



Australian Government  
Inspector-General of Taxation  
Taxation Ombudsman

**IGoT**  
**News**

Edition 13 | August 2020



## Update from the Inspector-General and Taxation Ombudsman



This edition of *IGoT News!* sets out some reflections on complaints relating to COVID-19 support measures (JobKeeper, Cashflow Boost and Early Access to Super), some key achievements in FY20 and some forward planning for FY21.

As the COVID-19 pandemic continues to affect the Australian community and businesses, we urge anyone seeking assistance to reach out to the various State and Federal Government agencies that are able to provide support and advice. We provided a list of these organisations in [Edition 12](#) of this newsletter.

We are committed to ensuring the health and wellbeing of our team, supporting the Government's COVID-19 assistance measures and helping all members of the Australian community throughout these difficult and exceptional circumstances.

## Speak with someone who can help to resolve your tax complaint

We also strongly encourage all taxpayers and practitioners, if you have not done so, to reach out to the Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB) in the first instance to try and resolve any concerns or complaints. Importantly, there is a dedicated (formal) complaint area within each agency and raising your concerns through other channels may not result in them being processed or regarded as a formal complaint.

Contact details for the ATO and TPB formal complaint areas are provided below.

- [ATO Complaints](#)
- [TPB Complaints](#)

## IGTO is here to Help

If you remain dissatisfied after contacting the ATO (or TPB), we are here to help. We ask that where possible, you lodge your complaint through our website using our online [complaints form](#). You will receive an immediate acknowledgement that your complaint has been received.

Although our complaints handling call centre continues to operate, we will be operating it as a call back service only from August 2020. This will help to ensure that we are able to allocate resources efficiently and prioritise demand for our assistance. Anyone who is unable to use our online complaints form can contact us on 1300 44 88 29 (1300 IGT TAX) to leave a message. We endeavour to respond to all messages within 3 business days.

## How to recognise a complaint lodged with the ATO, TPB and IGTO

The ATO, TPB and IGTO are independent agencies. Each agency has its own complaints handling processes. It is important to ensure that when you lodge a complaint, that it is through the correct channels and you receive a reference number.

### *ATO Reference Numbers*

When you lodge a formal complaint with the ATO through its dedicated Complaints Unit, you should receive a reference number. The reference numbers from the ATO are approximately 12 digits and typically look like this:

**S/R 1-XXXXXXXXXX**

or simply:

**1-XXXXXXXXXX**

If you are unsure whether you are speaking with the ATO Complaints Unit, you can ask the officer you are speaking to.

### *TPB Reference Numbers*

If you have lodged a formal complaint with the TPB, you should receive a reference number. Examples of reference numbers as they appear on TPB letters are as follows:

**Reference: CN 123456**

**Reference: 123456**

If you are unsure whether you have lodged a complaint with the TPB, you can ask the officer you are speaking to.

### *IGTO Reference Numbers*

When you lodge a complaint through our web form, you should receive a confirmation on-screen that your complaint has been successfully lodged and a specific lodgement ID will be generated. For example:

## IGTO Complaint Form

### **Thank you**

Your complaint has been successfully submitted.

Lodgement ID: r6DKx0KMqadhV

Once we commence an investigation of your complaint, you will also receive a specific complaint reference number from the IGTO that begins with IGT. For example – **IGT/14/00656**.

## **Update on IGTO Activities and What to expect in Q1 of FY21**

### **Presentations and Webinars**

Throughout Q4 FY20 and early FY21, the IGTO has been continuing to engage with professionals through various webinars, discussion groups and forums (with the help of digital platforms):

- The ATO's GST Stewardship Group
- An Institute of Public Accountants Webinar
- The Tax Institute's Death and Taxes Online Symposium
- A webinar with Wolters Kluwer/CCH
- A podcast with Accountants Daily
- A webinar with the NSW Branch of the Society for Trust and Estate Planners
- An IPA Discussion Group

We are happy to continue participating in these forums and engaging with the tax profession to discuss our work, matters affecting the profession and the community and any others of interest. Please feel free to email us at [enquiries@igt.gov.au](mailto:enquiries@igt.gov.au).

