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## Greetings from the IGT

November this year marks the end of my second term as Inspector-General of Taxation (IGT). It is a role that has enabled me to drive significant change to our tax system, improve its administration, champion taxpayer rights and assist taxpayers including the most vulnerable in our community. I have given the role my all for the past 10 years and feel privileged to have had such an opportunity. However, all good things must come to an end. After much deliberation, I have decided that it is time to pass the baton to another who will see the agency into the future. I will therefore not be seeking reappointment for a third term.



When I took the reins in 2008, the agency was still very young and the concept of a specialist, independent scrutineer was not well-appreciated. Since that time, the IGT has become a mainstay in the tax landscape, both domestically and internationally, and has played a major role in delivering improvements and reshaping the administration of the Australian tax system. The office has grown over four times in size and the role has become that of an ombudsman with respect to tax administration.

During my tenure, we have completed over 30 reviews canvassing a broad range of issues including Australian Taxation Office (ATO) 'U-turns', debt collection, tax disputes, rulings, audits, transfer pricing, services and support for tax practitioners, alternative dispute resolution, penalties and taxpayer rights. Even now, a further three are in the pipeline including those relating to fraud control management, the future of the tax profession and garnishee notices.

For the past three years, we have also served the community through a dedicated tax complaints handling service. To date, we have handled over 7,000 complaints. In the 2017-18 financial year, the number of complaints increased by 7 per cent and 12 per cent compared with the prior two financial years. Notwithstanding such increase, we continue to acknowledge the vast majority of complaints within two business days and finalise them within 15 business days. The community feedback has been overwhelmingly positive. We have consistently achieved a satisfaction rating of 80 per cent - a testament to the hard work and dedication of our team of tax specialists.

The above would not have been possible without the support and assistance of many people.

First and foremost, my thanks to parliamentarians, governments and ministers with whom I have served the Australian public. I have had great support from all sides of Parliament. In particular, I am grateful to the Hon Chris Bowen MP for appointing me all those years ago and the Hon David Bradbury who subsequently reappointed me some years later. I wish to also thank the Hon Joe Hockey for entrusting me with a significantly expanded role and increased budget to provide specialised assistance and a single port of call for taxpayers and tax professionals requiring assistance in their dealings with the ATO and Tax Practitioners Board (TPB).

Secondly, my thanks to the many taxpayers, tax practitioners, professional bodies, industry associations, academics as well as international counterparts and organisations who have generously shared their time and expertise. Much of our achievements would simply not have been possible without their support and confidence in the office.

Thirdly, I thank the different government agencies with whom we have engaged over the years on a range of initiatives including the ATO and TPB. I am pleased to say that, whilst we have not always agreed on all issues, the working relationship has been productive and led to significant and lasting improvements to the tax system benefiting all Australians.

Last, but most certainly not least, I thank my team. Leaders and CEOs often say their teams are the best, most agile and most diligent — in my case, it is absolutely true. It has been widely acknowledged that our achievements well-exceed expectations of an agency of our size. We have been recognised as leaders in public service innovation and maintain a very low level of unscheduled absence. Internationally, we have also put the IGT well and truly on the map. I am very proud of my team and grateful for their support, hard work and dedication even in the face of significant challenges over the years. I wish them well and have no doubt that they will one day be strong leaders in their own right. In the meantime, we still have much more to achieve together in my remaining four months.

As I launch into the next chapter of my career, I wish my successor well in the role and hope that they find the job as rewarding as I have.

Ali Noroozi  
IGT

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## Fairfax/ABC Four Corners investigation

On 9 April 2018, the ABC's Four Corners program aired a segment relating to the conduct of the ATO in relation to certain small businesses and a range of allegations were made. The segment was a culmination of a joint investigation by Fairfax and Four Corners.



In the wake of the program, the IGT moved quickly to address the issues raised and minimise the risk of diminished confidence in the tax system including through appearances on [Sky News](#), [2GB](#) and [ABC News](#). The IGT also launched an urgent review, outside of the usual work program process, to investigate the allegations that the ATO was employing 'cash grab' tactics in its use of garnishee notices.

A range of other matters raised on the program were more appropriate for Government to address. Accordingly, the Minister directed the Treasury Secretary to undertake a review into those matters with input from the IGT and the Australian Small Business and Family Enterprise Ombudsman (ASBFEO). Additionally, the IGT and Deputy IGT appeared before Senate Estimates to give evidence on the issues.

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## Reviews update

In accordance with the deadline set by the Senate Economics References Committee, the review into the [ATO's Fraud Control Management](#) has been completed and was transmitted to the Minister on 22 June 2018. The Minister is required to release the report within 25 Parliamentary sitting days.

A preliminary draft of the [Future of the Tax Profession](#) review will shortly be provided to the ATO and the TPB for their initial comments.

