



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

IGoT
News

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Update from the Inspector-General and Taxation Ombudsman

Welcome to the first edition of IGoT News for the financial year ended 30 June 2020 (FY20) and my first edition since commencing as Inspector-General of Taxation and Taxation Ombudsman (IGTO) on 6 May 2019.

I am very honoured and privileged to be appointed as IGTO and grateful for the many messages of support, congratulations and well wishes since the announcement. I also wanted to thank the previous IGTs for the very significant foundations laid:

- Acting IGTO Andrew McLoughlin (6 November 2018 – 5 May 2019),
- Ali Noroozi (6 November 2008 – 5 November 2018) and
- David Vos AM (4 August 2003 – 5 November 2008).



It has been a steep learning curve for me since commencing and I wanted to share some preliminary insights and observations that I hope will be useful.

Clear communication is a core theme for our agency and this applies in many aspects of our work - understanding complainant and stakeholder issues, investigating complaints, understanding the sources of complaints and misunderstandings, conducting reviews and reporting findings and recommendations – to the Minister, Government, Parliament, the Australian Taxation Office (ATO), the Tax Practitioners Board (TPB) and the community.

Our Corporate Plan for FY20 will be available shortly and will include some important key performance indicators to measure the effectiveness of IGTO. We will report regularly on these KPI measures in future newsletters and in our Annual Report. In the interim, I hope this newsletter assists to improve both the community's understanding of what we do, how we can assist and help to identify areas of communication around taxation administration that may be improved.

Some things you may not know about IGTO

The office of Inspector-General of Taxation (**IGT**) was set up as an independent statutory agency in 2003 – following the recommendations of the Board of Taxation.

Taxation Ombudsman functions were transferred to the IGT from the Commonwealth Ombudsman effective from May 2015, a move that received bipartisan support. Accordingly we work collaboratively with the Commonwealth Ombudsman as well as a range of other agencies and organisations in investigating tax complaints and assisting taxpayers to address their concerns.

Our somewhat wordy title is an outcome of this evolution, hence Inspector-General of Taxation and Taxation Ombudsman (IGTO).

IGTO has an important function in the tax system:

1. To improve the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities; and
2. To provide assurance (to individual taxpayers, agencies and the community in general) through investigation, review and reporting that Australian taxation administration laws are operating effectively and consistent with the laws and community expectations.

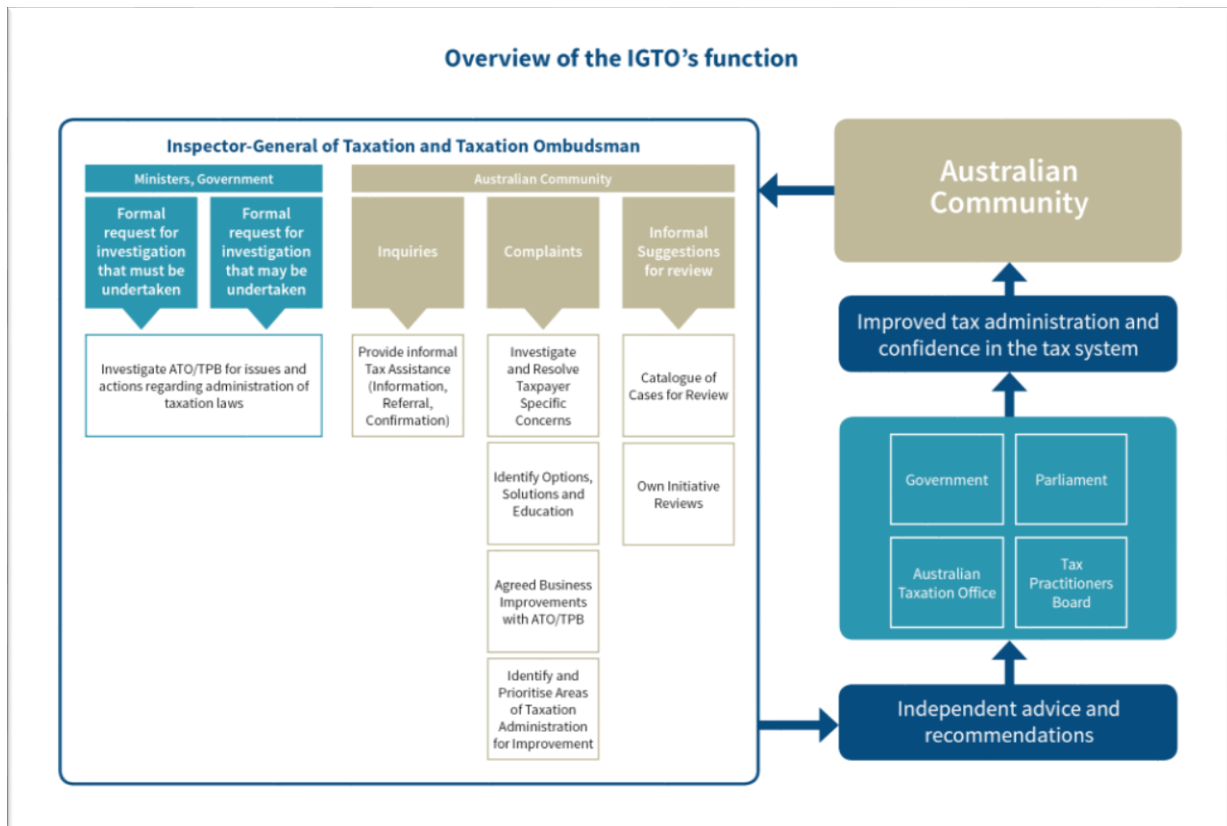
For the purposes of delivering on 1 and 2, we are developing a principled framework through consultation to:

