

Inspector-General of Taxation

Annual Report 2003-04

October 2004

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18 October 2004

The Hon Mal Brough MP
Minister for Revenue and Assistant Treasurer
Parliament House
Canberra ACT 2600

Dear Minister

I have pleasure in presenting to you the Annual Report of the Inspector-General of Taxation for the year ended 30 June 2004. The Report has been prepared in accordance with section 41 of the *Inspector-General of Taxation Act 2003*.

Subsection 41(3) of the Act requires that the Annual Report be tabled in each House of the Parliament within 15 sitting days of its receipt.

Yours sincerely

A handwritten signature in cursive script that reads 'David Vos'.

David R Vos AM
Inspector-General of Taxation

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PART 1: OVERVIEW

REVIEW BY THE INSPECTOR-GENERAL OF TAXATION



On 4 August 2003, the then Minister for Revenue and Assistant Treasurer, Senator the Hon Helen Coonan, announced my appointment by the Administrator of the Commonwealth of Australia as the inaugural Inspector-General of Taxation. I was delighted to be appointed to the position as I hold strong beliefs that the systems of tax administration can be improved for the benefit of the broad community. This role provides me with a platform to be involved in that improvement. The ability to contribute from a position of independence is very important to me.

I commenced in the role on 7 August 2003 and immediately set about establishing a new government agency while also undertaking a comprehensive scoping study, through wide community consultation, to identify the range of systemic concerns with tax administration.

Establishing the agency

The challenge of establishing a totally operational independent government agency is significant. As well as locating suitable premises and recruiting staff, it is necessary to address such matters as employment and remuneration guidelines, Chief Executive Instructions, risk management procedures and internal control systems so as to operate properly an independent agency pursuant to the *Financial Management and Accountability Act 1997*.

I greatly appreciate the support and assistance provided by the Treasury in that initial set-up phase. The relationship has continued with the negotiation of a service level agreement with the Treasury to supply, on a full cost recovery basis, a wide range of services including human resources, information technology (computer services),

accounting, finance, property and travel. I also acknowledge, and appreciate, the willingness of the Australian Reinsurance Pool Corporation, that was also going through a similar establishment phase in the Treasury portfolio, to enter into some mutually beneficial infrastructure sharing arrangements.

A key element in the establishment of my office was the recruitment of a suitably experienced and talented team. I was very pleased to appoint Steve Chapman to the role of Deputy Inspector-General of Taxation in early November 2003. Steve brought many years of senior level experience in the public sector, particularly in the areas of tax administration and small business policy, which complemented my own background. I was also very fortunate to recruit a good balance of talented public and private sector staff to my four Adviser vacancies.

Establishing and operating a small agency does raise some challenges in existing in a governance and regulatory regime which is more geared to large organisations. One positive is the constant reminder of the challenges faced by the small business community, who face similar challenges.

The then Minister for Revenue and Assistant Treasurer, Senator the Hon Helen Coonan, officially opened the Inspector-General's offices located at 50 Bridge Street, Sydney on 21 April 2004.

The agency's activities

On being appointed to my position, a first priority task was to consult with the community to identify key issues and concerns which might form the basis of my work program. With the assistance of two seconded staff from the Treasury, I undertook a comprehensive scoping review during the period August to November 2003. The review captured the systemic issues in the administration of the tax laws concerning the community. The scoping study involved a wide range of community consultations in Brisbane, Sydney, Canberra, Melbourne and Perth. I was overwhelmed by the level of community support, particularly from business, accounting, legal and tax organisations.

Five issues papers were produced and published on the Inspector-General's website (www.igt.gov.au) and a report to the Minister was lodged in early December 2003. Issues Paper Number 1 was titled *Context for Scoping Review*, Issues Paper Number 2, *Policy Framework for Review Selection*, Issues Paper Number 3, *Self Assessment*, Issues Paper Number 4, *ATO Law Enforcement and Governance* and Issues Paper Number 5, *ATO / Client Interface Systems*.

One concern expressed in some quarters related to the potential for overlap or duplication between my role and that of the Commonwealth Ombudsman and the Commonwealth Auditor-General. However, commencing with my initial scoping study, senior staff from both organisations have provided full support and cooperation to my review activity and determining my work program. Similar sound relationships have been developed with the Treasury and the Board of Taxation. I greatly appreciate and value this situation.