## Parliamentary Committees

The IGTO has lodged a number of submissions with Parliamentary Committees. We have been invited to appear (via video conference) at each of these Committees as well. Details of our written submissions and responses to the Committees can be located at the links below:

- Standing Committee on Tax and Revenue's [\*Inquiry into the Tax Treatment of Employee Share Schemes\*](#)
  - Read our [submission](#)
  - Read the [transcript of our testimony](#) to the Committee at a public hearing on 19 June 2020
- Standing Committee on Tax and Revenue's [\*Inquiry into the Development of an Australian Corporate Bond Market\*](#)
  - Read our [submission](#)
- Standing Committee on Tax and Revenue's [\*Inquiry into the Commissioner of Taxation Annual Report 2018-19\*](#)
  - Read our [submission](#)
  - The transcript of our testimony is not yet available, but it will be published on the [Committee website](#) shortly.

## Briefings from the ATO

The IGTO receives briefings and updates from the ATO at all levels and across a number of different forums to ensure that we are aware of emerging issues within the community that may impact the work of either agency. These include meetings between the agency heads (IGTO and Commissioner of Taxation) and discussion forums involving senior executive and executive managers from both agencies.

We also receive specific briefings on key issues, including COVID-19 support measures (JobKeeper, Cashflow Boost and Early Access to Super) and Tax Time 2020 progress.

To date, we have received two briefings on COVID-19 support measures – on 28 May 2020 and 13 July 2020. Where appropriate, the IGTO will request updates and further briefings from the ATO on these issues.

The ATO has provided the IGTO with four briefings on Tax Time 2020 – 16 June 2020, 13 July 2020, 27 July 2020 and 10 August 2020. For the remainder of Tax Time, these briefings will continue to occur monthly and provide updates on the progress of tax return lodgements and refund payments.

## Other work

Q4 FY20 presented a range of different challenges for the IGTO agency. In addition to managing our complaints handling service which has become more critical in the COVID-19 environment and working to finalise our *Death and Taxes* report, we have also worked through a major ICT transition program.

Tax time is typically a busy period for taxpayers, tax professionals and all stakeholders within the tax system. This year in particular, the experience is being shaped by the significant impacts of COVID-19 and our team has been working to ensure we are ready to support the community throughout Tax Time 2020.

We will also be working on our Corporate Plan and Annual Report. However, for the reasons set out above, we expect our Corporate Plan 2021-2024 and our FY20 Annual Report will meet basic reporting requirements only.

## An update on our Reviews

### **A New Review has commenced - An Investigation into the effectiveness of ATO communications of taxpayers' rights to complain, review and appeal**

On 30 June 2020, the IGTO commenced an investigation to confirm how effectively (clearly and completely) the ATO communicates appropriate information to taxpayers and their representatives on taxpayers' rights to review, complain and appeal decisions made and actions taken by the ATO.

The communication of taxpayers' rights is an important feature of procedural fairness and is consistent with the Taxpayers' Charter. These rights and the community's awareness of them are important for maintaining confidence in the fairness of the tax administration system.

### **Have your Say and Share your experiences ...**

You can make a submission to the review team—further details on how to lodge a submission are available on the IGTO [website](#). **Submissions will close on 30 September 2020.**

You can participate in a Short (10 minute) Survey. There are 10 survey questions; 7 regarding ATO written communications and 3 demographic questions.

The survey can be accessed [HERE](#).

You can find a copy of the survey questions for preview [here](#). Please use the above link to respond to the survey.

The purpose of the survey is to understand:

- What information is currently typically provided (or not) to taxpayers and their representatives on their rights to review, complain and appeal decisions made.

- What information should be provided and what is provided?

This will help the IGTO to better direct the investigation into the relevant business lines within the ATO and assist to identify improvements to ATO communications. This includes (for example):

- Whether taxpayers are aware of their formal rights to complain about ATO decisions made;
- What taxpayer rights should be communicated to taxpayers in relation to decisions made;
- Whether reasons for ATO decisions made are adequately communicated;
- Opportunities to improve communications about taxpayer rights

The survey is completely anonymous, with results being collated independently by Orima Research Pty Ltd.

