



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

Inspector-General of Taxation and Taxation Ombudsman (IGTO) Register of Potential Review Topics

This Register identifies potential topics for IGTO review investigation as identified and suggested by various stakeholders, our taxation complaints service and other sources. The Register is current as at April 2020 and will be updated periodically as required. Additions to the Register will be notified via updates in our regular Newsletter – IGoT News.

The IGTO welcomes comments, feedback and suggestions from interested parties, including tax professionals and members of the public, on these and other potential topics for IGTO review investigation.

Background

The IGTO conducts investigations of tax administration systems and laws with the objective of improving the administration of the tax system for the benefit of all taxpayers, tax practitioners and other entities. Areas for review are selected based on available resources, other priorities (including complaint investigation priorities), the feedback and concerns raised by the community and opportunities to improve the tax administration system for the benefit of the community.

Potential review topics for investigation are identified from our engagement with stakeholders, themes raised in complaint cases and representations made to the IGTO's office, as well as other sources.

Reviews selected from these potential topics are also commenced following consultation with stakeholders which may include tax professionals and their representative bodies and government bodies such as the Australian National Audit Office, Commonwealth Ombudsman, Australian Taxation Office (ATO) and Tax Practitioners Board (TPB). We also engage with Parliamentary committees and relevant Ministers (especially the Treasurer, Assistant Treasurer and Minister for Superannuation and Financial Services) as appropriate.

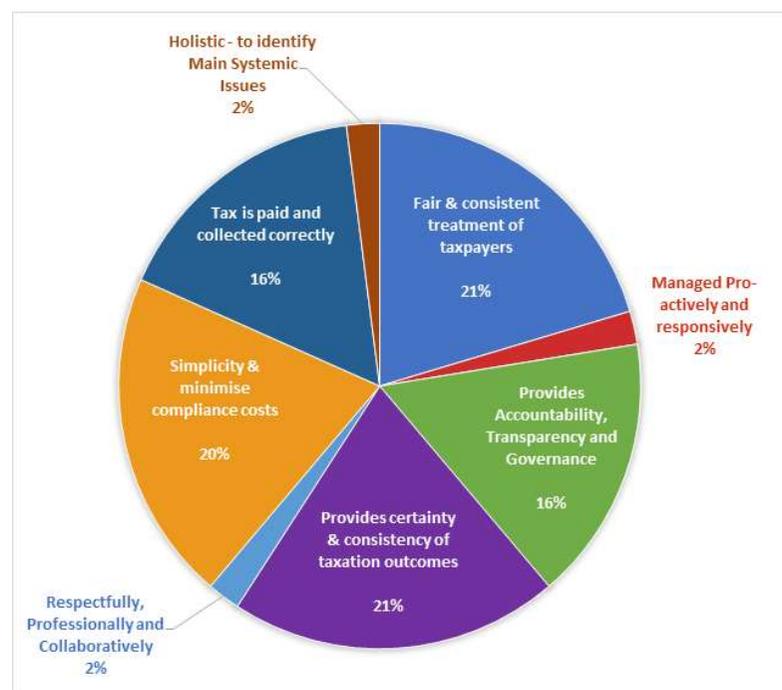
Please note that the Register does not reflect a formal or proposed work program – given the resource requirements that would be needed to investigate the complete list. However, in the interests of transparency and consistent with the Recommendations made by the House of Representatives Standing Committee on Tax and Revenue [see [External Scrutiny of the Australian Taxation Office](#) (April 2016)], we wanted to let the community know what issues have been suggested to us or identified by us and therefore are potential topics for future IGTO reviews.

Please let us know if you have any other suggestions or comments on the Register, including the topics as listed or any issues that you may wish to raise with us in seeking to improve the administration of the taxation system. All feedback and comments will remain confidential but may assist the IGTO in selecting priority areas for review.

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Our review work aims to improve the administration of the taxation system and assure and ensure tax administration aligns with community expectations. Our understanding of the community's expectations with respect to the features of good tax administration is outlined on our website - click [here](#).

The chart below provides a breakdown of our completed reviews (*as at April 2020*) and the features of good tax administration which they had investigated.



