performing its day-to-day business and, as part of its reinvention, is committed to improving the client experience through increasing our digital services.

Delivering on the Government's deregulation agenda

The ATO is committed to improving Australia's productivity by reducing red tape and compliance costs for business and the community by providing contemporary services and making it easier for people to participate in the tax and superannuation systems.

In line with the Government's target to reduce red and green tape by \$1 billion each year, the ATO is progressing several key strategies that will result in simplified interactions, more automation and reduced compliance costs.

For individuals, we are developing a light touch or no touch income tax experience. This includes personalised and pre-filled tax returns that will minimise the cost and time involved in return form preparation.

For businesses, the ATO is moving towards a tailored reporting regime - that will help reduce red tape and free businesses' to focus on running their business. We will leverage digital record-keeping and business software to make complying with tax and superannuation obligations a by-product of their day to day activities.

The ATO is also working closely with key stewardship committees, such as the National Tax Liaison Group, and the National Superannuation Industry Advisory Group, to identify further opportunities to reduce red tape and contribute to the Government's deregulation agenda.

The ATO's risk-based approach to compliance obligations, engagement and enforcement is informed by the ATO's compliance model, which helps us understand different attitudes to compliance. Together with behavioural insights, we apply differentiated strategies to address risks to the fair operation of Australia's tax and superannuation systems.

The ATO regularly reviews, and is rationalising and simplifying, its policies and procedures to ensure best practice including being principles-based, adopting a more modern and contemporary approach and placing a strong emphasis on timeliness, communications and sensible decision-making.

Relationship between the ATO and the Government

The ATO will continue to deliver on its outcome to government – *confidence in the administration of aspects of Australia’s taxation and superannuation system through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.*

The ATO will perform its revenue collection and superannuation functions while supporting the government’s message that Australia is ‘open for business’. We are creating a level playing field domestically and internationally, supporting viable businesses, reducing red tape and the cost of compliance, and improving our services. An important mechanism for consulting on the use of ATO powers is managed through the ATO’s key stewardship committees.

The ATO actively participates in Government reviews including the Australian Public Service Commission Capability Review, as well as responding to the recommendations of external scrutineers.

Relationship with the responsible minister

The ATO will keep the responsible Minister informed with accurate and timely advice on significant issues in its core area of business. This occurs directly through our regular meetings with, and minutes to, the responsible Minister and via our relationship with the Treasury.

Relationship with Treasury

The ATO is committed to working productively with the Treasury as set out in the ATO-Treasury Protocol. The protocol sets out a framework for the working arrangements between the Treasury and the ATO to enable the best possible functioning of the tax and superannuation systems, for which the Treasury and the ATO share stewardship.

The ATO will continue to provide advice based on our practical experience as administrators of the tax and superannuation systems, including advice where existing laws do not operate in accordance with the policy intent. This advice will include our consultations and relationships with key stakeholders who are vital to providing the right advice to the Treasury and Government and also complies with the Government’s enhanced Regulatory Impact Analysis requirements.

The ATO will continue its current practice of providing the Secretary to the Treasury with all information, briefing, press releases and correspondence given to Ministers.

Regulatory cooperation

The ATO will work closely with Commonwealth and State and Territory agencies to improve the delivery of service to all Australians. The ATO has joined myGov, making it easier for people to interact with us.

Internationally, we are committed to working cooperatively to find solutions to broad challenges faced by the international system as a result of globalisation and the increasingly digitalised

economy. Through chairing the 2014 Study Group on Asian Tax Administration and Research, the ATO is helping to build the capability of tax agencies in the Asia-Pacific region.

The ATO is supporting Australia's chairing of the G20 and will have a crucial role in leading closer international cooperation to ensure multinational corporations pay their fair share of tax. Greater leadership internationally is essential for Australia to combat corporate tax base erosion and profit shifting.

Transparency and accountability

Through the publication of our corporate plan and annual report, the ATO will be transparent and accountable in relation to its administration of the tax and superannuation systems.

Our intention is to be more open – open to hearing different views, open to change, and open to working with others to devise solutions to problems and make the most of opportunities. We have established, and are bedding down, new external consultation arrangements that are intended to be flexible and responsive mechanisms for consulting the right people at the right time on the right issues.

Organisational governance and financial management

The ATO will continue to be governed by the relevant provisions of the *Public Service Act 1999* and relevant financial management legislation, including the new *Public Governance, Performance and Accountability Act 2013*, and the Finance Minister's Orders. We are committed to upholding and promoting the APS values, as well as adhering to the APS Code of Conduct.

The ATO is responding to the Australian Public Service Commission capability review by:

- developing a forward-looking enterprise-wide strategy
- developing information communication technology efficiency and agility
- building the future workforce
- streamlining governance arrangements and structures
- improving our external connectedness.

Conclusion

The ATO's vision is to be a leading tax and superannuation administration known for our contemporary service, expertise and integrity. The reinventing the ATO program involves a major cultural shift which focuses on improving the client experience and minimising compliance costs for business and the community which is consistent with the Government vision for the ATO to be a high-performing and responsive agency.