It is also important that an open and professional relationship exists with the Tax Office. The Commissioner of Taxation organised quite early after my appointment a range of opportunities for his senior staff to provide me with a high level understanding of Tax Office directions and issues. While there have been, and will be, issues and differences from time to time, I am appreciative of the professional and evolving relationship that exists between the Commissioner and me and our respective senior staff.

Given that I cannot direct the Commissioner of Taxation, and recognising that he is also appropriately statutorily independent of the Government, it is very important that our professional working relationship is such that my findings are openly considered on their merits. I fully recognise the mutuality of this situation.

Also, very strong links were established, and have been continually sought to be maintained, with a number of private sector stakeholders from business, accounting, legal and tax organisations. The key role of the media in communicating to the broader community on my work is also greatly valued and appreciated.

Following publication of the five Issues Papers, I undertook further community consultation in January 2004 to assist in prioritising the issues, as identified in the scoping study, into a forward work program.

Following the January 2004 consultation, I published a 'short list' of issues on 29 January 2004 which would form the basis of the forward work program. This listing is reconsidered every six months. The identified issues are set out as follows:

- the ATO's administration of penalties (paragraphs 34-37 in Issues Paper 4);
- small business audits (paragraphs 54-57 in Issues Paper 4);
- the administrative cost to business of an audit (paragraphs 58-60 in Issues Paper 4);
- company and other tax compliance for small business (paragraphs 55-62 in Issues Paper 5);

- simplified tax system (paragraphs 63-67 in Issues Paper 5);
- low value assets (paragraphs 75-78 in Issues Paper 5);
- GST refunds (paragraphs 68-74 in Issues Paper 5);
- individual tax returns (paragraphs 85-89 in Issues Paper 3); and
- the ATO's small business debt collection practices (paragraphs 68-74 in Issues Paper 4).

On 7 January 2004, I announced a review into the remission of General Interest Charge for groups of taxpayers in dispute with the Tax Office. This review incorporated a request under paragraph 8(3)(a) of the *Inspector-General of Taxation Act 2003* by the then Minister for Revenue and Assistant Treasurer (Senator Coonan) for the Inspector-General to review the systems established by the Tax Office for exercising the Commissioner of Taxation's power to remit the General Interest Charge. The Terms of Reference and Consultation Plan for the review were published on my website. In accordance with the requirements of my Act, the Commissioner of Taxation was provided with the opportunity to comment on my findings.

On 31 March 2004, I announced a review into the tax administration of GST refunds arising from the lodgement of Business Activity Statements. The Terms of Reference and Consultation Plan are also available on my website. This review is currently being finalised.

On 21 April 2004, I announced a review into the Tax Office's Small Business Debt Collection practices. The Terms of Reference and Consultation Plan for that review were similarly published on my website. This review is still under way.

Pursuant to subsection 41(2) of the *Inspector-General of Taxation Act 2003* there were no directions to undertake reviews given by the Treasurer or the Minister for Revenue and Assistant Treasurer to the Inspector-General under subsection 8(2) of the *Inspector-General of Taxation Act 2003* during the year.

In setting my work program, I have taken into account the requirements of subsection 9(2) of the *Inspector-General of Taxation Act 2003*, and have consulted on a number of occasions with the Commonwealth Ombudsman and the Commonwealth Auditor-General.

Looking forward to 2004-2005

With the office of the Inspector-General now established and fully staffed, and with proper systems and procedures in place, 2004-05 will provide the opportunity to focus fully on my primary role of improving tax administration for the benefit of all taxpayers.

Individuals and/or groups of taxpayers, professional associations and businesses have been encouraged to bring systemic administration issues to my attention. I will endeavour to address taxpayer concerns about administrative issues while ensuring resources of the agency are directed to those areas of most benefit to taxpayers overall.

The willingness of professional and business associations, in particular, and members of the community to provide their time and effort in both bringing matters to my attention and in assisting with my reviews well demonstrates to me the importance of my role and the responsibility that rests with me.

