



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

**IGOT
News!**

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Greetings from the IGTO

I would like to open by taking this opportunity to thank all of you who have provided support while I have been acting in the role of Inspector-General and Taxation Ombudsman (IGTO) over the last seven months. It has been a real honour and privilege to lead a professional team in providing the Australian community with important services — services that include independent, free tax-specialist help to taxpayer complainants in navigating the tax administration system and in improving confidence in the system. I would also particularly like to thank our team members, both individually and collectively. They have worked consistently and with commitment through this extended period of transition.



Looking back, it is pleasing to see the achievements we realised as a team during this period.

Our innovation and improvement program over this period has significantly enhanced the services we provide, particularly for complainants. Our operations have been optimised and our capabilities for managing complex cases made even stronger. Encouragingly, more recent complainant feedback has confirmed that this program of innovation and improvement is working effectively and delivering increased satisfaction.

Also in response to complainant feedback we are continuing to realise our program to raise broader community awareness of our Taxation Ombudsman service. Facebook has been added to our social media platform to a welcoming response. LinkedIn has been added to further support professionals wishing to connect with us through this channel. We will continue in our efforts to raise awareness, especially among more vulnerable people such as small business owners. Exploring further options will remain a priority for us in the year ahead — so please continue to share your ideas and thoughts on how to improve engagement.

We have also completed our program of reviews, with the public release of our reports of the *Garnishee* and the *Future of the Tax profession* reviews. We are now well-placed to build on both of these reports by providing greater guidance and assistance to the community through 'companion reports' in the coming months.

I would like to now close by looking to the future, with the Government formally announcing the appointment of Ms Karen Payne as the new IGTO. Our office welcomes Karen's appointment and we look forward to working together with her to improve the administration of the tax system for the benefit of all Australians.

Appointment of the new IGTO

The Government has announced the appointment of Ms Karen Payne as the new IGTO. Karen was the inaugural Chief Executive of the Board of Taxation and is a board member of the Australian Reinsurance Pool Corporation. Karen was previously a Partner at Minter Ellison focusing on international and corporate taxes for the financial services industry, mining, energy and utilities sectors. Karen's five-year term commences on 6 May 2019.



IGTO Social Media

The IGTO's social media presence has well and truly taken off. Our [Facebook](#) presence is becoming more widely known, as shown by the distribution and response metric comparatives and the increased complaints awareness we are experiencing directly. [Twitter](#), as our initial foray, continues to provide support for more major report releases.



We launched our [LinkedIn](#) presence and look forward to engaging with all professionals in relation to our work.

One innovation that is generating interest is our 'IGoT vlog' or video-blog. Short video clips of the Acting IGTO (A/g IGTO) and other management team members discussing our recently released reports are located here. This format provides prompt access to the background and main review findings and recommendations. The bite-sized messaging is to provide greater transparency and access for a broader audience that also integrates more effectively with our social media platform channels.

Reviews update

The [Review into the ATO's use of garnishee notices](#) was publicly released in March. This review focused on specific allegations raised in the joint Fairfax/ABC Four Corners investigation which aired in April 2018. The executive summary provides a brief overview including the four recommendations made to the ATO that were agreed in full. The conclusion section provides a more detailed exposition of the findings and recommendations. We encourage you to read the report in its entirety to appreciate the overall circumstances, analysis and recommendations made. We also adopted an innovation by reporting on the Administration and Policy issues separately. The



Administration report is public as noted, while the companion Policy report for Government consideration will be finalised and transmitted to the Minister in the coming months.

Watch the 'vlog' as the A/g IGTO and one of our Directors [discuss the review report](#).

The [Future of the Tax Profession](#) (FOTP) report has also been publicly released. It contains nine recommendations, containing 28 parts (three to the Government, 19 to the ATO and six to the Tax Practitioners Board). We also aim to release a companion report to inform and assist tax practitioners and professionals. We will naturally consult with the major professional associations before its release.

Watch the 'vlog' as the A/g IGTO and our review team [discuss the FOTP review report](#).

