QTON No. 39

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Public Accounts and Administration

Inquiry into Annual and Financial Reports 2023–2024

Answer to question taken on notice

Asked by: Mr Ed Cocks MLA

Addressed to: Mr Russ Campbell, Acting Under Treasurer, Office of the Under Treasurer, Treasury, CMTEDD

In relation to: REVENUE OFFICE – RECOVERY OF DEBT

Hearing: 17 February 2025
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Mr Cocks: There has been some suggestions that the approach the revenue office takes to recovering some of these debts can come into conflict with the code of conduct, and specifically section 28 of the code of conduct, and I am keen to make sure what the—the approach that has been taken always prioritises making sure our public servants are meeting that very important code of conduct.

Mr Campbell: Can you support us by just repeating what that section is referring to. I just do not have that in front of me.

Mr Cocks: No, that is all right, and I am afraid that the link I had opened to it has just closed as well.

Mr Campbell: I mean, just as a general point I would say that officials applying the law as it sits in front of them is entirely consistent with the code of conduct, so I am not quite following the consistency you are pointing to but I am happy to hear that.

Ms Stephen-Smith: The version that I managed to look up is around procedural fairness, "Public employees must be able to explain their actions", and the reasoning behind their decisions must be transparent and available. Is that what you referring to?

Mr Cocks: Yes. I am just trying to bring it up here as well.

Ms Stephen-Smith: And then it goes on to say there must be—

> The decision must be based on evidence available to anyone who is adversely affected by the decision must be given the opportunity to provide their views and contribute their voice to the debate or discussion before matters are finalised.

Mr Cocks: Yes, and that is the point that I am coming to is the "before matters are finalised". I am concerned that if the revenue office is pursuing debts while the matter is still under consideration for an appeal, that condition may not be met.

Mr Campbell: We will take on notice but there will be processes and procedures around internal work that the revenue office undertakes that will talk about assessments, and before an assessment is raised, but I would rather come back to you in writing because probably we are talking about legal requirements imposed on revenue officers.

Mr Cocks: Thank you, I understand.

Ms Stephen-Smith: I think I would also just, chair, reinforce what Mr Salisbury said. The fact that section 105 of the Act enables tax to be recovered as if no objection or review were pending does not mean that that recovery process would continue while the—well, in practice continue while the review is pending but correct me if I am wrong, Mr Salisbury, if that recovery action were to pause while the review is pending and that review took time, all of that time would then further contribute to interest accrual on that debt; is that correct or is that not correct?

Now I am trying to understand what the implications might be for somebody because—and I guess I am kind of coming at this as well, Mr Cocks, from a human services, you know, previous portfolio where action continued while reviews were underway because it was actually in the best interest of the people involved that that occurred. So—but I think as Mr Campbell says, we will take the question on notice, but what the revenue office is empowered to do under the legislation and what the revenue office does in practice in line with the code of conduct—public service code of conduct is not necessarily—

Mr Cocks: Well, perhaps just to round it out and I know the chair wants to move on, could you take on notice, perhaps, whether the revenue office has ever pursued a debt and undertaken recovery actions while a matter is under appeal or objection.

Mr Salisbury: I can take that under notice but I would also like to state for the record that there are reasons why we would undertake debt recovery course if—while this was under objection, and that is if we have concern about the taxpayer's willingness to engage with us and pay the debt at some point in the future. So, for example, if we thought the company was going into liquidation, we would take debt recovery action while there was an appeal still underway. They are the types of reasons why we would undertake that.

Mr Cocks: Okay, but that sounds pretty—

Ms Stephen-Smith: So I think the answer—I think probably not a lot by taking the question on notice then because the answer is yes, that that has occurred in the past, yes. That has occurred.

Ms Rachel Stephen-Smith MLA: The answer to the Member’s question is as follows:

The ACT Revenue Office has pursued debt recovery action while a matter has been under appeal or objection. Decisions are made on a case-by-case basis depending on recovery risk and willingness of the taxpayer to engage on repayment. Such action is specifically provided for under the *Taxation Administration Act 1999*, section 105.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature: Date: 3/3/25

By the Minister for Finance, Rachel Stephen-Smith MLA