I will continue to give high priority, in setting my ongoing work program, to always taking into account the views of the wider community and will continue to foster and develop strong relationships with the business, accounting, legal and tax organisations representing the wider taxpayer community.

In concluding, I would like to thank my staff for their role in the achievements of our first year of operation. I look forward with confidence to meeting the challenges of our work program into the future.

David Vos AM
Inspector-General of Taxation

CORPORATE STATEMENT

Role, function, outcome and output structure

The *Inspector-General of Taxation Act 2003* established an independent statutory agency to review:

- systems established by the Australian Taxation Office to administer the tax laws; and
- systems established by tax laws in relation to administrative matters.

The Inspector-General seeks to improve the administration of the tax laws for the benefit of all taxpayers. This is to be achieved by identifying systemic issues in the administration of the tax laws and providing independent advice to the government on the administration of the tax laws.

To ensure that reviews undertaken reflect areas of key concern to the Australian community, the Inspector-General develops a work program following broad-based consultation with other stakeholders including taxpayers and their representatives, the Australian Government Ombudsman, the Commonwealth Auditor-General and the Commissioner of Taxation.

For 2003-04, appropriations for the Inspector-General of Taxation were not separately reported in the Portfolio Budget Statements. Rather, the appropriation was included in the Treasury appropriation under Outcome 2 and funds were provided to the Inspector-General by way of transfer from Treasury.

Following the appointment of the Inspector-General in August 2003, an outcome and output structure was developed for inclusion in the 2004-05 Portfolio Budget Statements.

For the purposes of this report, the 2004-05 outcome and output structure has been used as the basis of reporting.

Figure 1: Outcome and output structure

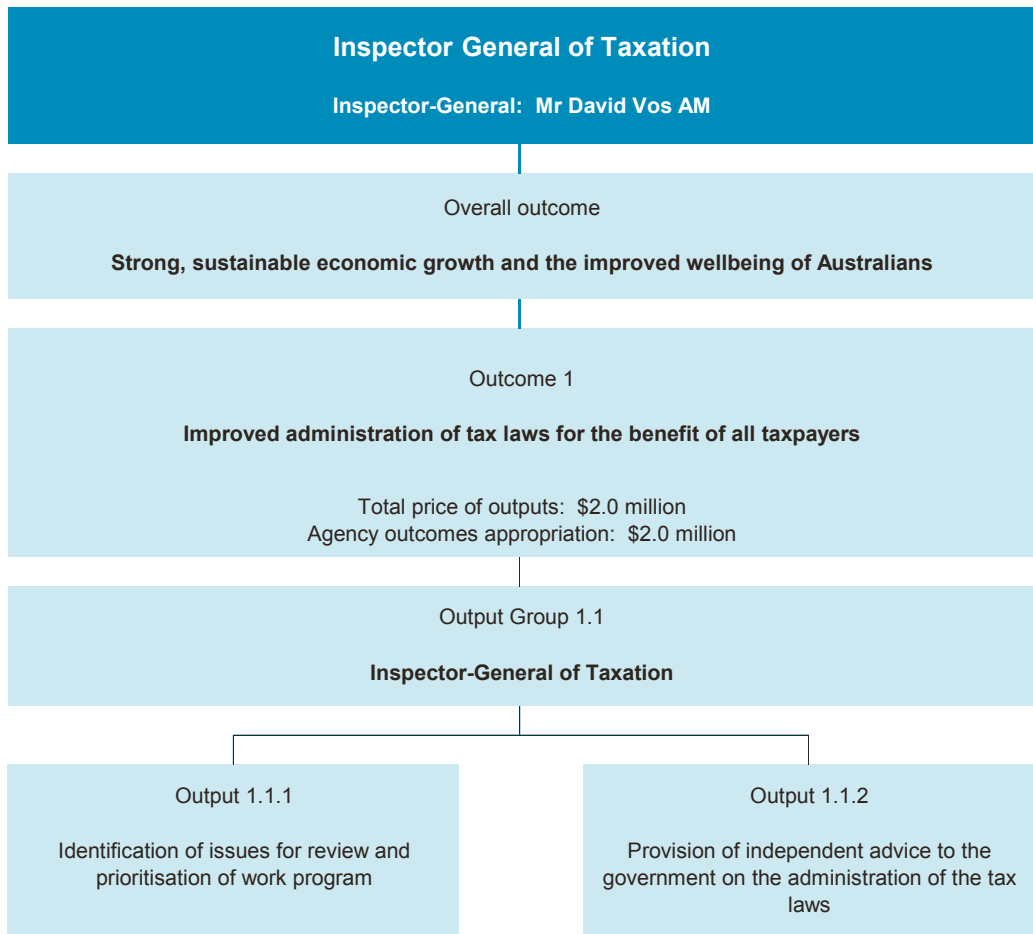
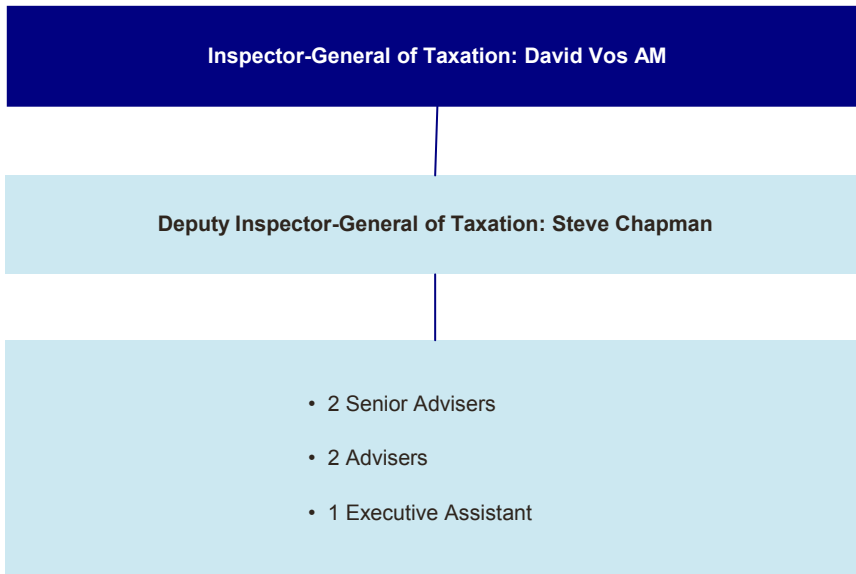


