

Tax 101 Activity 6

Years 7-12

ROLE OF THE ATO IN AUSTRALIA

Fact sheet

The main interactions most Australians have with the Australian Taxation Office (ATO) are lodging an income tax return each year and having tax taken from their pay. The ATO interacts with almost every sector of the community. Each year, the ATO processes tax returns for around 13 million personal taxpayers and 2 million businesses and not-for-profit organisations.

The aim of the ATO lodgment system is for everyone to pay the correct amount of tax. The ATO aims to make people who hide income and evade their tax obligations pay the correct amount.

The Australian taxation system works on the principle of self-assessment. This means that the information supplied by the taxpayer is usually accepted as being correct when the return is lodged. The ATO may later check the details with the taxpayer and against other sources of information. If someone has not declared all their income, or has made a claim for something which they are not entitled to, they must pay the tax they owe and may have to pay a penalty.

The main responsibility of the ATO is to administer the Australian Government's tax and super legislation. The ATO is the main revenue collection agency for the Australian Government. Taxation revenue provides over 80% of Australian Government revenue, which funds the implementation of social and economic policies.

Some of the responsibilities of the ATO in administering legislation are:

- ▶ collection of revenue, including GST
- ▶ aspects of the superannuation system
- ▶ excise
- ▶ income tax, including PAYG withholding and instalments
- ▶ fringe benefits tax
- ▶ grants and schemes relating to fuel
- ▶ sharing information with Centrelink, the Child Support Agency, the Australian Bureau of Statistics and the Department of Immigration and Citizenship
- ▶ collection of the Higher Education Contribution Scheme (HECS) and Higher Education Loan program (HELP) debt through the taxation system
- ▶ the Australian Business Register (ABR) and the Australian Business Number (ABN) system.

TASK 1 AUSTRALIAN TAXATION OFFICE FACTS

Worksheet

YOU WILL:

YOU WILL NEED:

- ▶ become aware of the wide range of work undertaken by the Australian Taxation Office

- ▶ *Fact Sheet: Role of the ATO in Australia*

Learn about the purpose and operations of the Australian Taxation Office (ATO).

RESEARCH

1. **Locate** an information source that details the range of work for which the Australian Taxation Office (ATO) is responsible, such as the homepage of the ATO website or the ATO directory in the yellow page's phone book.
2. Using the categories below, **identify** a number of facts that explain the role of the ATO. One example is provided. Be comprehensive, for example, include tax, super and community support.

Some main responsibilities of the Australian Taxation Office

Individuals	Business	Not-for-profit
<i>Example:</i> Processes individuals' tax returns		

Make conclusions

3. **Reflect:** Following my research, what surprised me was....
4. Using the sourced information, write a **conclusion** about the role of the Australian Taxation Office and its responsibilities.