## **A Review has completed - Death and Taxes: An investigation into ATO systems and processes for dealing with deceased estates**

On 7 July 2020, we released the final report – [\*Death and Taxes: An Investigation into ATO systems and procedures for dealing with deceased estates\*](#) – which identified a number of opportunities for the ATO to enhance its dealings with representatives of deceased taxpayers and their estates. The report made 10 recommendations (in 23 parts). The ATO agreed (in whole, in part or in principle) with all the recommendations made except Recommendation 1(b) (which represents a 96% acceptance—a High Distinction!).

Importantly, the ATO also independently progressed a number of improvements since the commencement of the Review on 31 October 2019. In summary these improvements were:

- **13 January 2020/15 May 2020** - Registered tax agents, BAS agents and legal practitioners appointed by a Legal Personal Representative (LPR) with a grant of probate or letters of administration may now engage directly with the ATO on behalf of a deceased taxpayer. The legislative instrument came into effect on 15 May 2020 after the period for its disallowance had passed (as set out in section 42 of the *Legislation Act 2003*).
- **December 2019** – The ATO announced it would release a Deceased Estate Data Package which can be made available to LPRs (after a grant of probate or letters of administration). The **Deceased Estate Data Package** includes the deceased taxpayer’s asset and income information (where it exists), including:
  - individual tax return information for the last three income years;
  - an extract of income and investment data for the last three income years;
  - an extract of notices of assessment issued for the last three income years;
  - a copy of the most recent statement of account;

- any outstanding debts with the ATO;
- any superannuation accounts identified; and
- payroll data received for the current year.

The key themes of the recommendations made in this report were to:

- Simplify and integrate (digital options where possible) notification of death with existing end-of-life processes;
- Provide taxpayers and advisers with better access to ATO information on the outstanding tax affairs for the deceased;
- Simplify tax filing and engagement with the ATO—especially for simple returns and refunds. This includes, for example, improving and clarifying through ATO guidance who may engage with the ATO and any limitations on that engagement—especially in circumstances where there is no need to obtain probate or letters of administration; and
- Develop a dedicated deceased taxpayer team within the ATO to deal with deceased estate enquiries – that is, after consulting with external practitioners with relevant skills and experience.

A key finding of the investigation was that where the representative had not, or had no reason to, obtain probate or letters of administration, their tax compliance obligations and ability to engage with the ATO were less than clear. The ATO accepted that there were opportunities for improvement, particularly in relation to how their officers interacted with representatives of deceased estates where neither probate or letters of administration had been (or needed to be) obtained.

Details of the recommendations and reasons can be found in [our report](#) – refer pages 33 to 42.

## **A Review is on Hold - Investigation and Exploration of Undisputed Tax Debts in Australia**

On 9 April 2020, [we announced the deferral of our investigation into undisputed tax debts in Australia for a number of reasons](#), including the impacts of the COVID-19 pandemic and allowing ATO staff to focus on front-line delivery of the Government's support measures.

The deferral will also allow us to incorporate more up-to-date data for the financial year ended 30 June 2020 and to consider the impacts of matters such as the bushfires and COVID-19 on collectable debts. It is expected that the outstanding debt balances will be higher than in prior years.

We will be receiving a briefing from the ATO in mid-August on these matters, any planned debt work that is forthcoming and any future ATO-resource commitments to ongoing COVID-19 support work that may need to be considered when re-activating this review.

## Suggestions for Potential Reviews

In April 2020, we published a [register of potential reviews](#) which can be located on our website.

The register contains 27 potential topics which have been raised by various stakeholders. In our discussions with stakeholders since April 2020, the following topics have been identified as key priorities:

- 2020-4 - Tax laws relying on specific expert opinion to evidence compliance
- 2020-6 - Management of Objections
- 2020-18 - ATO delays in finalising objection decisions
- 2020-19 - ATO record-keeping on its use of debt collection powers
- 2020-21 - ATO administration of research and development
- 2020-22 - ATO advice and guidance
- 2020-23 - ATO re-raised debts
- 2020-27 - Management of Small Business Disputes, objections and appeals

If you have a suggestion or a view about which of the ideas on the register should be the next priority review for the IGTO, or have suggestions for topics that we should consider adding to the register, please email us at [enquiries@igt.gov.au](mailto:enquiries@igt.gov.au).

