**PREFACE TO THE PRINCIPLES OF TAXATION LAW**

While tax and tax administration may not be front and centre in the minds of all Australians at all times, the impact of the application of the tax laws is significant for most of us and highly impactful for some. In reality, "Tax Time" is often the only time people actively engage with the tax system. This means that while most taxpayers know when to comply with the tax laws fewer will know the basis on which their tax is assessed and administered.

For students looking to understand the workings of tax law, its application, its administration and its oversight, this book provides easily accessible and practical information and examples to take you through all forms of tax administered across Australia at federal and state level. The contents will guide you through the nuances of the Australian tax system, the case law as well as preparing you for tax law exams with some helpful study notes.

There are many aspects of tax administration, but ultimately it leads to collection of the revenue necessary to fund critical public services. It underpins the social contract that we, as individuals, have with government. Government trusts that most people will voluntarily comply with the tax laws and taxpayers trust that those laws will be administered fairly.

The ability to collect taxes from the population is one of the Government's key constitutional powers and the Commissioner of Taxation has considerable powers to achieve that end on behalf of the Parliament. However, how the Commissioner uses those powers must be carefully considered, balancing the need to maintain the trust of the community that tax is administered fairly and consistently (and at reasonable cost) while also collecting the tax required to pay for our public services. There are nuances in how that balance is struck, having regard to both the Commissioner's statutory obligations and their discretionary powers

As the Inspector-General of Taxation and Taxation Ombudsman, I see cases where the administration fails to meet expectations, either at an individual level or at system level. Quite often how tax has been administered creates as many disputes as the "how much". In a system as large and complex as the tax system, mistakes are inevitable – by everyone in the system, not just the tax office. The challenge is less about eliminating mistakes, but rather that mistakes are identified and remediated as quickly as possible.

In the last year and, I expect, in the years ahead, collection of undisputed debt has been and will be the top priority for the Australian Tax Office (ATO), impacting millions of individuals and businesses. This brings into focus what fairness in tax looks like, where consistency is a key component of good administration. But in a system as large and complex as the Australian tax system, there will always be exceptions. How the tax laws

deal with such exceptions and how they are administered contributes to the strength of community confidence. Proportional action (and empathy and respect within service delivery) is important to promote fairness and confidence, not only to the individual taxpayer who is the subject of the action but more broadly to the community at large.

Students reading this book are encouraged to understand how taxation laws, rulings and precedents are used to determine the right amount of collectable tax and also the rights that those laws confer on the taxpayer to challenge decisions of the Commissioner and avenues to object or complain about a decision or assessment. Taxation law and regulatory frameworks continue to change, and understanding the core structures and principles of the system will help you navigate that change into the future.

I commend the authors for their ongoing commitment to and passion for sharing their knowledge and understanding of the tax system and I welcome the book's focus on oversight, administration and the importance of professional standards and integrity within the tax system. I hope it will serve you well not just for exams but in future practice.