

# National Tax & Accountants' Association Ltd

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## Change Program creates crisis in many tax agents' practices

Dear Member,

### What a MESS!!

The Tax Office's new Change Program – the upgrade to its old, outdated computer system – has been plagued with problems. Problems that are directly affecting the lives and livelihoods of many tax agents and their clients.

### A short history to date:

- January 2010 – Tax Office advises we might experience “temporary service delays”.
- February – There is a backlog of 300,000 returns yet to be processed.
- March – Without any prior consultation, the Tax Office announces there is a new four page notice of assessment rather than the simpler one page version.
  - Tax Office stops ‘a significant number’ of refund cheques.
  - When these refund cheques are sent out they are dated 2 to 3 weeks earlier.
- April – Notices of assessment are sent out with incorrect dates.
  - Notices of assessment are sent out without refund cheques.
  - Partial Notices of assessment are sent out.

### Where are we now?

The true story is that we will probably never know the depths of the problems that have plagued this new computer system.

What we do know is that hundreds of thousands of income tax refunds have been affected and that hundreds of thousands are still locked in the system.

### What are we doing?

As your association, the NTAA is in constant discussion and negotiation with the Tax Office trying to alleviate the strain on the system, and our members and their clients, where we can.

We are investigating the best way to obtain financial compensation for members and tax agents who have been financially disadvantaged due to this administrative hornet's nest.

On Friday, we asked the Assistant Commissioner in charge of the program to provide extensions of time to lodge returns in view of the many hours that tax agents are spending every day trying to explain the situation to their clients.

To her credit, we had an immediate favourable hearing from the Assistant Commissioner, but we must now wait for a formal response as our request has been passed up the chain.

The NTAA has been asked to join a CEOs' phone hook up today and we have been invited to attend the ATO's offices in Canberra for an urgent meeting of the professional bodies and Tax Office this Friday. We will report the outcome of that meeting to members as soon as we can.

In the meantime, please feel free to use this letter as an explanation to clients of the difficulty in which the tax profession finds itself due to the Tax Office's implementation of its Change Program.

Kind regards,

A handwritten signature in black ink, appearing to read 'Louis Phan', is written over a horizontal line.

Louis Phan  
Taxation Manager