Topic 2020-1

Area of Tax Administration suggested for IGTO investigation	The role of outsourcing in the transformation of the ATO's performance and culture		
Tax Administration Feature(s) to be improved	Managed Proactively and responsively, Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other (HoR Tax and Revenue Committee)
Description	<p>The House of Representatives Standing Committee on Tax and Revenue has recommended the IGTO should conduct a review of the role of outsourcing in the transformation of the ATO's performance and culture (See Inquiry into the 2017 Annual Report of the Australian Taxation Office, Recommendation 1). Such a review could include a costs versus benefits review of outsourcing in terms of the Reinvention of the ATO's service culture in particular, and consider:</p> <ul style="list-style-type: none"> • the effectiveness of measures for assessment of the value and risks in terms of the Reinvention of the ATO's service culture; • adherence to ATO values in provision of advice, such as required under the Taxpayers' Charter, and for staffing standards, including staff diversity, training and conditions for outsourced staff; and • the appropriate balance of ATO permanent versus contract staff and adequacy of resourcing under a self-assessment system. 		
IGTO Comments	IGTO to clarify the scope of this review with the House of Representatives Tax and Revenue Committee		

Topic 2020-2

Area of Tax Administration suggested for IGTO investigation	ATO pre-filling of income tax returns		
Tax Administration Feature(s) to be improved	Tax is paid and collected correctly		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO uses third party reported information to pre-fill income tax returns to assist taxpayers to correctly report required information - for example, interest reported by financial institutions. In some complaint cases, the IGTO has observed that the tax assessments in these cases were incorrect as the data that the ATO has used for prefilling these returns was not complete. It was also observed that taxpayers and their representatives in these cases may not have been made aware that their reported income was amended due to this third party data and may not have been afforded opportunity to understand the basis for the ATO’s amendments.</p> <p>A potential IGTO review into this issue could examine how the ATO assures itself of the accuracy of the data provided by third parties, how it reconciles that data where it differs from information reported by taxpayers and the opportunities it affords taxpayers and their representatives to understand the basis for any amendments.</p>		
IGTO Comments	<p>Consider if this should be part of a review about data reliability and onus of proof. Aspects of pre-filling were previously considered in the IGTO’s review into the ATO’s use of Data Matching.</p>		

Topic 2020-3

<p>Area of Tax Administration suggested for IGTO investigation</p>	<p>Taxation administration for unitised trusts - practical ATO administrative solutions for tax collection to ensure the overall compliance costs otherwise outweigh the benefits (tax collected)</p>		
<p>Tax Administration Feature(s) to be improved</p>	<p>Simplicity and minimise compliance costs</p>		
<p>Source of Suggestion:</p>	<p>Stakeholders</p>	<p>Complaint Investigations</p>	<p>Other</p>
<p>Description</p>	<p>In certain situations, the administrative and compliance costs in complying with the “letter” of the tax law can be disproportionately larger than the revenue in question - for example, a unit trust fund’s mistake that would require thousands of taxpayers to amend their income tax returns resulting in a very small amount of tax payable. Stakeholders have raised concerns regarding the ATO’s willingness to explore mutually-agreeable revenue-neutral options for resolution in such circumstances.</p> <p>A potential IGTO review into this issue could examine whether the ATO has authority to explore outcomes which address the risks to revenue and minimise the administrative and compliance costs as well the pathways through which taxpayers may engage the ATO to exercise this authority.</p>		
<p>IGTO Comments</p>	<p>The IGTO is interested to understand how widespread the issue is for managed investment trusts.</p>		

Topic 2020-4

Area of Tax Administration suggested for IGTO investigation	Tax laws relying on specific expert opinion to evidence compliance		
Tax Administration Feature(s) to be improved	Simplicity and minimise compliance costs		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>Compliance with a substantial number of tax law provisions rely upon expert opinion in support of a specific compliance requirement – for example, valuation and transfer pricing. Stakeholders have raised concerns with the compliance costs and uncertainty that flows from using such concepts in the drafting of tax laws.</p> <p>A potential IGTO review into this issue could identify the main tax laws which ultimately rely on expert opinion to evidence compliance and identify any resulting practical compliance problems. In addition, the review could explore the consequences which may arise from reliance on expert opinion.</p>		
IGTO Comments	The IGTO could build on observations and recommendations in previous reviews – especially Transfer Pricing and Valuations .		

