



Australian Government  
Inspector-General of Taxation  
Taxation Ombudsman

**IGoT**  
**News**

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## Update from the Inspector-General and Taxation Ombudsman



Happy New Year and welcome to 2020!

In this IGoT News, we summarise some new developments for 2020, our activities and what to expect in Quarter 3 (Q3) of FY20.

## Tax Assistance for those affected by the recent Bushfires 2019-20

While many of us have had the opportunity to spend the holiday period with loved ones and enjoyed a well-deserved break, our thoughts are with those who have, and continue to experience very difficult times and losses as a result of the devastating bushfires.

There are a number of different support services working to aid affected communities. Support is also available in relation to the tax affairs of those affected by the bushfires.

The ATO has published information and contact details for those affected and the types of assistance that may be offered. Access to this information is available on the ATO website. These assistance actions include:

- give you extra time to pay your debt or lodge tax forms such as activity statements
- help you find your lost tax file number (TFN) by using methods to verify your identity such as your date of birth, address and bank account details
- re-issue income tax returns, activity statements and notices of assessment
- help you re-construct tax records that are lost or damaged

- fast track any refunds owed
- set up a payment plan tailored to your individual circumstances including interest-free period
- remit penalties or interest charged during the time you have been affected.

Taxpayers in need of assistance may call the ATO on 1800 806 218. Services and assistance are also available to:

- taxpayers who prefer to speak to the ATO in a language other than English through the Telephone and Interpreter Service (13 14 50);
- Aboriginal and Torres Strait Islander people through the Indigenous Helpline (13 10 30); and
- taxpayers who have difficulty hearing or speaking through the [National Relay Service](#).

Full details on how the ATO can assist are available on its [website](#).

Any taxpayers who have difficulty engaging with the ATO are more than welcome to contact the IGTO on 1300 44 88 29 or through our [online complaints form](#).

## Update on IGTO Activities and What to expect in Q3 of FY20

### January 2020

We resumed our complaints handling service to progress cases on-hand at the end of 2019 and those that were lodged through our online complaints form over the holiday period.

We have worked with Dr John Bevacqua of Monash University to provide a response to the Observatory on the Protection of Taxpayers' Rights (OPTR) annual survey. This survey marks the third time our office has participated in this work, which draws together responses from a range of jurisdictions on their performance against the OPTR's best practice standards. The results of 2018's survey are available on the [OPTR website](#).

The Inspector General of Taxation presented by video conference at the Australian Tax Teachers Conference in Hobart.

We continue to share our knowledge and experience with our counterpart ombudsmen services through ongoing discussion groups as a member of the Australia and New Zealand Ombudsman Association.

### February 2020

The Senate Economics Legislation Committee's inquiry into the performance of the Inspector-General of Taxation is scheduled to report on 27 February 2020. We await the Committee's recommendations on ways in which we can enhance our service delivery to assist members of the community to navigate the tax system and resolve any complaints that may arise.

The Inspector-General of Taxation will present at the 2020 Financial Services Taxation Conference of The Tax Institute in Melbourne

The Inspector-General of Taxation together with our Director of Complaints will deliver a presentation at the University of New South Wales to students in the tax unit of its Master of Laws program.

## March 2020

We expect to finalise two reports which were launched in October 2019:

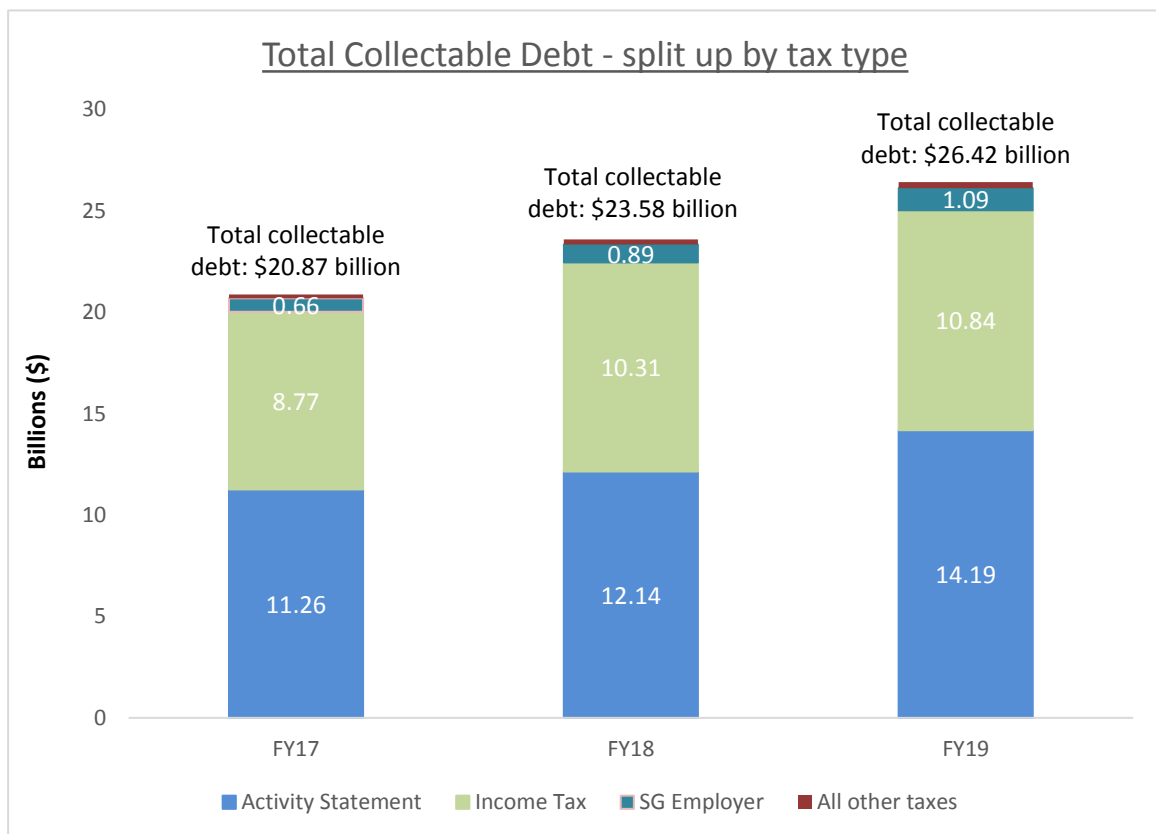
- An investigation and exploration of undisputed tax debts in Australia
- Death and Taxes: An investigation into ATO systems and processes for dealing with deceased estates