- Understand and describe the community’s expectations of improved administration of taxation laws,
- Assist us to allocate resources to investigations, reviews and submissions,
- Direct and inform the scope of our investigations, reviews and reports, and
- Measure and reflect on our performance.

We will be consulting the community for your feedback and would welcome and value your views. Please subscribe to our website, contact us by email or read our FY20 Corporate Plan and website for further details – this should be available for public comment soon.

The ATO is the principal revenue collection agency for Government with commensurate powers to administer taxation laws. The IGTO provides independent assurance that the ATO’s exercise of these powers is ‘appropriate’ in the circumstances.

The TPB is a national body responsible for the registration and regulation of tax agents, BAS agents and tax (financial) advisers (collectively referred to as 'tax practitioners'). The IGTO again provides independent assurance on the appropriateness of actions by the TPB.



We are a community service that consists of dedicated tax experts. The service is free to ALL taxpayers – unrepresented individuals, tax practitioners, directors and businesses, whether directly or through their representatives.

Our formal qualifications include tax, law, finance, accounting, commerce and economics. Professionally, the majority of the team are members of CAANZ, CPA Australia, the Institute of Public Accountants, the Law Society of New South Wales, the Tax Institute, the Australian Institute of Administrative Law and/or the Australian Institute of Company Directors.

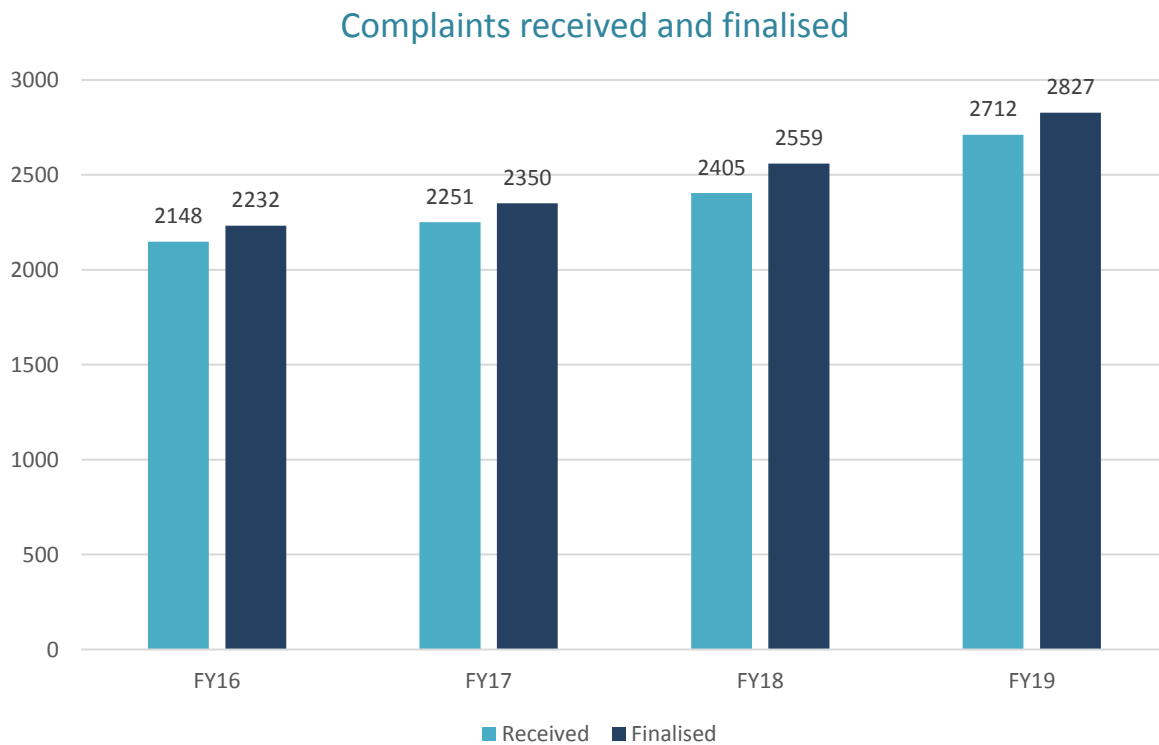
Our people skills are equally important in assisting taxpayers, as it is well-acknowledged that tax issues are often attended by other concerns or difficulties affecting the taxpayer or their families.