Topic 2020-5

Area of Tax Administration suggested for IGTO investigation	ATO use of MyGov communications		
Tax Administration Feature(s) to be improved	Provides certainty & consistency of tax outcomes		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO is increasingly using the Government’s “MyGov” portal to send important communications to taxpayers. Some tax practitioners have raised concerns that their clients lose confidence in their representatives where the ATO has not made practitioners aware of correspondence sent to their clients via the MyGov portal. This can result in difficulties for practitioners delivering services to their clients.</p> <p>A potential IGTO review into this issue could examine the types of correspondence sent via the MyGov portal, how the ATO makes their representatives aware of such correspondence and the resulting consequences where it does not.</p>		
IGTO Comments			

Topic 2020-6

Area of Tax Administration suggested for IGTO investigation	Management of objections		
Tax Administration Feature(s) to be improved	Respectfully, professionally and collaboratively, Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The tax laws provide for internal review of ATO assessments (called “objection decisions”) before an appeal for external review can be lodged in the Administrative Appeals Tribunal (AAT) or the Federal Court of Australia. Stakeholders have raised concerns that there may be opportunity to improve the ATO objection process as approximately 84% of tax appeals lodged in the AAT are resolved by taxpayers and the ATO before they are heard by the AAT. The timeliness of the process is also a point of concern raised by stakeholders.</p> <p>A potential IGTO review into this issue could examine how the ATO resources and structures its objection function and how it assures itself that both the ATO and taxpayers have common understanding of the strengths and weaknesses of each other’s case as well as the related scheduling and time management of those processes.</p>		
IGTO Comments	The IGTO previously examined the ATO’s management of objections in 2009.		

Topic 2020-7

Area of Tax Administration suggested for IGTO investigation	ATO record management and communication systems and retrieval functionality		
Tax Administration Feature(s) to be improved	Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO provides staff with a range of systems to record and document interactions and events. Stakeholders have questioned whether the ATO provides all records in response to taxpayer FOI requests. Stakeholders suggest that this action can have adverse impacts - withholding of relevant information can impact taxpayer outcomes and confidence in the tax system. Also, both the Freedom of Information (FOI) Act and Privacy Acts provide taxpayers with rights of access to certain records and information.</p> <p>A potential IGTO review could identify the ATO record management and communication systems that record taxpayer related interactions and events as well as the ease with which such records can be retrieved.</p>		
IGTO Comments	Appears to relate (in part) to Topic 2020-10		

Topic 2020-8

Area of Tax Administration suggested for IGTO investigation	ATO fraud and/or evasion opinions		
Tax Administration Feature(s) to be improved	Simplicity and minimise compliance costs; Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The tax laws allow the ATO to extend the standard periods of ATO review of tax assessments (generally 2-4 years) where the Commissioner forms an opinion that the taxpayer has engaged in fraud and/or evasion. The AAT or Federal Court cannot review the merits of such an opinion.</p> <p>Stakeholders have raised concerns that such opinions impose significant compliance and evidentiary requirements on taxpayers who bear the burden of proof in a dispute to amended assessments that have been raised outside the standard periods of review. The IGTO has also made similar observations in older complaint cases.</p> <p>A potential IGTO review of this issue could examine how the ATO assures itself of the robustness of such an opinion, including the evidentiary basis, and how the ATO affords taxpayers the opportunity to understand the case against them and provide relevant information before opinions are formally reached.</p>		
IGTO Comments	Potentially consider as part of a review of the burden of proof requirements under the taxation administration system.		

Topic 2020-9

Area of Tax Administration suggested for IGTO investigation	ATO in-house facilitation		
Tax Administration Feature(s) to be improved	Simplicity and minimise compliance costs; Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>In line with a recommendation from the IGTO’s 2012 review into the ATO’s of Alternative Dispute Resolution, the ATO offers a mediation process for less complex cases where an impartial ATO facilitator aims to resolve issues in dispute. Some taxpayer representatives have raised concerns regarding the relationship that some facilitators have with ATO case officers as well as their (facilitator’s) inability to escalate matters where they disagree with ATO case officer decisions.</p> <p>A potential IGTO review of this issue could examine how the ATO assures itself of the independence of its in-house facilitators as well as the means by which disagreements can be appropriately escalated and resolved.</p>		
IGTO Comments	<p>The in-house facilitation program was instituted in line with Recommendation 3.6 in the IGTO’s 2012 review into the ATO’s use of early and alternative dispute resolution. Independence issues also arise in Topic 2020-10.</p>		