The [Garnishee review](#) is in its early stages with submissions having closed last month. We are engaging with the ATO and its management to understand the processes surrounding the ATO's use of garnishee notices and to gather relevant information to determine whether the processes are working well and, if not, what improvements are necessary.



## Complaints handling service

In the 2017-18 financial year, we continued to see a trend of increasing complaints to our office. There were approximately 7 per cent and 12 per cent increases from the 2016-17 and 2015-16 financial years, respectively.

During this past year, there were significant spikes in the number of complaints received by our office, particularly in April and May which saw an increase of approximately 55 per cent in complaints received compared to the same period last year.

The complaints were largely received from individual taxpayers as well as small businesses, with key issues relating to debt collection, audit conduct and lodgment issues.

Despite the increased numbers, our performance remains high with the majority of cases being acknowledged within our service standard of two (2) business days and finalised within 15 business days. Feedback from the community has also been positive with 80 per cent of respondents expressing satisfaction with our service. The results from our newly implemented telephone survey for taxpayers who approach us with enquiries, rather than complaints, have also been overwhelmingly positive with 15 of the 19 respondents giving our staff a 5/5 rating (the highest possible) with the remainder rating us 4/5.



## Assisting the work of Parliamentary Committees

On 5 June 2018, the IGT and Deputy IGT appeared at Senate Estimates to give evidence on the recent events surrounding the ABC Four Corners program. A video of the appearance is available on the [Parliament House website \(commencing at 16:51:00\)](#). A copy of the [IGT's opening statement](#), together with a transcript of the hearing, is available through Hansard.



On 29 June 2018, the IGT, the Deputy IGT and a Director appeared before the House Tax and Revenue Committee to discuss matters relating to the Taxpayers' Charter, taxpayer rights and regulatory philosophies. A video of the appearance is available on the [Parliament House website \(commencing at 9:00:00\)](#). The transcript of the hearing will shortly be made available through Hansard.

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## Small Business Hub

The IGT's complaints handling service receives approximately 25 per cent of its complaints from small businesses. We support initiatives which help small businesses to manage their affairs.

In line with the above, the Deputy IGT and one of our Directors recently attended the launch of the Small Business Hub by the Minister for Small and Family Business, the Workplace and Deregulation, the Hon Craig Laundry MP, and the ASBFEO. The Hub provides visiting interstate small business operators with access to office space through which they may better engage with government or other businesses, conduct their work or host meetings and events.



Further information on the Hub, including how to book a time to use its facilities, is available on the [ASBFEO website](#).

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## Reaching out to the community

The increase in complaints that we received following the ABC/Fairfax investigation reinforced to us the need to raise awareness of our office and its functions. While the role of the IGT is well-known amongst many tax professionals, our concurrent role as the Taxation Ombudsman is not so well appreciated especially by those who need it most, such as unrepresented or vulnerable individuals and small businesses.



Accordingly, we have undertaken a campaign to promote our dual role and to raise awareness of the services that we deliver to all Australians and we look forward to sharing the results of that campaign with you very soon.

In addition to the above, we continue to engage with the tax profession through a series of activities. The IGT himself has delivered keynote speeches at a number of Practice Forums convened by Chartered Accountants Australia and New Zealand.

Members of our team will be delivering presentations to suburban or regionally-based tax practitioner groups as well as participating in a number of industry conferences focused on investigations and complaints handling hosted by organisations such as the Independent Commission Against Corruption, NSW Ombudsman, the Institute of Public Administration Australia NSW and the Society of Consumer Affairs Professionals.

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## International engagements

As we mentioned in the last newsletter, the IGT participated and presented at the 3rd Annual International Taxpayer Rights Conference in Amsterdam in May. The IGT's input was very well received and there was a useful exchange of ideas and experience with our international counterparts on key issues affecting taxpayer rights. It has given us much food for thought.



The IGT has for some time been working with the International Bureau of Fiscal Documentation (IBFD) and, more recently, the International Law Association (ILA) on taxpayer rights at a global level. In August, the ILA will be hosting its biennial conference in Sydney which will cover a range of issues including three sessions on international tax matters. The IGT will deliver the keynote speech in the session concerning data protection, tax collection, taxpayer rights and property rights.

In September, the IGT will be the keynote speaker at the New Zealand Law Society's Tax Conference and more recently, he has received an invitation to participate in an international panel of taxpayer advocates by his counterpart in Colombia.

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## Curtin University Tax Clinic

The IGT has raised and discussed the initiative in the United States of establishing and funding Low Income Taxpayer Clinics as a means of providing representation to low income or vulnerable taxpayers who cannot afford to challenge decisions of the revenue authority. We were pleased to learn that Curtin University will be trialling a similar program through the newly-established Curtin Tax Clinic. We are eager to hear more about the outcomes of the pilot as well as how it has



helped taxpayers. Further information on the Clinic is available on the [Curtin University website](#).

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## 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.