

Taxation matters

While statements attributed to me in your report on the tax office (The Age, 7/4) are accurate, they were made in an interview that took place before my address to the Tax Institute Convention on March 14. My address outlined the extraordinary powers vested in the Commissioner of Taxation, but I also emphasised that the cultural change being driven by the current commissioner is necessary, well targeted and evident in my day-to-day dealings with the tax office.

The Inspector-General of Taxation may or may not be accurate in estimating that the tax office gets it wrong in 5per cent of cases, having conceded in testimony before a House of Representatives Committee on March 28 that this estimate "is not backed up by hard evidence". Even if the estimate is correct, it is evident from statistics cited by commissioner Chris Jordan before the same committee that the vast majority of mistakes are resolved internally by the tax office, without any need for the Inspector-General to intervene.

Is there another side to the cases raised in your report? Are these cases evidence of systemic failure or are they isolated, albeit serious, mistakes you would be hard pressed to avoid in any large organisation? The tax office is bound by the secrecy provisions of our tax legislation and is therefore unable to respond publicly on specific cases. Given his unique power to extract information from the tax office, only the Inspector-General is in a position to answer these questions. I have not come across any finding by him of systemic abuse by the tax office in its dealings with small business. That said, even one case of abusive behaviour is one case too many. Those who suffer damage as a result of such behaviour should be swiftly and adequately compensated.

Mark Leibler, senior partner, Arnold Bloch Leibler