



Australian Government  
Inspector-General of Taxation  
Taxation Ombudsman

# Quarterly Reporting Pack

December 2020

Quarter 2 FY21

# The IGTO Quarterly Reporting Pack provides progressive updates against the latest IGTO Corporate Plan



The IGTO Corporate Plan can be accessed here: [Corporate Plan](#)

# Part 1

## Complaint Investigations

# Case Studies for Q2 FY21

These case studies illustrate how the IGTO has assisted taxpayers that have raised a complaint with us.

## Case Study 1:

An individual taxpayer raised concerns that the ATO had offset his FY20 tax refund towards a prior Pay As You Go Instalment (PAYGI) debt. The taxpayer was informed that they had a previous PAYGI debt that was not being correctly reflected on their taxation account. The taxpayer informed the ATO that they needed their expected refund, otherwise they would have to consider going into bankruptcy. The IGTO commenced an investigation and requested the ATO to consider refunding a portion of the credit given that the taxpayer was previously not made aware of the PAYGI debt by the ATO. The ATO agreed to do so. As a result, the taxpayer received a portion of their expected refund, thereby avoiding bankruptcy.

## Case Study 2:

An individual taxpayer inadvertently overreported assessable income in one of their income tax returns that was lodged in 2014. Due to ongoing health issues and a period of hospitalisation immediately after the lodgement of the tax returns, the taxpayer was not aware of the error until late 2019, when they were notified of a Centrelink debt arising from the income incorrectly reported in their income tax return. The taxpayer contacted the ATO and sought to correct their tax return but was advised that the time limit for amendment of their income tax returns had passed. A family member of the taxpayer then contacted the IGTO for assistance.

The IGTO advised the complainant's representative that while they would not be able to request an amendment to a tax return after the time limit has passed, they may be able to lodge an objection with the ATO and explain in the written objection letter the reason why a late objection was made. PDF copies of ATO public guidance on the objection process and ATO objection form were provided to the representative. Additional information was also provided to the representative regarding certain university-run tax clinics in their capital city that provide free tax assistance to unrepresented taxpayers.

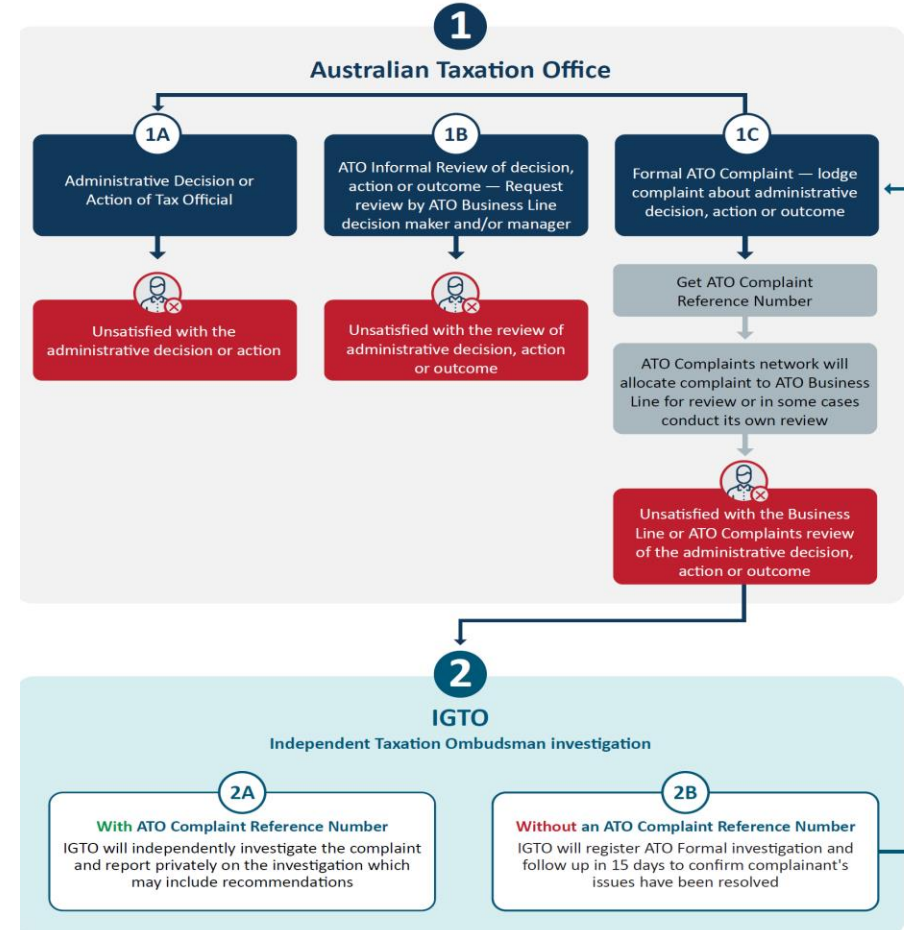
# Making a Complaint - Overview

As the Taxation Ombudsman, we can help investigate taxation complaints about the Australian Taxation Office (ATO) or the Tax Practitioners Board (TPB).