Topic 2020-10

Area of Tax Administration suggested for IGTO investigation	ATO Conflict of Interest (COI) policies		
Tax Administration Feature(s) to be improved	Provides Accountability, Transparency and Governance; Respectfully professionally and collaboratively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO’s COI policies aim to minimise bias in ATO decision making by promoting transparency of ATO officers’ personal interests and requiring appropriate management of cases where those interests could impugn or be perceived to impugn officers’ decisions. Stakeholders have recently raised concerns that, in certain situations, taxpayers may not receive the best ATO decision as the COI policies may prevent the most knowledgeable and experienced ATO officer providing input. The IGTO has not conducted a review of this particular concern, although it had conducted a review of such policies in 2018 with respect to their use in fraud control measures.</p> <p>A potential IGTO review into this issue could examine whether the ATO’s COI policies appropriately balance the need for unbiased decision making with ensuring that those decisions appropriately draw from the best available knowledge and experience.</p>		
IGTO Comments	Consider if conflict issues should be considered as part of ATO independence. See also Topic 2020-9.		

Topic 2020-11

Area of Tax Administration suggested for IGTO investigation	Funding arrangements for Tax Practitioners Board (TPB)		
Tax Administration Feature(s) to be improved	Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The TPB's funding is provided by the ATO as a result of negotiation between the Commissioner and the Chair of the TPB. Unlike other bodies, the Government does not provide a separate appropriation for the TPB. Stakeholders have raised concerns that such a funding arrangement may impact on the TPB's ability to achieve its outcomes.</p> <p>A potential IGTO review of the issue could examine the history of such funding arrangements and their appropriateness for the current administrative environment.</p>		
IGTO Comments	<p>There is a current review into the TPB by the Treasury which may consider this issue. Accordingly, the IGTO will await the outcome of Treasury's review before commencing any review into this issue.</p>		

Topic 2020-12

Area of Tax Administration suggested for IGTO investigation	Influencing Willing Participation in the Tax and Superannuation Systems		
Tax Administration Feature(s) to be improved	Managed Pro-actively and responsively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other - ATO
Description	<p>During the IGTO’s 2017 work program development, the Commissioner asked the IGTO to identify strategies and opportunities for the ATO to work with others to encourage willing participation in the tax and superannuation systems.</p> <p>It was noted that new taxpayer entrants into the tax system are often amongst the most vulnerable and strategies to support and encourage their early participation and compliance will likely yield significant benefits for them and the community.</p> <p>A potential IGTO review of this issue could focus on youth and high school programs as well as strategies to engage with new arrivals to Australia.</p>		
IGTO Comments	IGTO to consider stakeholder perspectives regarding the priority of this review.		

Topic 2020-13

Area of Tax Administration suggested for IGTO investigation	ATO audit/assessment/objection procedures when there is a change in trustee		
Tax Administration Feature(s) to be improved	Respectfully, Professionally and collaboratively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO's procedures (outlined in the PS LA 2012/2) state that the trustee of the trust at the end of the income year in which a debt arose is liable for that particular debt. However, the ATO's procedure is to audit and send assessments to the trust itself as opposed to the trustee. In some complaint cases, the IGTO has observed that when there is a change of trustee, the prior trustee may be unaware of ATO decisions and communications because the ATO will engage with (including any audit process) and send assessments to the new trustee only.</p> <p>A potential IGTO review of this issue could examine how the ATO assures itself that trustees are afforded opportunities to be heard on matters that affect them, including where liabilities that are attributed to them and opportunities to dispute those liabilities.</p>		
IGTO Comments			

Topic 2020-14

<p>Area of Tax Administration suggested for IGTO investigation</p>	<p>Security of tax practitioners’ electronic communications of sensitive taxpayer information</p>		
<p>Tax Administration Feature(s) to be improved</p>	<p>Holistic – to identify main systemic issues</p>		
<p>Source of Suggestion:</p>	<p>Stakeholders</p>	<p>Complaint Investigations</p>	<p>Other</p>
<p>Description</p>	<p>A recent IGTO complaint indicated that tax practitioners may breach TFN laws (the <i>Privacy (Tax File Number) Rule 2015</i>) by including TFNs in emails to their clients (for example, by forwarding to clients any ATO correspondence which includes their TFN, such as notices of assessment). As a result, concerns were raised by stakeholders regarding tax practitioners’ administrative costs to redact TFN details as well as tax practitioner difficulty in obtaining practical guidance from relevant government departments to assist them comply with the relevant law.</p> <p>A potential IGTO review could explore opportunities to provide practical guidance to the tax practitioner community based on input from tax practitioners and their representative bodies as well as software providers, the Information Commissioner, Australian Signals Directorate, ATO and TPB.</p>		
<p>IGTO Comments</p>	<p>Tax Practitioners and professionals are essential to the efficient function of the Australian taxation system. They provide support to all taxpayers, including more vulnerable individuals and small businesses. The IGTO has conducted two previous reviews in relation to the role of tax practitioners but has not investigated the impact of tax secrecy and confidentiality provisions.</p>		

