

Ali Noroozi Farewell Cocktail Function

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Mark Leibler AC

Welcome and acknowledgements

It is my pleasure to welcome you all to Arnold Bloch Leibler for this special event to farewell Ali Noroozi, after an exemplary 10 years of service as the Inspector-General of Taxation.

Let me begin by acknowledging the traditional owners of the land where we meet, and by paying my deep respect to their history, their culture and their unique contribution to the nation.

It is a testament to the esteem in which Ali Noroozi is held that there are so many distinguished people gathered here this evening. Of course, it's not only the seniority of the people in the room that reflect on Ali's time as Inspector-General - it's also the diversity.

We have people from different sides of the political spectrum, different levels of government and every area of the tax sphere, including the Australian Tax Office. Among the ATO representatives here is the Second Commissioner - Law Design and Practice, Andrew Mills, to whom I extend a very warm welcome.

The collective presence this evening of so many of Ali's friends and colleagues speaks to both the importance of the role, and also the manner in which he has executed it.

Across the sector, and across the country, he is respected, he is trusted and he is appreciated for the multi-faceted contribution he has made over a decade in which tax policy and administration has been hotly debated.

Perhaps it always has been and always will be, but Ali has certainly had his work cut out for him.

The role

Those of you who know me, know that I have been a tax lawyer for almost half a century, and worked closely with successive commissioners of taxation, and many senior tax officials.

And in serving my clients to the best of my ability, I have found myself spending a good deal of time, over the years, grappling with the vast powers that rest with the Commissioner and his empire. Of the various checks and balances that exist to ensure these powers are exercised scrupulously - which in my experience, by and large, they have been - the role of the Inspector-General is perhaps the most valuable.

And for the last 10 years, in particular, I have observed Ali playing a critical role in enhancing the administration of the tax system overall.

If you look at the recommendations the Inspector-General has made in his reports, despite the fact that they are not legally binding, the vast majority have been accepted by the ATO, because they are sensible and reasonable and constructive. This includes a recommendation, recently appropriated by the ALP, for a separate appeals unit within the ATO, with a dedicated second commissioner.

I understand that this recommendation, like most others Ali has put forward, has in large part already been introduced. Indeed it is a role which is currently exercised by Second Commissioner Andrew Mills.

So, while the role of Inspector-General is fundamental in protecting taxpayers, it is also extremely valuable in maintaining the integrity of, and community confidence in, the Australian Taxation Office.

The Inspector-General receives input from taxpayers and tax practitioners throughout Australia, and also has the power to collect information directly from the ATO.

This makes him uniquely placed to distinguish systemic issues from isolated cases of poor performance or maladministration. And his line of sight was further sharpened when, in 2015, the responsibility for dealing with tax complaints was transferred from the Commonwealth Ombudsman to the Inspector-General.

A recent case where this oversight made all the difference was Ali's response to the highly inflammatory Fairfax/Four Corners report which, on the basis of a limited number of cases, accused the ATO of ugly and systematic abuse of small business.

Acknowledging that the Tax Office wasn't perfect and, like any large organisation, made mistakes from time to time, the Commissioner accused the media outlets of presenting a distorted and damaging picture of what happens within the ATO. He was particularly incensed, quite legitimately in my view, about the title of the Four Corners program: "A mongrel bunch of bastards". But it was the findings of the Inspector-General's investigation into the Fairfax/Four Corners allegations that really put them into perspective.

While identifying that there were matters that could be improved, his report found *no* evidence whatsoever of the ATO systematically targeting small businesses.

He has since suggested the idea of establishing a new and dedicated compensation scheme for tax matters, where decisions on compensation are made independently of the ATO. I think it's a good idea, and I also believe that something along these lines would be readily accepted by the Tax Commissioner.

Suffice it to say, I am a big fan of the role played by the Inspector-General in keeping the Tax Office on its toes, while protecting it from ill-founded criticism and maintaining community confidence in the system. And, with Ali in the chair over the last 10 years, my belief in and respect for the role has only grown stronger.

What he has achieved, with the relatively limited resources at his disposal, is truly remarkable.

Ali leaves, for whoever succeeds him, a legacy of profound standing and I have no doubt that whatever he does next, he will do it with equal integrity and distinction.

So it is my great pleasure now to call on Ali to say a few words.