A taxation complaint may be formally investigated and resolved in two stages:

**Stage 1** – the complainant should first try to resolve their concerns directly with the ATO (or TPB) – by lodging a formal complaint.

**Stage 2** – if the complainant remains unsatisfied, they may lodge a taxation complaint with us, the Taxation Ombudsman, for an independent investigation.



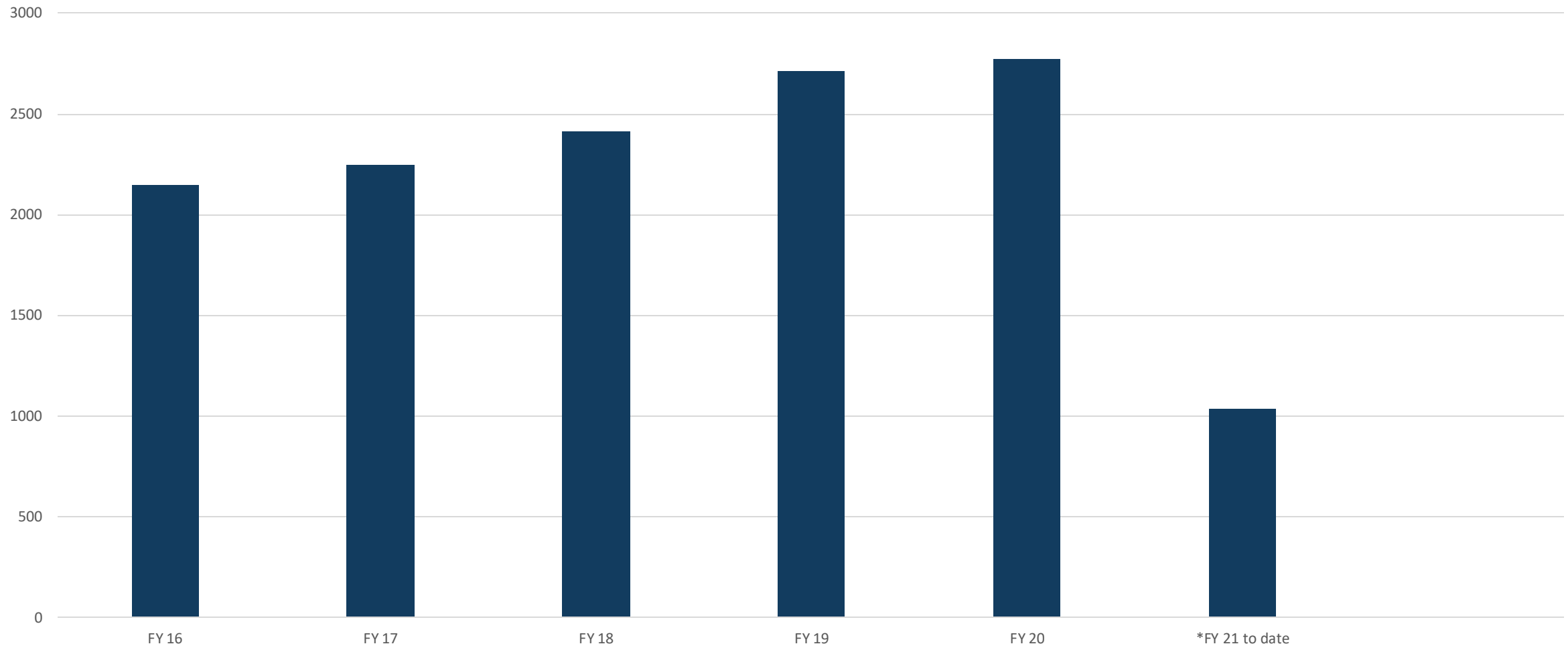
# Complaint categorisations

Definition of a complaint per ISO standards:

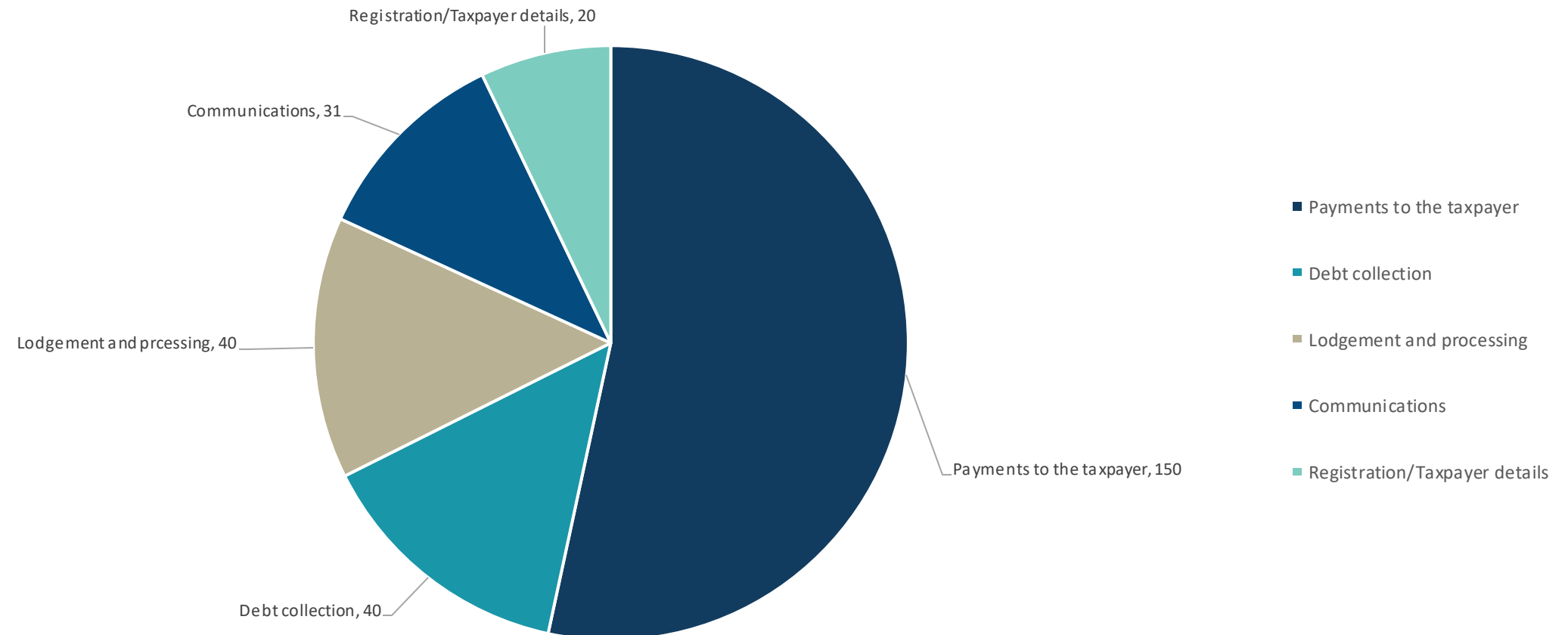
*Any expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.*

Independent Assistance and Assurance	
Category 0	Insufficient information (i.e. the complainant is unable to provide the IGTO with sufficient information to be able to assist)
Category 1	Translation/Navigation (i.e. IGTO helps the complainant to make sense of ATO/TPB explanations, provides independent assurance regarding ATO/TPB actions of concern and/or charts out the options that are open to the complainant)
Category 2	Referral (i.e. IGTO refers complainant's information to most appropriate agency and/or declines to investigate)
Independent Formal Investigation	
Category 3.1	<b>ATO has no record of a previous complaint</b> - IGTO identifies issues requiring formal investigation and options for resolution and requires the matter to be dealt with by an identifiable ATO/TPB officer providing accountability for the management and resolution of the complaint. IGTO also checks the ATO/TPB's handling of the complaint for satisfactory conclusion
Category 3.2	<b>Uncomplicated Cases</b> - IGTO investigates independently, engages with the ATO to verify facts/issues, determines the most appropriate and timely actions, and identifies who will take them for early resolution
Category 3.3	<b>Frequently Raised Issues</b> - IGTO identifies the case as involving a common area of complaint that is capable of being resolved efficiently and effectively through pre-agreed investigation processes
Category 4	<b>Complex Cases</b> - IGTO undertakes deeper inquiry and investigation to surface relevant evidence and determine the most appropriate options for resolution
Category 5	<b>High Complex Cases</b> - IGTO investigates by engaging directly with ATO senior management (SES), and provides ATO senior management with early warning of emerging risks and opportunity to address sensitive issues (by providing early warning of emerging risks)