Topic 2020-15

Area of Tax Administration suggested for IGTO investigation	ATO Superannuation Guarantee (SG) audits		
Tax Administration Feature(s) to be improved	Fair treatment of taxpayers		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO has responsibility to audit employers' compliance with SG obligations and may do so when an employee notifies the ATO that their employer may not have complied with SG obligations. The tax laws do not allow employees to recover SG liabilities directly, only the ATO is empowered to do so.</p> <p>In some IGTO complaint cases, the IGTO has observed that employees may be prevented from recovering their SG entitlements where the ATO does not appropriately check or test the accuracy of information provided by employers during SG audits.</p> <p>A potential IGTO review could examine how the ATO tests employer-provided information when it conflicts with employee-provided information as well as opportunities afforded to employees to provide input and the ease with which employees may access compensation where ATO mistakes are identified.</p>		
IGTO Comments	<p>The <i>Taxation Administration Act 1953</i> was amended in 2019 to expand the ATO's ability to disclose information to an employee regarding a real or suspected failure by their current or former employer to comply with their SG obligations. The new legislation may assist the ATO to test employer-provided information when it conflicts with employee-provided information.</p> <p>SG audits were examined in the IGTO's Review into the ATO's employer obligations compliance activities. The review examined the ATO's information sources and recommended a greater reliance on proactive measures to detect SG non-compliance. The review did not examine in detail how the ATO tests information,</p>		

Area of Tax Administration suggested for IGTO investigation	ATO Superannuation Guarantee (SG) audits
	opportunities afforded to employees to provide input and the ease with which employees may access compensation.

Topic 2020-16

Area of Tax Administration suggested for IGTO investigation	ATO's use of contractors		
Tax Administration Feature(s) to be improved	Managed pro-actively and responsively, Respectfully, Professionally and Collaboratively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO engages contractors to assist with a range of activities, including call centre peak-periods. In some complaint cases, complainants have raised concerns regarding services provided by ATO contractors.</p> <p>A potential IGTO review of this issue could include the level of training provided to contractors, the security measures taken as well as how the ATO assures itself of the consistency of complaints services delivered through contractors' – such as information provision, consistency of decision making, professionalism, integrity and service standards.</p>		
IGTO Comments	Review may be undertaken in conjunction with Topic 2020-1.		

Topic 2020-17

Area of Tax Administration suggested for IGTO investigation	Compassionate release of superannuation		
Tax Administration Feature(s) to be improved	Provides Accountability, Transparency and Governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>From 1 July 2018, the ATO has been responsible for deciding whether individuals can gain early access to their superannuation on compassionate grounds. In some IGTO complaint cases, the IGTO has observed varying quality and timeliness of ATO decisions as well as inconsistent clarity in communicating the grounds on which these decisions are made.</p> <p>A potential IGTO review of this issue could examine how the ATO assures itself that, in initial decisions, sufficient reasons are provided, the legislative definitions are being appropriately applied and alternative grounds for compassionate release are being considered.</p>		
IGTO Comments	<p>This suggestion was raised prior to the introduction of COVID-19 responses, which include the early release of superannuation funds. IGTO will monitor taxation complaints for any increase in related complaints. The IGTO is also interested in any stakeholder feedback in formulating terms for reference.</p>		

Topic 2020-18

Area of Tax Administration suggested for IGTO investigation	ATO delays in finalising objection decisions		
Tax Administration Feature(s) to be improved	Managed Pro-actively and responsively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>A few years ago, the ATO’s service standard to finalise objection applications was 56 days in the majority of cases. However, there is currently no such standard or service commitment for timeframes in dealing with objections. In some IGTO complaints, the IGTO has observed that extended timeframes taken by the ATO to allocate, progress and finalise objection applications.</p> <p>A potential IGTO review of this issue could examine how the ATO resources its objection function, its internal expectations regarding timeliness, taxpayer engagement, quality and sustainability of decisions as well as how it assures itself that such expectations are being met.</p>		
IGTO Comments	Review may be undertaken in conjunction with Topic 2020-6.		