Figure 2: Inspector-General of Taxation management structure



Inspector-General of Taxation services

The Inspector-General is an independent adviser to the Government on systemic issues in the administration of the tax laws.

All reports by the Inspector-General to the Government are required to be either tabled in both Houses of Parliament or to be made otherwise public by the Government.

Key skills

The Inspector-General and his office needs a range of skills to deliver to the Government the services required. These include:

- a good understanding of the tax laws;
- a broad understanding of the business environment;
- investigative and analysis skills to identify and understand systemic issues in tax administration;
- a capacity to conceptualise and analyse systemic issues within the broad tax context;
- relationship skills to develop and maintain excellent relationships with both public sector and private sector stakeholders; and
- excellent writing skills – the ability to present facts, argument and suggested solutions in a cogent form on systemic tax administration issues.

Key relationships

For the Inspector-General to be effective in his role, he and his office must foster productive working relationships across government, public sector stakeholders (particularly the Commissioner of Taxation and his office) and private sector stakeholders.

Although independent of both the Government and the Commissioner of Taxation, the Inspector-General must have an understanding of overall government policies and the role and activity of the Commissioner of Taxation. The main public sector stakeholders are the Commonwealth Auditor-General, the Commonwealth and Taxation Ombudsman, the Commissioner of Taxation, the Treasury and the Board of Taxation. Private sector stakeholders include those set out in Table 3.

