

Review of

Global Challenges in Tax Administration

Edited by Rodney Fisher and Michael Walpole
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*'Time has ceased, space has vanished. We now live in a simultaneous happening.'*²

Every era is characterised by 'vogue' words that suddenly become ubiquitous. Since the 1990s, this word has undoubtedly been 'globalisation' and this book has as its central theme, 'Challenges of Globalising Tax Systems'. The chapters in this book are drawn from papers that were presented at the Sixth International Conference of Tax Administration in April 2004, which was hosted by the Australian Taxation Studies Program (Atax) at the University of New South Wales.

The book is organised into Parts comprising sub-themes which represent areas of challenge within the overall tax administration system. The diversity of audiences is reflected in the great breadth and variety of topics that are covered, which is certainly one of the strengths of the book. Despite this variety, the papers forming part of this book are common in that they deal with extremely relevant, topical and 'cutting edge' legal and taxation issues which globalisation has created. The subject matter covered by the papers is well-written, and tests the boundaries of legal thought, and this is another strength of the book.

Part One of the book focuses on the challenges of administering tax systems and as such offers a 'view from the top'. Interesting perspectives are presented by the Commissioner of Taxation in Australia, as well as the Inspector General of Taxation. Also, an important community aspect is included with a paper on the role of the Ombudsman from Philip Moss, Special Tax Advisor to the Ombudsman.

Part Two examines the challenges and opportunities that are presented by globalisation. As Justice Michael Kirby AC said in the introduction to his book *Through the World's Eye*, 'Once we saw issues and problems through the prism of a village or nation-state ... Now we see the challenges of our time through the world's

¹ Website: <http://www.fiscalpublications.com>.

² This quote, by Marshall McLuhan, is descriptive of the 'global village' coined by him in 1960 in recognition of the fact that new technologies and communications have effectively 'shrunk' world societies to the level of a single village: see generally the definition of 'global' in Robert Burchfield, *The New Fowler's Modern English Usage* (3rd ed, 1998) 333.

eye ...'³ There are some very interesting and thought-provoking papers in this part of the book which explore this issue in a taxation context and indeed many of the papers in the book generally undertake globalisation as their underlying theme.

Part Three of the book proceeds to examine legal and legislative challenges that globalisation creates for taxation systems. In this part very interesting papers are included on areas including the role for judicial review of tax decisions; judicial control of tax negotiation; the changing nature of work and whether the Australian Taxation Office (ATO) has kept pace and the effect of the *Human Rights Act 1998* (UK) on taxation policy and administration.

Part Four examines tax system design challenges and conceptual constructs are presented in this part on areas ranging from a tax model for the future to the more specific proposal of reduced annual filing for personal income taxpayers in Australia. Some innovative, novel and challenging ideas are contained in these papers and I would commend them all to readers. In terms of models for tax administration in an increasingly globalised world, consideration may need to be given – sooner rather than later – to broaden the extent of international co-operation in tax matters so that it truly becomes multilateral. This might be achieved through the establishment of some form of international World Tax Organisation (WTO) – an idea canvassed and developed by some of the papers in this book. In the words of Woellner and Burns:

Perhaps a significant impact on the activities of multi-national companies will only be made when the multi-national managing director is called upon to face the multi-national Commissioner acting under a multilateral treaty.⁴

Part Five turns to compliance challenges. Administration of tax systems only represents one side of the story; the other side being compliance and the *means* by which compliance may be ensured. A varied collection of papers provides some fascinating insights and observations as to the costs of compliance, its perceptions and how compliance might be best addressed in an increasingly integrated world. It would seem that some degree of harmonisation or uniformity of taxation laws and international co-operation is essential to effectively achieve compliance. Indeed, one of the central roles of a WTO for tax might be to try to achieve greater international co-operation in the administration of taxes.

In conclusion, this book represents a seminal work in the area of challenges that taxation administration systems face in the light of globalisation. The papers that form part of this book represent a most interesting collection of insights and views within the broad ambit of the theme of the book. There is not a paper in the book that can be read without interest and some degree of enlightenment, if not occasional surprise. We can be disturbed but never bored; or as someone once said, 'alert but not alarmed'. I shall end this review by saying that the papers forming part of this work raise many relevant and interesting issues and the book as a whole represents an important contribution to the literature in this developing area of taxation law.

Dale Pinto

³ Michael Kirby, *Through the World's Eye* (2000).

⁴ Robin Woellner and Lee Burns, 'International Information Flows – The Tax Implications' (1989) 6 *Australian Tax Forum* 143, 200.