The House of Representatives Standing Committee on Tax and Revenue, in February, released its report into the [2017 Annual Report of the ATO](#). The report draws significantly on IGTO reports and comments in formulating its views on the ATO's performance and the 37 recommendations made. One recommendation was made to the IGTO, requesting that a review be undertaken into the role of outsourcing in the transformation of the ATO's performance and culture. We welcome Parliamentary engagement and will naturally consider this request as a priority in relation to our work program and resourcing commitments.

Complaints service

Complaints increased by 25% last quarter, year on year. We have experienced a similar level of increased demand for our services over the past year. This has presented challenges for several reasons and our recent actions to optimise service delivery have certainly helped us to manage these increased loads to date.

We have had to carefully consider our ability to deploy resources to other important service areas, such as our review and reporting work program. Our agency workforce planning system was only commenced as a project late last year. It has already started to deliver powerful insights that have enabled us to make more informed decisions about resource deployment and the relative impact on complainant satisfaction with our service levels.

We also carefully monitor services and feedback from complainants both for management direction and to provide encouragement for our team about the meaningful service they provide to our stakeholders. Some examples of that feedback include:

- *I appreciate that thanks for your help. I'm just really relieved that someone is actually following up for me because I really didn't know what to do at some points;*
- *Thank you for your help, we wouldn't have got it done without you I don't think; and*
- *Thanks very much for your help and also your colleagues help today. It's been great to have someone just reassure me and feel like they are on my side and not trying to mess me around.*



Other reviews in the tax sphere

On 25 February 2019, the [Minister for Finance and the Assistant Treasurer jointly announced](#) the appointment of Mr Robert Cornall AO to lead a review of the Scheme for the

Compensation for Detriment Caused by Defective Administration (the CDDA Scheme) in relation to the ATO and small businesses. The A/g IGTO and Deputy met with Mr Cornall and his team at his request to assist and provide input to the review. In this regard the IGTO's written submission to the review undertaken by the Secretary of the Treasury at the Government's request was available to this review from our website's Freedom of Information webpage, as legally required.



On 5 March 2019, the Government announced an [independent review of the Tax Practitioners Board](#) and the *Tax Agent Services Act 2009* chaired by Mr Keith James and assisted by the Department of the Treasury. The A/g IGTO has met with Mr James and his team to provide our input and assistance to that review.

We look forward to the findings of both reviews in identifying areas for tax administration improvement.

Early dispute intervention support

We directly support the early and effective resolution of all tax disputes with the ATO. We can also provide a first port of call for you if you are unable to resolve your dispute with the ATO about their administrative actions (but not disputes about the amount of your tax liability). As the Taxation Ombudsman, this is a free service we provide.



Our office has assisted over 9,000 taxpayer complaints cases since inception, comprising a broad range of issues raised with us either directly by individuals and small businesses or their representative tax practitioners. We have helped them to make sense of the ATO's actions, re-engage in the process, resolve their concerns and address unfairness more amicably and cost-effectively.

We understand tax issues as we have a dedicated team of taxation specialists with a range of professional qualifications and experience. We also have direct and independent access to the ATO systems – so our team can check, verify and provide assurance regarding the decisions that the ATO has made. If you have a representative tax practitioner, they can help you to work out if and when you should approach us.

The IGTO can assist if the dispute is about the ATO's actions in administering the tax laws — for example, disputes about the facts, misunderstandings or dissatisfaction with how the ATO carried out its actions. In our experience, these issues make up the vast majority of tax disputes areas.

If the dispute is about the technical application of the tax law (and it cannot be resolved through an alternative dispute mechanism, including settlement), then formal appeal to the Administrative Appeals Tribunal (AAT) or Courts may be the only available avenue for independent review. If you are a small business owner in this position, then you should be aware of recent developments which may assist you. From 1 March 2019, the Small Business Taxation Division of the AAT may provide you with an expedited process (see the AAT's new [practice direction](#) and [guide](#) for small business taxation decisions). The Australian Small Business and Family Enterprise Ombudsman's [Tax Concierge Service](#) has also commenced operation. The service provides advice to small businesses on whether review applications to the AAT are the most appropriate avenue for resolution and in some cases also provides limited financial support for legal advice.

Feedback

We welcome your feedback on how we can make our newsletter more informative and interesting for the community, including any features that you would like to see in upcoming editions. Please [email us](#) with your suggestions.