Table 1: Resources for Inspector-General of Taxation outcomes

	Budget 2003-04 \$'000	Actual 2003-04 \$'000	Budget 2004-05 \$'000
Revenue from Government			
Output Group: Inspector-General of Taxation			
Output 1.1.1 - Identification of issues for review and prioritisation of work program	100	101	108
Output 1.1.2 - Provision of independent advice to the Government on the administration of the tax laws	1900	1,911	2,046
Total revenue from Government contributing to the price of departmental outputs	2,000	2,012	2,154
Revenue from other sources			
Output Group: Inspector-General of Taxation			
Output 1.1.1 - Identification of issues for review and prioritisation of work program	-	5	-
Output 1.1.2 - Provision of independent advice to the Government on the administration of the tax laws	-	93	-
Total revenue for departmental outputs (Total revenues from Government and other sources)	-	2,110	-
Price of departmental outputs			
Output Group: Inspector-General of Taxation			
Output 1.1.1 - Identification of issues for review and prioritisation of work program	100	78	108
Output 1.1.2 - Provision of independent advice to the Government on the administration of the tax laws	1,900	1,478	2,046
Total price of departmental outputs	2,000	1,556	2,154
Total estimated resourcing (Total price of outputs and administered expenses)	-	544	-
Average staffing level (number)	4	4	7

PART 2:

PERFORMANCE REPORT

OUTCOME 1

IMPROVED ADMINISTRATION OF TAX LAWS FOR THE BENEFIT OF ALL TAXPAYERS

The role of the Inspector-General of Taxation is to improve the administration of the tax laws for the benefit of all taxpayers.

This is to be achieved by reviewing both the systems established by the Tax Office to administer the tax laws and the systems established by tax laws in relation to administrative matters.

The Inspector-General's two outputs derive from the statutory functions. These outputs involve the identification of systemic issues for inclusion in the work program and the provision of independent advice to government on the administration of the tax laws.

The scope of the work program is determined by the Inspector-General. However, the *Inspector-General of Taxation Act 2003* also provides that the Minister may direct that a matter be included on the work program, and that the Inspector-General considers requests to conduct reviews from:

- the Minister (separate from the direction provision);
- the Commissioner of Taxation;
- a resolution of either House, or both Houses, of the Parliament; or
- a resolution of a committee of either House, or both Houses, of the Parliament.

Broad-based community involvement in the identification of issues and the opportunity for all stakeholders to provide submissions ensure that reviews undertaken are relevant and timely for all stakeholders. In view of this, the

Inspector-General requires the flexibility to vary review priorities so as to allow emerging and important systemic issues to be addressed in a manner that is timely and relevant to government.

The Commissioner of Taxation has statutory independence in his administration of the tax laws. The Inspector-General does not hold any powers to direct the Commissioner of Taxation in the administration of the tax laws.

The effectiveness with which the Inspector-General's advice to government contributes to the achievement of the outcome may be difficult to assess. In some instances, the provision of advice to government may lead to legislative change to address an identified systemic issue. However, on other occasions the Commissioner of Taxation may independently address a systemic issue identified by the Inspector-General either following the release of a review report by the Minister or the publication of an issues paper or work program by the Inspector-General.

OUTPUT 1.1.1

IDENTIFICATION OF ISSUES FOR REVIEW AND PRIORITISATION OF WORK PROGRAM

The Inspector-General is required to establish his own work program. He must take into account any directions from the government to undertake a particular review. The Inspector-General must also consult with the Commonwealth Auditor-General and the Commonwealth Ombudsman to avoid overlap of work. The Inspector-General has chosen to consult widely with business, accounting, legal and tax organisations in setting his work program. As well, he has published a framework for review selection – refer Issues Paper Number 2 *Policy Framework for Review Selection*.

Performance information

The performance information of Output 1.1.1 is as follows:

- broad-based community involvement in the identification of systemic issues in the administration of tax laws; and
- reviews undertaken are relevant and timely for the government and other stakeholders.

Key priorities in 2003-04

The Inspector-General of Taxation identified the following key priorities for Outcome 1.1.1:

- to undertake a scoping review to identify the systemic issues in the administration of the tax laws concerning the community;
- to develop a work program based on consultation with key business, accounting, legal and tax organisations;
- to develop strong links with both public sector stakeholders and private sector stakeholders; and
- to commence a number of reviews with the intention of reporting to the government as soon as possible on those reviews.