We are continuing to engage with the ATO to progress both reviews.

## Reviews update

### An investigation and exploration of undisputed tax debts in Australia

We have commenced our analysis of the large volume of data on undisputed tax debts (referred to as collectable tax debts by the ATO) to identify heat spots and potential areas that may warrant further investigation. This analysis will cover figures provided at a global level, which show that undisputed debts have continued to grow both at a headline level and within each of the major components as set out below.



We will be analysing information to explain the growth in undisputed debt by market segment, industry groups, heads of tax (including primary tax, interest and penalties) and geographical location. We believe this will enable a more in depth and holistic examination of activities and areas that may be contributing to increasing levels of collectable debt.

As part of this process, we are engaging with the ATO at all levels to understand their data and to identify other sources of information that may shed further light on the issue. As we progress further into the review, we aim to provide more fulsome updates leading up to the release of the final report.

## Death and Taxes: An investigation into ATO systems and processes for dealing with deceased estates

We have engaged with a range of external stakeholders including legal and tax practitioners, public officials and individuals who have been appointed executors or administrators to understand their experience in dealing with the ATO on matters relating to deceased estates. Based on our early discussions, it appears that a large proportion of taxpayers who die do not leave behind complex affairs or estates and for these taxpayers, we are exploring ways in which the compliance burden for executors and administrators may be reduced entirely. For others, the concerns and issues which have been raised with our office are currently being examined to identify potential improvement opportunities which may reduce red tape and compliance costs. The range of issues raised with us in this review and are the subject of investigation include:

