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PRESS RELEASE

IGT REVIEWS ATO'S CHANGE PROGRAM

The Inspector-General of Taxation (IGT), Ali Noroozi, today announced submission guidelines for his review of the Australian Taxation Office's (ATO) Change Program.

"I have been directed by the Assistant Treasurer to review the ATO's change program", said Mr Noroozi. "I will be taking a staged approach to the review, focusing initially on the impact on taxpayers and tax practitioners as a result of the recent 'income tax release'."

Over the last six years the ATO has worked towards replacing all of its tax processing information and communications technology with one Integrated Core Processing system. This replacement and related work has been called the Change Program and is estimated to cost around \$879 million. The implementation of the program has been on a progressive basis with earlier deployments including those relating to fringe benefit tax, superannuation and the first home saver accounts. In January 2010, the ATO deployed the part of the system that processes income tax returns and refund payments, "the income tax release".

"Taxpayers, tax practitioners and their representatives have raised concerns about instances of extended delays and errors arising from the income release. These concerns include claims that the ATO's inability to fix identified errors within reasonable times, the nature of the ATO's communication of the errors, the ATO's shifting advice on the timeframes to fix those errors and the ATO's lack of awareness of the impact that such errors, delays and miscommunications have on taxpayers and tax practitioners", said Mr Noroozi.

"This review will seek to examine the basis for and the ATO's management of such concerns. This will provide a basis for conclusions to be drawn and, where necessary, recommendations of best practice to be made in order to minimise similar problems arising in the future", said Mr Noroozi.

"I strongly encourage interested parties to use the submission guidelines in preparing their submissions which are due by 7 June 2010. Balanced thinking, based on relevant evidence, is what is required to achieve better outcomes for all parties", said Mr Noroozi

The Terms of Reference and submissions guidelines for the review are available on the IGT website: www.igt.gov.au.

SYDNEY
5 May 2010
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