Topic 2020-19

Area of Tax Administration suggested for IGTO investigation	ATO record keeping on its use of debt collection powers		
Tax Administration Feature(s) to be improved	Respectfully, Professionally and Collaboratively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO has significant powers to actively recover tax debts, including garnishees and director penalty notices. The ATO has issued instructions to staff regarding the matters which need to be taken into account when exercising those powers. In some IGTO complaints, the IGTO has observed varying quality of the ATO’s documentation of reasons for exercising those powers, particularly in complex debt recovery cases.</p> <p>A potential IGTO review of this issue could include the adequacy of relevant instructions to debt recovery staff, how the ATO assures itself that staff comply with these instructions and the appropriateness of staff recordkeeping of their debt recovery decisions.</p>		
IGTO Comments	<p>The ATO’s management of taxpayer debts is vital to effective operation of our taxation and superannuation systems. Our current review regarding Undisputed Collectable Tax Debts, while deferred due to the COVID-19 priority measures requiring implementation, was primarily undertaken to better understand the facts and reporting of debt and improved transparency in this context. It was anticipated that future more targeted reviews would be undertaken into the ATO’s management of debt. This potential review into record keeping on its use of debt collection could be one such targeted review.</p>		

Topic 2020-20

Area of Tax Administration suggested for IGTO investigation	ATO promotion of MyTax		
Tax Administration Feature(s) to be improved	Tax is paid and collected correctly		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>MyTax is a free income tax return platform offered by the ATO to taxpayers. Some tax practitioners have raised concerns that the ATO may be attempting to persuade their clients to lodge via MyTax as a preferred return lodgement method. That is, without the assistance of their tax adviser. Concerns have been raised about the accuracy of information reported by taxpayers via this method.</p> <p>An IGTO review of this issue could examine the ATO’s promotion of MyTax and messaging regarding registered tax practitioners as well as the how the ATO assures itself of the accuracy of information reported and relied upon by taxpayers in using MyTax.</p>		
IGTO Comments	Review may be undertaken in conjunction with Topic 2020-5		

Topic 2020-21

Area of Tax Administration suggested for IGTO investigation	ATO administration of Research & Development		
Tax Administration Feature(s) to be improved	Provides certainty and consistency of taxation outcomes		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other (IGTO 2017 Work Program)
Description	Stakeholders raised concerns about interactions between the ATO and AusIndustry regarding the ATO’s testing of eligibility for Research & Development (R&D) Tax Incentive claims where the taxpayer believed that AusIndustry had, at least, tacitly approved such eligibility in the past.		
IGTO Comments	The IGTO notes that recent reviews of the R&D Tax Incentive have been completed. A potential review of this issue could examine the relevant actions of the ATO, but not that of AusIndustry – consistent with the <i>Inspector General of Taxation Act 2003</i> .		

Topic 2020-22

Area of Tax Administration suggested for IGTO investigation	ATO Advice and Guidance		
Tax Administration Feature(s) to be improved	Provides certainty and consistency of taxation outcomes		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other (IGTO 2017 Work Program)
Description	<p>Stakeholders have raised concerns about the declining trend in the ATO providing binding advice in favour of guidance which offers a lower level of protection to taxpayers. As a result, there may now be less certainty and increased risk for taxpayers.</p> <p>A potential IGTO review of this issue could examine the trend in numbers of public rulings and ATO use of practical compliance guidelines and other guidance products. It could also examine how the ATO provides certainty on integrity-related issues, for example how the ATO ensures that Taxpayer Alerts are followed up with subsequent ATO guidance or action as well as the ATO's willingness to issue private rulings on certain issues.</p> <p>The timeliness and management of the private ruling applications by the ATO is also highly relevant. Elongated time frames and delay in process leave the taxpayer exposed where that arises due to ATO management.</p>		
IGTO Comments	Advice and guidance from the ATO as the system administrator is crucial in a self-assessment system where the primary legal obligations and risk rest with the taxpayer.		