# Total complaints received each year to date



# Top 5 complaint issues in Quarter 2



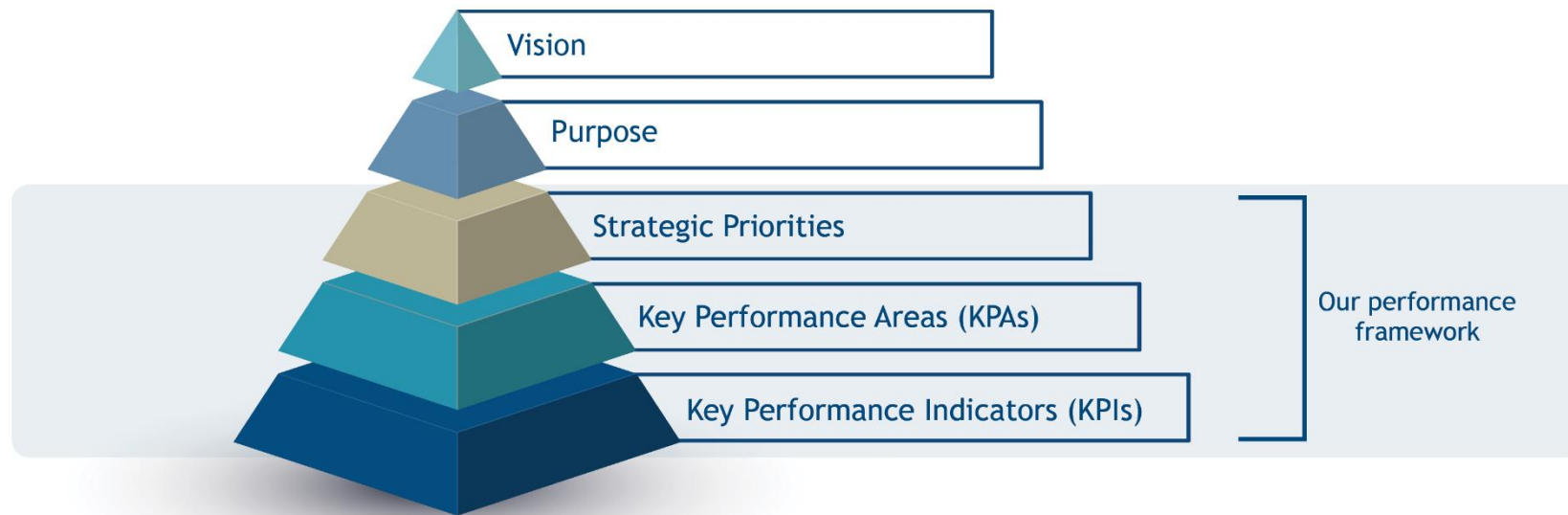


# Part 2






## Key Performance Indicator (KPI) results for Q2, FY21

# Our performance framework



Our performance framework is intended to inform Parliament and other stakeholders of our activities and to ensure we are accountable to the Australian community. It naturally supports our vision and purpose. Our strategic priorities inform our framework and outline the areas we must focus on to meet our objective of improving tax administration for the benefit of the Australian community. Key performance areas (KPA) and indicators (KPIs) assess our performance in achieving these priorities.



# Our strategic priorities

	<b>Communicate clearly and effectively</b>	<p>Clear communication is an important strategic priority for the IGTO. Clear communication is important in all aspects of the delivery of our services to the community:</p> <ul style="list-style-type: none"> <li>• Providing access to information;</li> <li>• understanding issues raised in complaints;</li> <li>• understanding stakeholder issues;</li> <li>• investigating complaints;</li> <li>• understanding and analysing the sources of complaints and misunderstandings;</li> <li>• conducting reviews;</li> <li>• preparing submissions to Parliamentary Committees and Government; and</li> <li>• reporting our key findings and recommendations to the Minister, Government, Parliament, ATO, TPB and ultimately for the community.</li> </ul> <p>Communication is critical and one of the main tasks that we have as complaint handlers is to assist in re-establishing communication between the ATO and taxpayers. This is particularly important in the context of audits and reviews and managing debt compliance – such as arrangements for time for payment.</p>
	<b>Be approachable, contactable and responsive</b>	<p>The success of our delivery of services to the community depends on IGTO being easy to work with, being accessible and responsive in our investigation of complaints and reviews. Whilst responsiveness may necessarily vary with the complexity of the matters investigated – it is a priority for all of our reviews and complaint investigations.</p>
	<b>Improve the skills, expertise and resilience of our people and organisation</b>	<p>Our team needs to have both tax technical skills and the expertise and skills to work with people, sometimes in moments of high stress and anxiety.</p> <p>The complexity of the Australian taxation laws necessitates specialist expertise in taxation to navigate options and make recommendations.</p>
	<b>Independent thought leadership and expertise</b>	<p>IGTO can provide some unique insights on the operation of the taxation administration laws – both domestically and by way of international comparisons. Our thought leadership contribution to the taxation community is another opportunity to contribute to improved taxation administration laws.</p>
	<b>Engage with stakeholders in the tax administration system</b>	<p>Stakeholder engagement is a strategic priority for IGTO – to ensure we stay connected with the tax community. This is critical to allow us to identify priority areas for review, to keep on top of the 'current' experiences in the market and tax community and to promote community awareness of the service we provide and assistance we can deliver.</p>