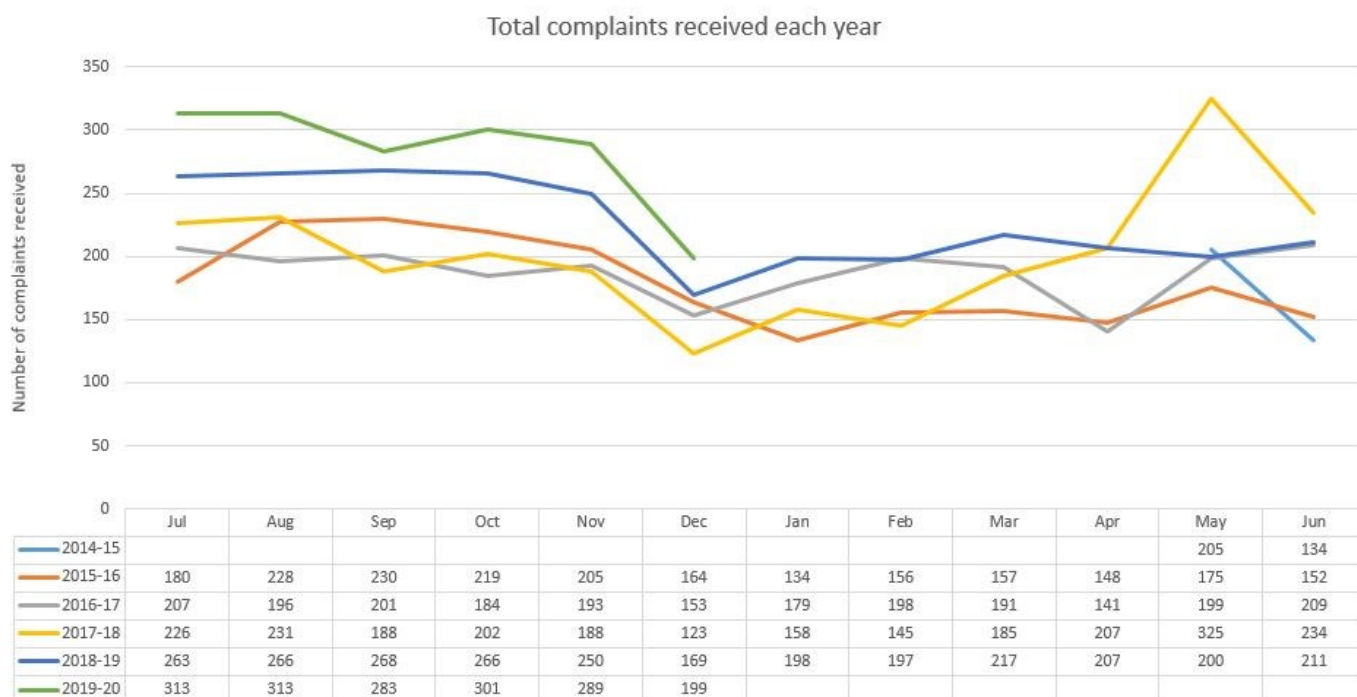
- engagement difficulties and information access concerns arising from the ATO not providing information to a 'representative' of the deceased taxpayer unless and until there has been a court grant of probate or letters of administration. In some cases neither probate nor letters of administration are required by succession laws. Accordingly we are exploring what authority is necessary for the ATO to provide and receive the deceased taxpayer's information;
- the need to apply for a new TFN (for a trust) and lodge a trust tax return to secure refunds of franking credits after death;
- complex tax compliance arising from obligations for executors/administrators to lodge two types of returns for a deceased person (date of death return and deceased estate trust returns) and the complexities associated with trust tax law;
- difficulties in tax agents accessing information of the deceased taxpayer;
- confusion regarding the need to lodge prior years' returns for a deceased taxpayer – including situations when they are below the tax free threshold;
- whether ATO guidance and advice for deceased estates is 'fit for purpose'; and
- delay in registering the death of the taxpayer following notification.

We are continuing to engage with the ATO's subject-matter experts throughout the review process and aim to finalise the review and release the report early in the year.

We also note that on 13 January 2020 the ATO issued *Taxation Administration (Remedial Power - Disclosure of Protected Information by Taxation Officers) Determination 2020*. This determination modifies the operation of certain tax secrecy rules in Division 355 of Schedule 1 to the *Taxation Administration Act 1953*. The modification ensures that a taxation officer can disclose protected information of a deceased person to the registered tax agent, BAS agent, or legal practitioner of an executor or administrator of the deceased estate. The determination will take effect once the period for its disallowance (as set out in section 42 of the *Legislation Act 2003*) has passed.

## Q2 Complaints Handling Service Report

We continue to see a general upward trend in the number of complaints received year on year.



In the Q2 of FY20, we received 789 complaints, a 15.2% increase over the same period last year (685 cases). The majority of complainants, both individuals and small businesses were self-represented (87%) while 13% of all complainants were represented. 31 complaints were lodged anonymously and representation status could not be determined.

Stakeholders	Number	Percentage
Self-represented individuals	516	68%
Represented individuals	76	10%
Self-represented organisations	138	18%
Represented organisations	26	3%
Other (Self-represented)	2	< 1%
<b>TOTAL</b>	<b>758</b>	<b>100%</b>

Represented complainants (102 in total) were mainly represented by family or friends (55.9%) and accountants or tax practitioners (26.5%). Legal practitioners represented almost 12% of all represented complainants in this quarter.

Representative	Number	Percentage
Family/Friends	57	55.9%
Accountant/Tax Practitioner	27	26.5%
Lawyer	12	11.8%
Company representative	1	0.9%
Other	5	4.9%
<b>TOTAL</b>	<b>102</b>	<b>100%</b>

The top 5 issues that were the subject of complaints to the IGTO remained consistent with Q1. Debt collection issues continue to be the subject of the most complaints received in Q2 (27%). However, unlike Q1, complaints about payments to the taxpayer (20%) exceeded those relating to lodgement and processing (18%). Similarly, in this quarter, there was a higher incidence of complaints relating to the ATO’s audit and review activities (7%) when compared with communications issues (6%).

Issue	Number	Percentage
Debt collection	210	27%
Payments to the taxpayer	162	20%
Lodgement and processing	139	18%
Audit and review	59	7%
Communications	52	6%

## Stay in touch

We value your feedback, so please stay in touch. You can contact me directly at any time using the details below. You can also keep up to date with the IGTO’s activities via our website or follow us on [Facebook](#), [Twitter](#) or [LinkedIn](#).

Kind Regards  
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*The Inspector-General of Taxation and Taxation Ombudsman acknowledges the traditional owners and their ongoing cultural connection to Country, throughout Australia. We pay our respects to their Elders past, present and future.*