Key outcomes in 2003-04

Since his appointment in August 2003, the Inspector-General has undertaken the following activities:

- a scoping review to identify some 60 systemic issues in the administration of the tax laws concerning the community;
- publishing five issues papers outlining the context for the scoping review, the policy framework for review selection and three other papers dealing with the 60 systemic issues identified;
- wide-ranging consultation throughout Australia to assist both in the development of a work program and the conduct of the first three reviews initiated by the Inspector-General. A schedule of private sector organisations with which we have regular contact is at Table 3. A significant number of other organisations have also been consulted.
- establishment of the terms of reference and the consultation plan for the following reviews:
 - a review into remission of General Interest Charge for groups of taxpayers in dispute with the Tax Office;
 - a review into the tax administration of GST refunds arising from the lodgement of Business Activity Statements; and

- a review into the Tax Office’s small business debt collection practices.
- speakers have been provided for key business, tax, accounting and legal conferences, and other opportunities have been taken to meet with taxpayers and their advisers. This has enabled the Inspector-General to share information on the direction of the work program and to obtain input on the issues to be considered in the three reviews initiated during the 2003-04 year. A list of key speaking engagements is at Table 2; and
- consultation with peak private sector organisations to consider the ongoing work program of the Inspector-General for the 2004-05 year. As a result of this consultation, it is planned that proposed reviews will be undertaken around the theme of Tax Office audit/verification activities.

Table 2: Key speaking engagements

Date	Organisation	Type of function	Location
15 September 2003	PricewaterhouseCoopers	Lunch Meeting	Sydney
15 September 2003	Government Backbench Revenue Members	Meeting	Canberra
18 September 2003	Small Business Coalition	Meeting	Canberra
19 September 2003	Electricity Supply Association of Australia	Tax Managers Network	Sydney
2 October 2003	Business Coalition for Tax Reform	Meeting	Sydney
15 October 2003	State Chamber of Commerce (NSW)	Members Forum	Sydney
16 October 2003	Australian Institute of Administrative Law	Lunchtime Seminar	Canberra
20 October 2003	Australian Council for Infrastructure Development	Lunch Meeting	Sydney
6 November 2003	Institute of Chartered Accountants in Australia	Church Discussion Group	Sydney
10 November 2003	Law Council of Australia (NSW Branch)	Lunch Discussion	Sydney
1 December 2003*	Taxation Institute of Australia	Seminar	Brisbane
4 December 2003	Westminster Tax Discussion Group	Dinner Meeting	Sydney
9 February 2004	Law & Finance Pty Ltd	2nd Annual Summit	Sydney
18 February 2004*	Law Society of NSW	Committee Meeting	Sydney
12 March 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Sanctuary Cove, Queensland
16 March 2004	Committee for the Economic Development of Australia	Trustee Roundtable Talk	Sydney
20 March 2004	CPA Australia	CPA Practitioners Conference	Sanctuary Cove, Queensland
23 March 2004	Associated Planners Financial Services	Breakfast Meeting	Sydney
25 March 2004	Hills Hawkesbury Initiative for Excellence	Seminar	Baulkham Hills, New South Wales

Table 2: Key speaking engagements (continued)

Date	Organisation	Type of function	Location
31 March 2004	State Chamber of Commerce (NSW)	Legal Council Forum Lunch	Sydney
1 April 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Canberra
2 April 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Hobart
2 April 2004*	Taxation Institute of Australia	National Convention	Melbourne
15 April 2004	The University of NSW (ATAX)	6th International Conference on Tax Administration	Coogee, New South Wales
1 May 2004	National Institute of Accountants	Tasmania/Victoria Congress	Cradle Mountain, Tasmania
3 May 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Randwick, New South Wales
5 May 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Adelaide
11 May 2004	Taxation Institute of Australia	Lunch and Presentation	Perth
12 May 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Perth
14 May 2004	State Chamber of Commerce (NSW)	Legal Council Forum Lunch	Sydney
19 May 2004	KPMG	Partner and Client Lunch	Sydney
21 May 2004	CPA Australia	CPA Practitioners Conference	Terrigal, New South Wales
24 May 2004	KPMG	Partner and Client Lunch	Melbourne
24 May 2004	CPA Australia	CPA Corporate Tax Compliance Symposium	Melbourne
26 May 2004	Institute of Chartered Accountants in Australia	CA Business Forum	Melbourne
31 May 2004	CPA Australia	CPA Corporate Tax Compliance Symposium	Sydney
1 June 2004*	Institute of Chartered Accountants in Australia	Chatswood Tax Discussion Group	Chatswood, New South Wales
4 June 2004	CPA Australia	CPA Practitioners Conference	Lorne, Victoria
15 June 2004	CPA Australia	CPA Practitioners Conference	Perth

* Presentations made by Inspector-General of Taxation staff.