Our team of approximately 30 full time staff members operates from a single office located in Sydney. Both the Inspector-General of Taxation and Taxation Ombudsman functions are operated out of this office.

Some statistics on complaints

In FY19 we received 2,712 complaints (including 117 referrals from other ombudsman services) and finalised 2,827.

As an overall snapshot, the diagram below shows the annual receipt and closure trends of complaints from our office since FY16 (our first full year of operating the Taxation Ombudsman function).



The upward trend in both cases received and finalised over the past four years is evident. This reflects the increasing awareness of our office and the services that we offer.

It is worthwhile noting that many cases are in fact enquiries and we can assist simply by directing taxpayers to an agency, website or organisation that can assist with next steps. One of our key objectives over the next twelve months is to better communicate where taxpayers can seek further information, assistance and solutions to their enquiries and complaints – to help join the dots.

We will provide regular updates on the levels of complaints we are receiving on a quarterly basis, who has lodged those complaints and the issues or concerns that have been the subject of those complaints.

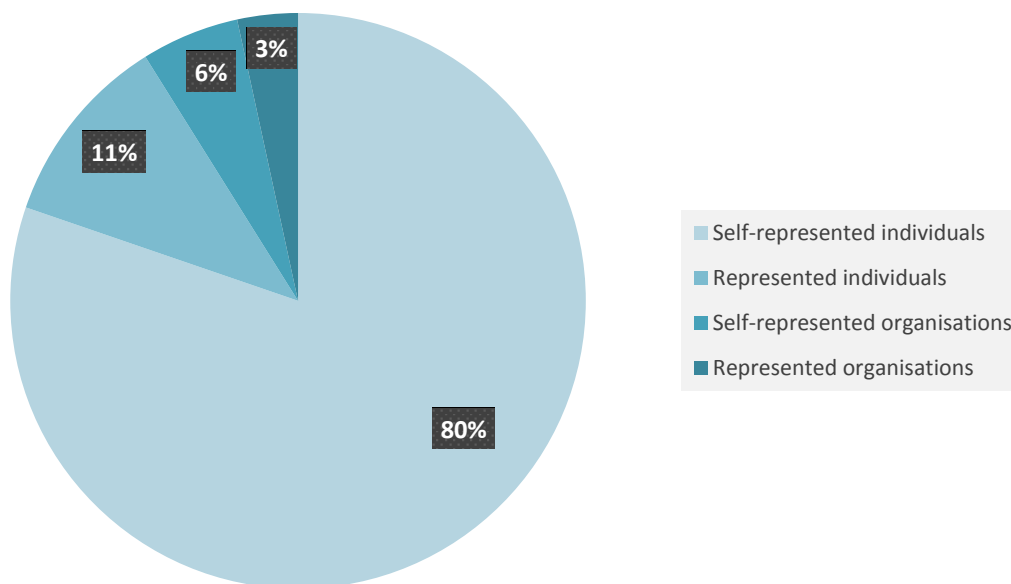
In the final quarter of FY19, we received a total of 618 complaints.