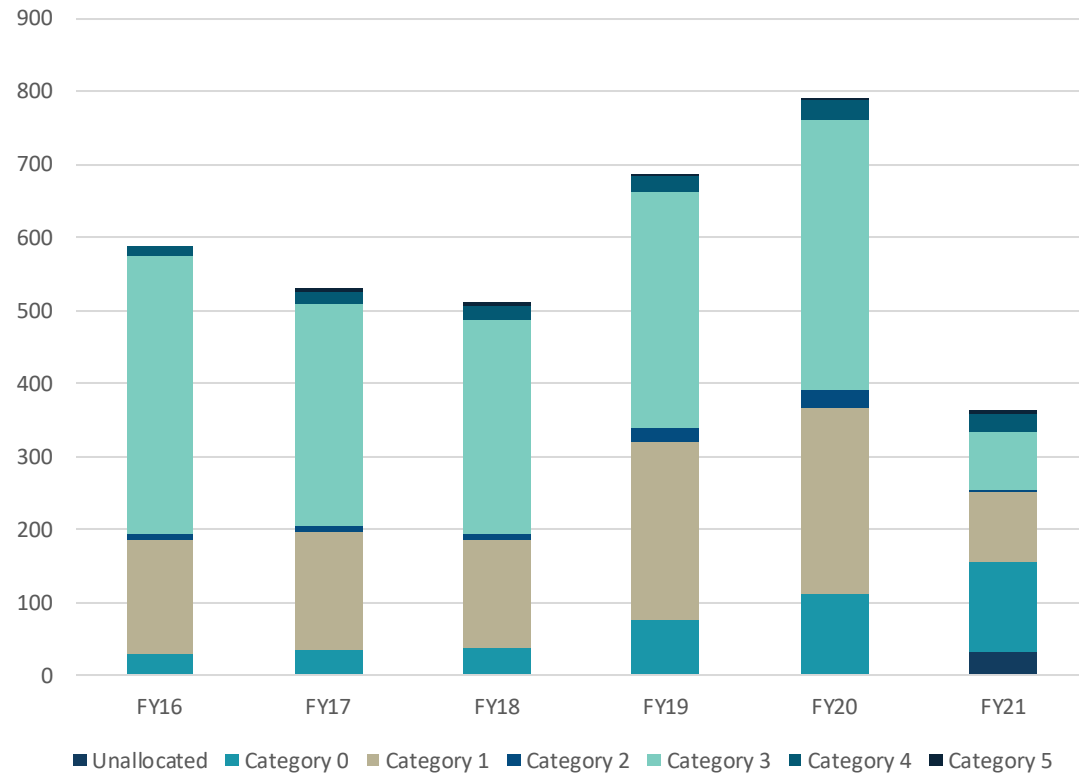
# Key performance areas

<b>KPA 1</b> Provide an independent, efficient and effective tax complaints service for taxpayers	<ul style="list-style-type: none"> <li>• Actively investigate complaints in a fair, independent and timely manner.</li> <li>• Provide understandable reasons for our decisions.</li> <li>• Maintain cooperative relationships with the ATO and TPB.</li> <li>• Identify and share improvement opportunities, internally and also with the ATO and TPB, to support prompt and effective delivery.</li> <li>• Provide targeted training and development to staff in order to maintain a tax specialist complaints team.</li> </ul>	   
<b>KPA 2</b> Identify and investigate priority areas for improved tax administration	<ul style="list-style-type: none"> <li>• Analyse data and feedback obtained from complaints together with consultation with stakeholders to identify broader tax administration issues.</li> <li>• Allocate resources appropriately to priority areas.</li> </ul>	    
<b>KPA 3</b> Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia	<ul style="list-style-type: none"> <li>• Be responsive to the community, including the Government, the ATO and the TPB in making effective recommendations for improving tax administration.</li> <li>• Allocate resources to conduct reviews appropriately.</li> </ul>	   
<b>KPA 4</b> Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally	<ul style="list-style-type: none"> <li>• Engage with the Government, ATO and the TPB to communicate effectively and efficiently on areas of concern.</li> <li>• Foster relations with other government agencies and Ombudsman to ensure tax administration complaints are referred to our office.</li> <li>• Engage with the broader community using a variety of channels.</li> </ul>	    
<b>KPA 5</b> Develop and foster a diverse, engaged and resilient team	<ul style="list-style-type: none"> <li>• Provide a workplace environment in which our staff are supported, engaged and inspired to provide the best service and outcomes.</li> <li>• Develop our specialist capabilities through targeted training and development opportunities.</li> <li>• Ensure our office is made up of diverse people with varied qualifications, skills and experience.</li> </ul>	    

## KPA 1

Provide an independent, efficient and effective tax complaints service for taxpayers

# Total complaints received in Quarter 2 of each Financial Year



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Category 5		5	6	1	1	7
Category 4	13	17	21	20	26	24
Category 3	382	303	293	324	370	80
Category 2	8	9	7	21	24	3
Category 1	155	162	149	242	257	95
Category 0	30	34	37	77	111	123
Unallocated*	-	-	-	-	-	33