## FY20 Complaints Handling Service Report

We have updated our website to include information on complaint categorisation. This will provide some insight on how we group complaints we are investigating and what each category means.

A summary of our Complaint Categories can be found on our [website](#).

- Categories 0, 1 and 2 represent independent assistance and assurance services
- Categories 3, 4 and 5 represent cases where a formal complaint investigation is commenced.

Importantly Category 3 is further divided as follows:

- **Category 3.1 - ATO has no record of a previous complaint** - 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 - Uncomplicated Cases** - 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 - Frequently Raised Issues** - 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 and 5 cases represent **Complex** and **Highly Complex Cases** respectively - IGTO investigates Highly Complex cases 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 (providing early warning of emerging risks)

The IGTO may not delegate her power to make a report under section 15 of the *Ombudsman Act 1976*.<sup>1</sup> Accordingly and necessarily, the IGTO is involved in all complaints which have been classified as Category 5 complaints.

### Covid-19 Support Measure Complaints

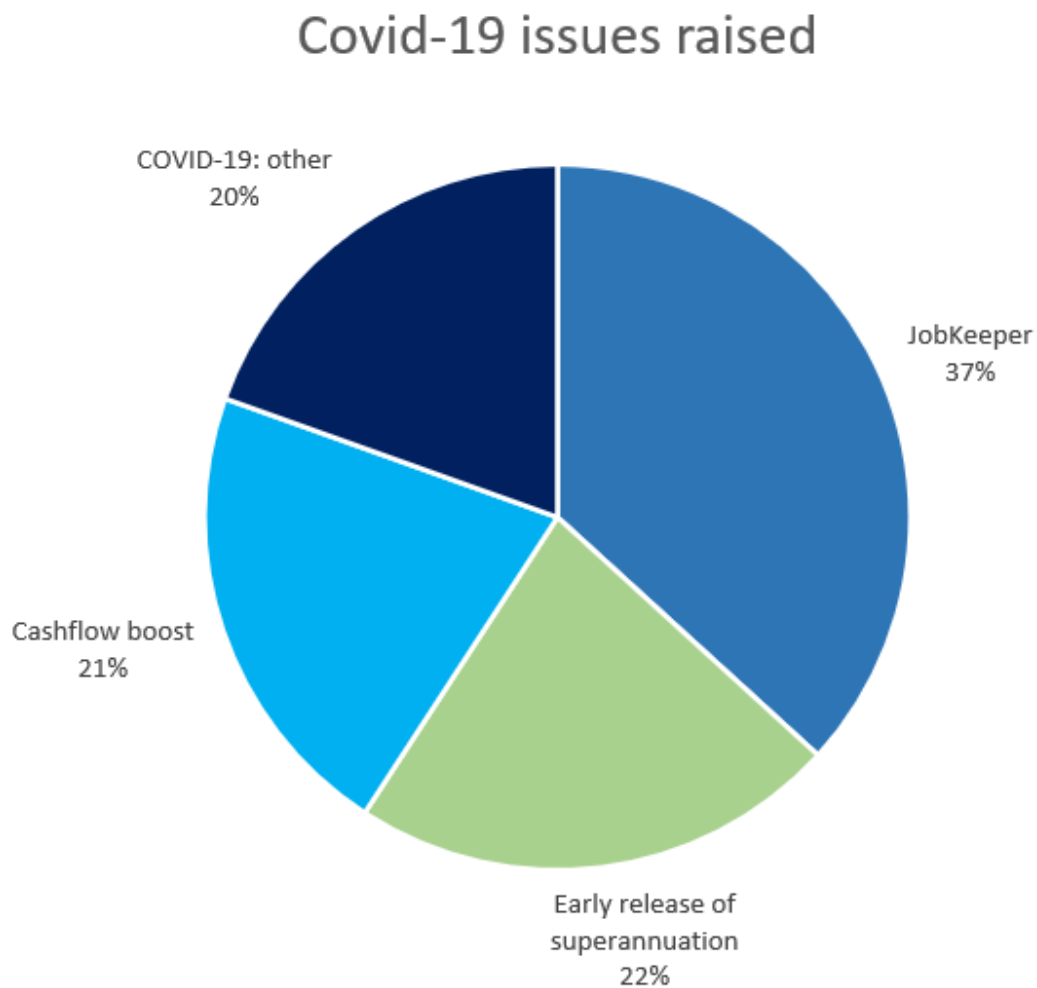
Like many other government agencies around the country, the IGTO is working to assist the community through the exceptional circumstances presented by the COVID-19 pandemic. Our core support has been to receive and process complaints where COVID-19 issues are raised.