The majority of our complaints in the final quarter of FY19 were received from individuals (91%), the vast majority of which (88%) had no representation. The remaining complaints were lodged by organisations (mostly small businesses),

both represented and unrepresented. In addition, a number of the individuals who lodged complaints with our office also operate businesses either as sole traders or through partnerships.

Composition of stakeholders lodging complaints with the IGTO from 1 April 2019 to 30 June 2019

Stakeholders who lodged complaints



Stakeholders	Number	Percentage
Self-represented individuals	496	80.2%
Represented individuals	67	10.8%
Self-represented organisations	34	5.6%
Represented organisations	21	3.4%

Representatives who lodged complaints on behalf of other taxpayers from 1 April 2019 to 30 June 2019

Representative	Number	Percentage
Accountant/Tax Practitioner	34	38.7%
Family/Friends	36	40.9%
Lawyer	8	9.1%
Company representative	6	6.8%
Other	4	4.5%

Top 5 issues based on closed complaints between 1 April 2019 and 30 June 2019

Issue	Number	Percentage
Debt collection	161	23%
Payments to the taxpayer	98	14%
Lodgement and processing	73	10%
Communications	60	9%
Audit and review	45	6%

Given one of the ATO’s main roles is to collect revenue on behalf of the Commonwealth, it is unsurprising that debt collection features highest on the list of issues most frequently raised with our office in the last quarter. These concerns typically relate to situations where the ATO has issued garnishee notices or has refused to accept a payment arrangement, where director penalty notices are involved or misunderstandings as to how tax debt amounts have been calculated. Similarly, as the ATO is also responsible for issuing refunds, grants, rebates, benefits and other credits to many taxpayers. Delays in making these payments or processing forms that are required for these payments to issue may also give rise to complaints.

We hope to provide further details in future newsletters.

Clear communication is a consistent theme raised in complaints and includes concerns with the ATO’s written correspondence which can lead to misunderstandings for the taxpayer, potentially incorrect or incomplete website information or tax agent portal outages. 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, another area of high complaints, where effective communication can assist both parties to identify relevant information, expedite decision-making and streamline other procedural matters in an amicable and constructive manner.

Improving the Community’s understanding of how we can assist

Although we believe we are delivering a very valuable service to Government and the community, the feedback that we have received from our client satisfaction surveys, stakeholder engagements and from members of Parliament suggest to us that awareness of our office and the services we offer could be improved. This is a key priority in FY20. Some current projects that are in progress to improve access to our services include:

- **Improving the accessibility of information on our website.** This will involve a website redesign that will focus on the user’s experience and interactions. Some areas identified for improvement include – information on when and why to use IGTO, the most relevant content, identifying other assistance channels, roadmaps to assist taxpayers to determine their best options and direct contact links.
- **Improving access for culturally and linguistically diverse taxpayers.** We recognise that English may not be a first language for many taxpayers who may need our assistance. Accordingly, our website will implement new and improved translation options to complement the services we currently offer through the Telephone Interpreter Service and National Relay Service. Concurrently, we have developed a simple, easy to read brochure detailing how we can assist taxpayers which has been translated into 54 languages and will be distributed to a range of government shopfronts, community centres and other organisations for dissemination. Please contact us if you would like an electronic copy.

- **Enhancing our social media presence.** Late in 2018, we redoubled our efforts to leverage social media to promote awareness of our services to the community – that is, to all areas of Australia. We have launched Facebook and LinkedIn which have complemented our Twitter presence as well as a YouTube channel which we are using to host short, accessible videos that discuss findings and recommendations from our most recent reports. Early results from our efforts have been very encouraging with our Facebook reaching over 1 million people and creating over 4 million impressions in all States and Territories across Australia, in both metropolitan and regional areas.
- **Increased direct stakeholder engagement through various discussion forums.** We hope to continue to build our networks and awareness through participation in stakeholder and tax practitioner forums and seminars. Given the crucial role tax practitioners play within the Australian tax system, we welcome any opportunity to speak directly with practitioners – whether through discussion groups, industry and professional seminars or other events. Please contact us to extend an invitation.

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.