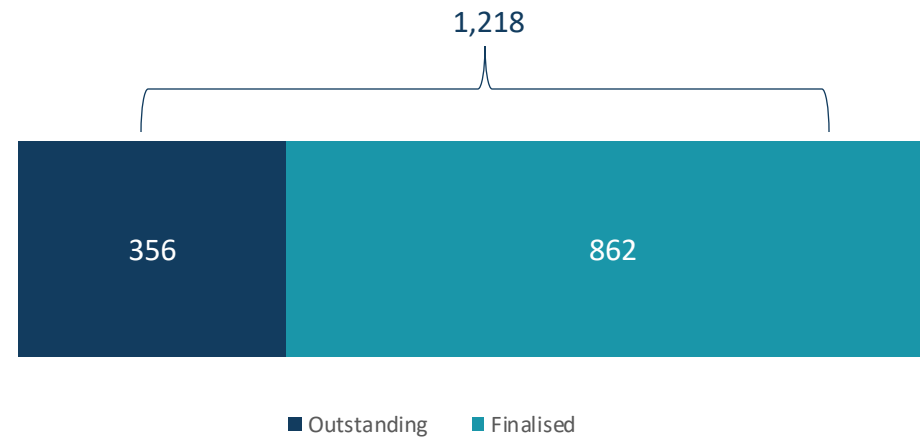
\*Due to the impacts of the COVID-19 pandemic and the increase in demand for our services, the IGTO has implemented a new workforce model to accommodate remote working from home arrangements and also ensure the safety and well-being of our staff. The unallocated number of cases in this quarter reflect cases awaiting allocation to a case officer as at 31 December 2020.

# Percentage of complaint investigations on hand and received that were finalised

The IGTO had a total of 1,218 complaints that were:

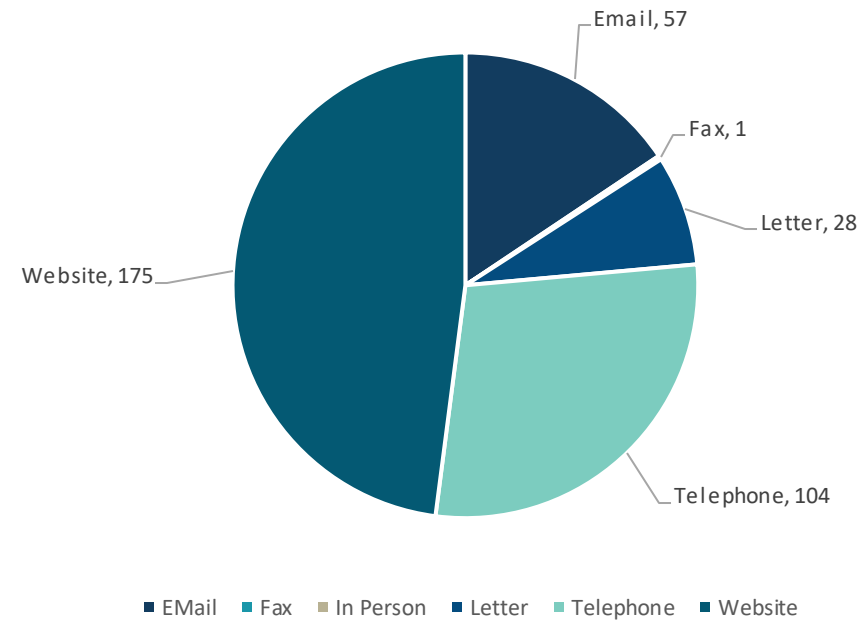
- on hand as at 1 October 2021 (carried forward from the previous quarter)
- received in Quarter 2 of FY21

862/1,218 or 71% were finalised in Quarter 2 of FY21



# Percentage of complaints lodged via dedicated complaints webform or email

Of the 365 complaints lodged during Quarter 2 of FY21, 64% of those complaints were lodged via the complaints webform or email.





## KPA 2 & KPA 3

Identify and investigate priority areas for improved tax administration

Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia

# IGTO Public Reports - investigation reports published and percentage of review investigation recommendations accepted

On 21 December 2020, the IGTO published the results of its complaint investigations in the Australian Taxation Office's administration of JobKeeper and Boosting Cash Flow Payments for new businesses. This report was the first of its kind by the IGTO – that is, the first time the IGTO had published findings from a collection of its complaint investigations. This report was not review investigation,

The key focus of the report is on helping new small businesses (and their advisors) understand ATO eligibility decisions concerning JobKeeper and Boosting Cash Flow Payments and reconnecting them (in some instances) with the ATO.