As at 22 July 2020, we had received **240 complaints** collectively raising **303 issues** about COVID-19 (some complaints raised more than one issue). The IGTO directly assisted 47% of cases (114/240) and commenced an investigation for 53% of cases (126/240).

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<sup>1</sup> Refer section 42 of the *Inspector-General of Taxation Act 2003*

A breakdown of the COVID-19 issues raised as a proportion of all COVID-19 issues raised is provided in the chart below.

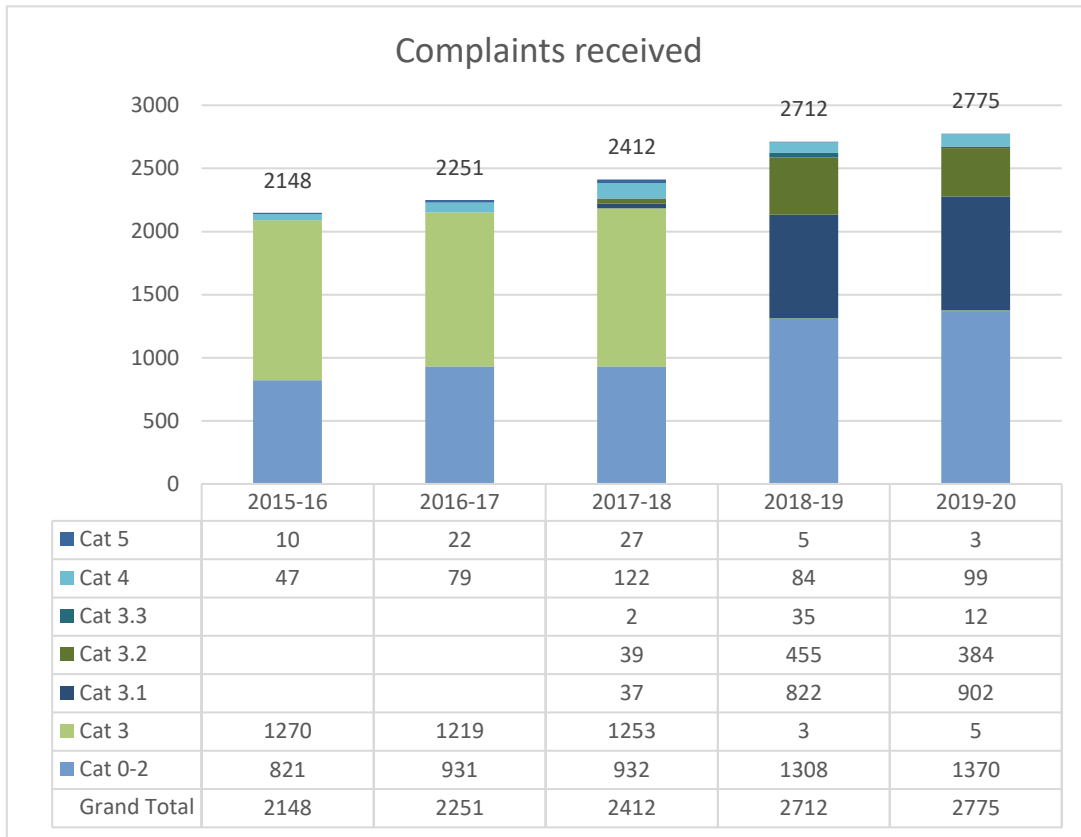


Some of the issues which have been raised with the IGTO through the above complaints include:

- Eligibility for JobKeeper and Cash Flow Boost – including New Businesses and Employees (Casual and Part time workers);
- Delay in ATO payments; and
- Delayed access to recovery measures.