Table 3: Private sector stakeholders

Australian Industry Group
Australian Business Limited
Australian Chamber of Commerce and Industry
Business Coalition for Tax Reform
Business Council of Australia
Corporate Tax Association
Council of Small Business Organisations of Australia Limited
CPA Australia
Institute (The) of Chartered Accountants in Australia
Law Council of Australia
Law Society of NSW
Law Society of Western Australia
Law Institute of Victoria
National Farmers' Federation
National Institute of Accountants
National Tax & Accountants' Association Ltd
Small Business Coalition
State Chamber of Commerce (NSW)
Taxation Institute of Australia
Taxpayers Australia

OUTPUT 1.1.2

PROVISION OF INDEPENDENT ADVICE TO THE GOVERNMENT ON THE ADMINISTRATION OF THE TAX LAWS

The Inspector-General undertakes reviews into particular systemic issues in the administration of tax laws in accordance with his work program. The approach and processes associated with the conduct of the review are determined by the Inspector-General, and there are no time restraints. The report, outlining findings resulting from the review, is submitted to the Government after providing the Commissioner of Taxation with the opportunity to provide comments. However, once the Inspector-General has given his report to the Government, the Government must publish the Inspector-General's report, either by tabling in both Houses of the Parliament or otherwise within 25 sitting days of receipt.

Performance information

The performance information of Output 1.1.2 is as follows:

- reports, undertaken in accordance with required processes, are of a high standard, timely and useful to government; and
- findings and recommendations achieve improved administration.

Key outcomes

The first report of the Inspector-General of Taxation was finalised after 30 June 2004.

PART 3:

MANAGEMENT AND ACCOUNTABILITY

CORPORATE GOVERNANCE

In 2003-04 the Inspector-General of Taxation instituted appropriate governance arrangements. This process was greatly assisted by being able to adopt many of the well-established policies and processes in place in the Treasury.

The Inspector-General of Taxation has two distinct roles. As the public office holder he reports, and is accountable to, the Minister for Revenue and Assistant Treasurer and, as well, the Treasurer for meeting his statutory role. As the Chief Executive Officer of the office of the Inspector-General (the agency), the Inspector-General is responsible for the operation and performance of the operation of his office.

The corporate governance practices of the office of the Inspector-General are designed to take into account that the agency is quite small and that it is inextricably linked with the governance processes of the Treasury. This is as a result of the service level agreement entered into by the two agencies. The Inspector-General as Chief Executive Officer and the Deputy Inspector-General as the Chief Financial Officer together act as the Agency Executive. They have developed a full range of governance policies and procedures appropriate to the situation of the agency comprising only seven people in a single office location, performing a function of conducting reviews and exclusively reporting to Government.

Audit committee

Pursuant to section 46 of the *Financial Management and Accountability Act 1997*, the Inspector-General is establishing an audit committee. Because of the size of the agency, the nature of its operations and administrative expenditure, the predominance of services provided to the Inspector-General by Treasury and its recent establishment, the audit committee arrangement is still evolving. Discussions have been held with the Australian National Audit Office on appropriate arrangements and further advice will be taken.

Remuneration Committee

The Inspector-General and the Deputy Inspector-General comprise the Remuneration Committee. Since all staff directly report to both the Inspector-General and the Deputy Inspector-General, the expectation is to provide ongoing informal feedback to employees on their performance.

The Inspector-General has entered into Australian Workplace Agreements (AWAs) with all employees which provide for performance and remuneration review processes. The introduction of a performance management system will provide for performance being reviewed formally on an annual basis and informally on a six monthly basis. The size of the agency allows for regular and continual discussion of performance with all staff members.

Corporate planning and reporting

The *Inspector-General of Taxation Act 2003* provides a clear statement of the role and activities of the office of the Inspector-General. The work program actually shapes and determines the activities of the office.