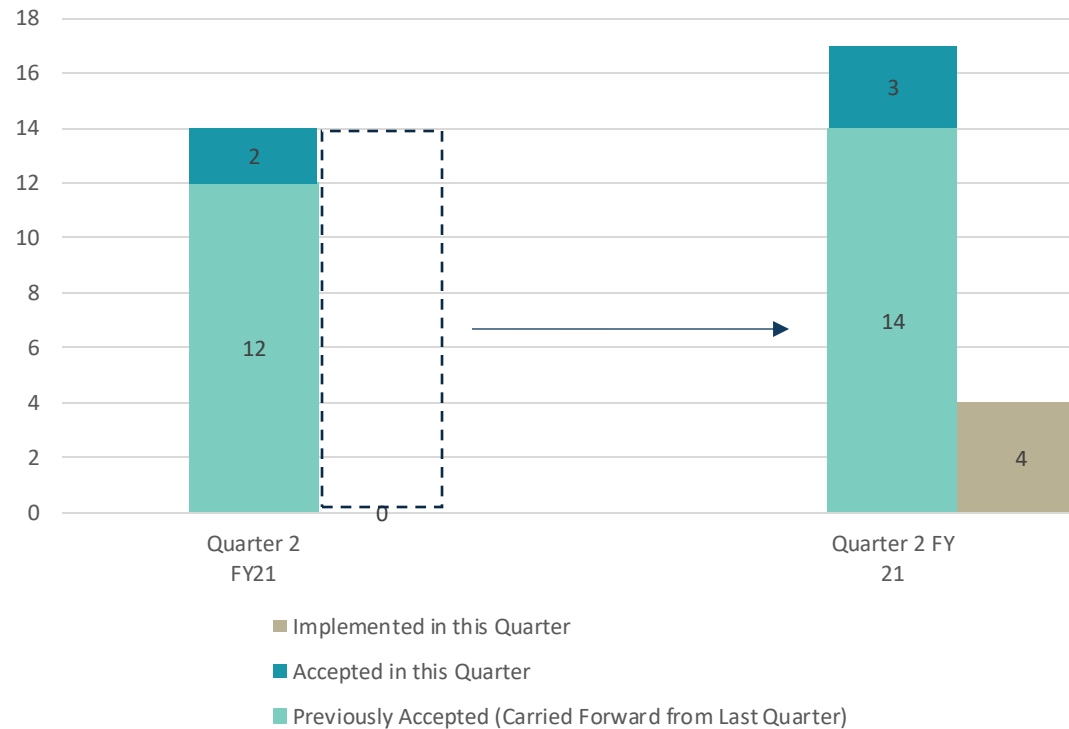
The report also provides some background to the IGTO complaint investigations and some insight into how independent investigation of these complaints improves the tax administration system for the benefit of all taxpayers, tax practitioners and other entities.

Although the report was not a formal Review Investigation report, the IGTO made a number of observations on tax administration system improvement opportunities observed as part of the IGTO complaint investigations and as areas for potential future investigation – that is, as a review investigation. These included:

- Initial ATO compliance activities on new tax laws should afford taxpayers procedural fairness before making adverse decisions, and create opportunities for the ATO to identify needed clarification of its precedential view.
- ATO advice and guidance should be easy to understand, but not risk oversimplification that leads taxpayers and ATO staff into error.
- ATO compliance decisions should help taxpayers understand their options for review.
- Options to expeditiously resolve disputes with the ATO's precedential view of the law should be explored.
- A separation between drafting and interpretation of laws is important to minimise the risk of taxpayer disputes with ATO precedential views.

The full report and the ATO response is available on our website: [IGTO Report on Administration of JobKeeper and Boosting Cash Flow - December 2020](#)

# Number of Agreed Business Improvements from Complaint Investigations accepted and implemented by the ATO or TPB



Accepted in Quarter 1, FY21	Implemented in Quarter 1, FY21	Carried forward to Quarter 2, FY21	Accepted in Quarter 2, FY21	Implemented in Quarter 2, FY21
2	0	14	3	4

# Percentage of responses to Government, Treasury or Parliamentary inquiries that relate to taxation administration where the IGT0 requested to contribute

The following submissions were lodged by the IGT0 on 10 November 2020:

- Submission to the Senate Economic Legislation Committee's Inquiry into the Treasury Laws Amendment (2020 Measures No 4) Bill 2020. The submission is available here: [IGT0 Submission - Treasury Laws Amendment \(2020 Measures No 4\).pdf](#)
- Submission to the Senate Economic Legislation Committee's Inquiry to the Foreign Investment Reform (Protecting Australia's National Security) Bill 2020 and the Foreign Acquisitions and Takeovers Fees Imposition Amendment Bill 2020. The submission is available here: [IGT0 Submission - Foreign Investment Reform Bill.pdf](#)

On 19 November 2020 , the IGT0 provided a response to Questions on Notice from the House of Representatives Standing Committee on Tax and Revenue's Inquiry into the Development of the Australian Corporate Bond Market.