Topic 2020-23

Area of Tax Administration suggested for IGTO investigation	ATO re-raised debts		
Tax Administration Feature(s) to be improved	Respectfully, Professionally and Collaboratively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO may consider certain debts are ‘uneconomical to pursue’ and communicate that the debt has been ‘written off’, but then later re-raise a debt when a taxpayer would otherwise be due a refund. In some complaints, the IGTO has observed some variance in the application of the ATO's 'initial' and 'exclusion' checks when deciding whether to re-raise a debt as well as varying expectations regarding the retention of records where written off debts are more than 5 years old.</p> <p>A potential IGTO review of this issue could examine the effectiveness of ATO communications regarding written off debts as well the related ATO policies.</p>		
IGTO Comments	<p>This topic was examined in the Commonwealth Ombudsman’s 2009 report, Re-raising written off tax debts. Significant time has elapsed since that report and the IGTO continues to receive complaints about this topic. Our current review regarding Undisputed Collectable Tax Debts, while deferred due to the COVID-19 priority measures requiring implementation, was primarily undertaken to better understand the facts and reporting of debt and improved transparency in this context. It was anticipated that future more targeted reviews would be undertaken into the ATO’s management of debt. This review topic could be one such targeted review.</p>		

Topic 2020-24

Area of Tax Administration suggested for IGTO investigation	ATO apologies		
Tax Administration Feature(s) to be improved	Respectfully, Professionally and Collaboratively		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The Commonwealth and NSW Ombudsmen have issued guidelines of the elements needed for effective apologies. In some IGTO complaint cases, the IGTO has observed that further complaints and dissatisfaction have been generated as a result of ineffective apologies being provided by ATO officers.</p> <p>A potential IGTO review of this issue could examine how the ATO supports its staff in providing effective apologies and monitors officer effectiveness in doing so.</p>		
IGTO Comments	A review of this nature may be helpful in transparently debunking certain myths while also promoting positive aspects about apologies more generally.		

Topic 2020-25

Area of Tax Administration suggested for IGTO investigation	Administration of the Self-Managed Superannuation Fund (SMSF) Supervisory Levy		
Tax Administration Feature(s) to be improved	Provides Accountability, transparency and governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>SMSFs are required to pay an annual levy to the ATO of \$259 to cover the costs for the ATO to educate SMSFs and to regulate the sector to ensure compliance with superannuation laws. There are presently approximately 1.1 million SMSFs in Australia, equating to almost \$300 million in Levy funds being paid to the ATO annually.</p> <p>Stakeholders have suggested that given the large amount of money that is paid to the ATO for this purpose, a review could be conducted to identify whether there are opportunities to improve how the ATO uses the Levy to provide education and services to the SMSF industry.</p>		
IGTO Comments			

Topic 2020-26

Area of Tax Administration suggested for IGTO investigation	Litigation management including test case funding		
Tax Administration Feature(s) to be improved	Provides accountability, transparency and governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The ATO has a responsibility as the administrator to undertake appropriate litigation where it considers taxpayer compliance actions are contrary to law and where the consequences are sufficient to warrant resourcing. The ATO also has a strategic litigation program to support the development of law through the courts where it meets this objective. As part of this program there is a test case litigation facility that provides for taxpayer funding support.</p> <p>Certain stakeholders have raised concern that the ATO is not undertaking sufficient litigation nor managing the other aspects of the strategic litigation program as fairly and effectively in developing the law as it should.</p>		
IGTO Comments	<p>The IGTO has considered aspects of the program in a review context, several years ago, but certain stakeholder concerns continue to be raised in this general area.</p>		

Topic 2020-27

Area of Tax Administration suggested for IGTO investigation	ATO management of Small business taxpayer disputes, objections and appeals		
Tax Administration Feature(s) to be improved	Provides accountability, transparency and governance		
Source of Suggestion:	Stakeholders	Complaint Investigations	Other
Description	<p>The IGTO receives a wide range of complaints directly from Small Businesses and their tax practitioner representatives, (who are also often small business owners in their own right). The ATO's management of small business taxpayer disputes, objections and appeals are important, given the nature of their administrative powers and capacity in this context. Small business taxpayers often have limited resources at their disposal for the management of disputes with the ATO. Stakeholders including complainants and other bodies have raised concern regarding the ATO's management in this area.</p>		
IGTO Comments	Consider if this review should be conducted as a stand-alone review or as part of Topic 2020-6		