### Looking back on 5 (full) years of complaints

FY20 marked five full years of the IGTO complaints handling service which commenced on 1 May 2015. Looking back at the complaints that we have received, we have set out some interesting numbers in the chart and table below.

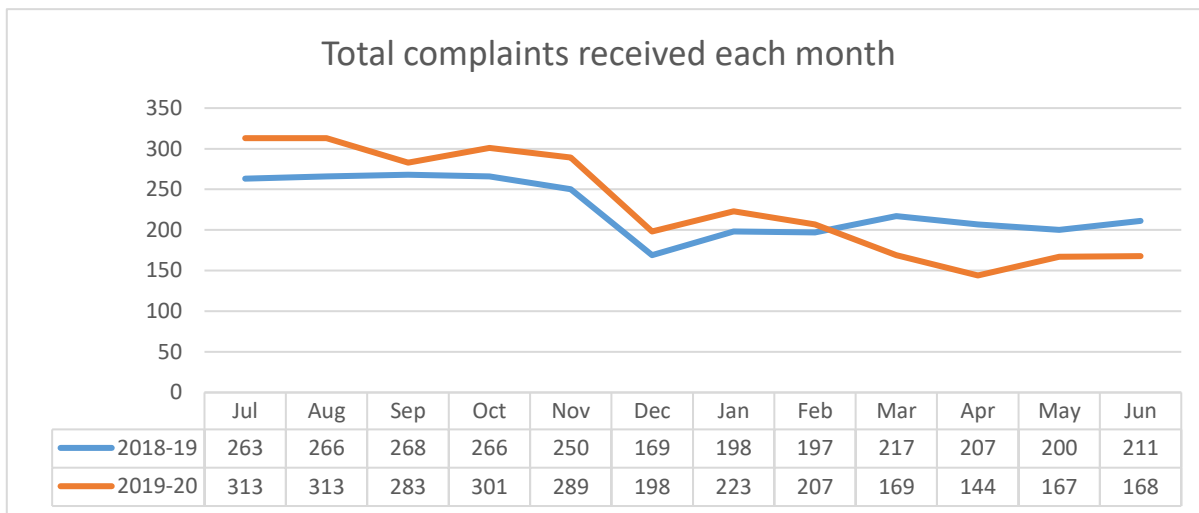


- Demand for our complaints handling service has increased year-on-year.
- Across all complaint categories, there has been a 6.6% increase per annum and an overall increase of 29% across the 5-year period.
- When looking at categories 3-5, there has been a 6% increase across 5 years – this has largely been driven by increases in category 3 and 4 cases.
- When looking at categories 0-2, there has been a 67% increase across 5 years – this has principally been in relation to Category 1. This is where the 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. This is described as the IGTO Translation/Navigation service.

### Observations on FY20 complaints

- In FY20, despite the COVID-19 restrictions, the IGTO still saw an increase in complaints received, with an overall increase of 5% over FY19. A large part of this increase has been driven by category 0-2 cases.

- Prior to the COVID-19 restrictions being implemented in March, complaint receipts were approximately 14% higher than the same period in FY19.



- The drop in complaints post-March 2020 is in part, due to the ATO refocusing its resources away from tax debt collection towards COVID-19 support work. Debt collection and debt issues have historically been the number one complaint issue raised with our office, accounting for 25% of taxation complaints. Complaints about debt collection, reduced by approximately 50% during the COVID-19 period. It is expected that when the ATO resumes debt recovery work that there will likely be a corresponding increase in complaints.

## 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  
Karen Payne

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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.*