## KPA 4

Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally

## Meetings or Briefings with the ATO and/or TPB on IGTO review investigations or the complaints service

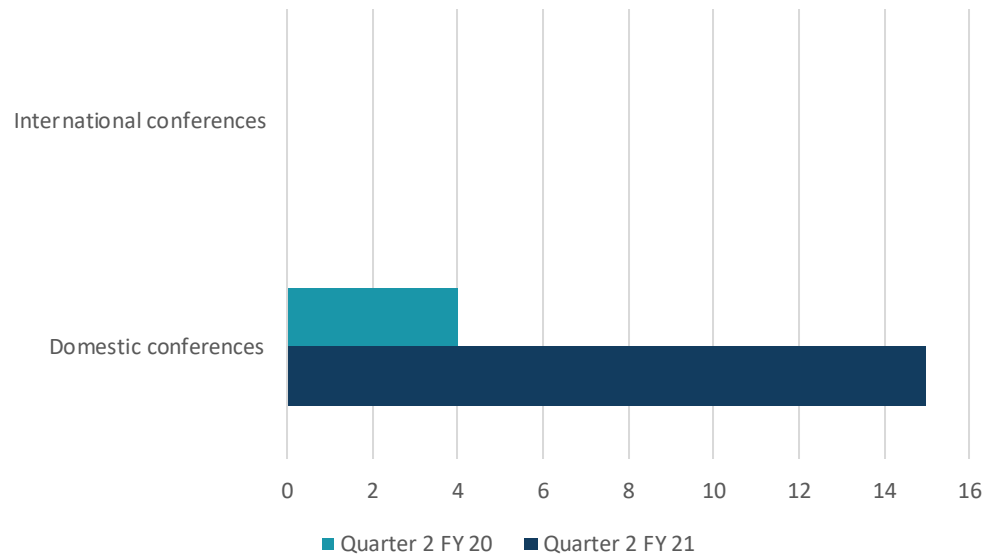


The IGTO attended a total of 26 meetings during Q2, all of which were with the ATO:

21 meetings in relation to the complaints service; and

5 meeting in relation to review investigations.

# Number of domestic and international conferences and forums, stakeholder discussion groups or workshops attended by the IGT0



Examples of conferences attended in Q2 FY21 include:

- The Tax Institute
- ANZOA
- CAANZ
- APSC
- IOI

	Domestic conferences	International conferences
Quarter 2 FY21	15	0
Quarter 2 FY20	4	0

## KPA 5

Develop and foster a diverse, engaged and resilient team



# IGTO Workforce

	Male			Female			
Period	Full Time	Part Time	Sub Total	Full Time	Part Time	Sub Total	Total
Q2 FY21	16	0	16	10	3	13	29
30 June 2020	16	0	16	9	1	10	26
30 June 2019	18	0	18	9	1	10	28
30 June 2018	18	0	18	8	1	9	27

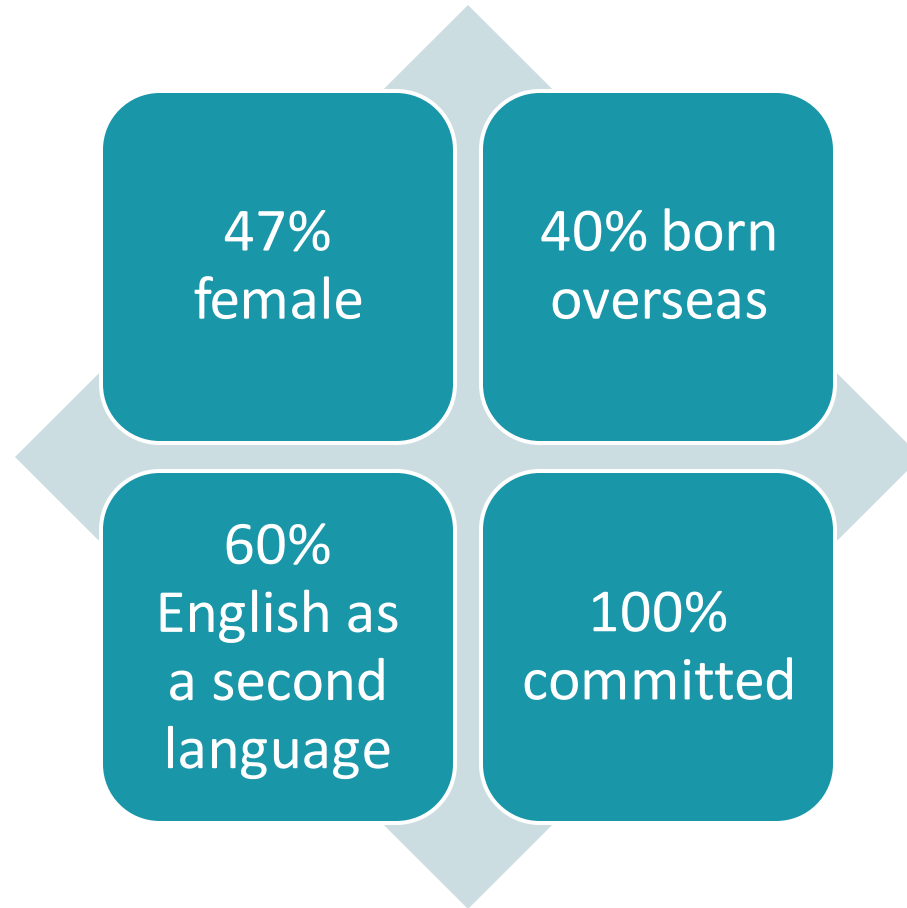
Number of hours in undertaking Learning & Development/training including those that contribute to the continuing professional development (CPD) requirement for the various professional associations



816.25 total hours of  
L&D CPD for all  
employees

27.21 average hours  
of L&D CPD per  
employee across 30  
employees

Monitor diversity in the agency – including the percentage of female and culturally and linguistically diverse (CALD) staff across all levels



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