Administratively, the office draws heavily on the facilities of the Treasury under a formal service level agreement. All day-to-day account processing is undertaken by Treasury utilising the Treasury accounting system infrastructure. However, a financial controller (part time) is employed on a contract basis and reports directly to the Chief Financial Officer (Deputy Inspector-General).

The Deputy Inspector-General is responsible, with input from the Inspector-General, for settling portfolio budget statements, ongoing maintenance of cash flow and monthly reporting of financial position.

Risk management

Under the *Financial Management and Accountability Act 1997*, the office of the Inspector-General meets its specific risk management requirements through an integrated framework. The following are the key components of the risk management framework:

- Chief Executive Instructions provide the policy and procedural framework for financial management in the Inspector-General's office and put into effect the requirements of the *Financial Management and Accountability Act 1997*. The Chief Executive Instructions have been based on those currently being used by Treasury.

- A physical security risk review was undertaken as part of establishing the Inspector-General's office, and the office design and associated access security meet required standards and have been reviewed and approved by ASIO Group 4.
- Risk assessments are to be conducted annually as part of the process of applying for insurance renewal. The program is based on the Risk Management Standard AS/NZS 4360:1999 and will measure the Inspector-General's performance in implementing risk management processes and policies against the national benchmark.

The office of the Inspector-General has a number of strategies in place to ensure risks associated with the delivery of information technology services are identified and managed. This is against a background of the nature of the Inspector-General's work, and flexible operating environment, creating a relatively low-risk environment. The Inspector-General utilises the IT infrastructure and support systems of the Treasury under a service level agreement. Components of the Treasury information technology governance are listed below:

- The IT Disaster Recovery Plan sets out the strategies and processes to restore services if a complete or partial loss of the Treasury central computing infrastructure occurs. The plan aims to restore services within an appropriate timeframe.
- Business Continuity Plans apply to all of the Treasury IT application systems. Inspector-General of Taxation staff could continue to operate effectively from temporary work locations with portable computing equipment.
- The IT Security Policy developed by Treasury addresses the requirements to protect information holdings and secure operation of the Inspector-General's IT resources. The policy is based on the protective security policies and standards in the Australian Protective Security Manual, the Draft Australian Communication Security Instruction – Electronic Security Instructions 33 (A).
- The Treasury Internet and Email Acceptable Use Policy sets out individual users' responsibilities for the appropriate use of the internet and email facilities and services. This policy refers to the Australian Public Service Values and Code of Conduct, the *Public Service Act 1999*, other relevant Australian Government legislation and the IT Security Policy.
- Website Development Standards and Guidelines are based on ISO 9001 and ACSI 33 International Standards Organisation and Defence Signals Directorate Guidelines. The standards ensure compliance with best practice in relation to website security.

- IT Change Control Guidelines are an internal IT management tool which assists with quality assurance control over proposed changes to the IT technical environment and facilities. This change control process involves reviewing proposed variations and clearing them before releasing changes in the production environment.
- An IT Risk Management Strategy has been developed in accordance with Defence Signals Directorate Guidelines and identifies technical risks associated with IT infrastructure and IT management practices.

Staff awareness of risk management policies and procedures is maintained through training programs and staff notices circulated to Treasury and Inspector-General officers and also made available through access to the Treasury intranet.

Ethical standards and accountability

The Inspector-General's values embrace the Australian Public Service (APS) values. In particular, the Inspector-General Employment Conditions refer prominently to the current APS values.

The Inspector-General has taken steps to establish and maintain ethical standards through developing policies such as the Chief Executive Instructions and by actively endorsing policy documentation developed by Treasury. This includes such matters as the use of the internet email, conflict of interest guidelines, consultant engagement and management guidelines.

Senior Executive Service remuneration

Remuneration of senior executive staff is determined by reference to a pay model identifying pay points. Allocation to a pay point is determined on the basis of performance review.

There is one Senior Executive Service employee in the office of the Inspector-General and he has an Australian Workplace Agreement in place.

EXTERNAL SCRUTINY

Audit

Other than annual financial statement audit activity, there have not been any audits of the Inspector-General undertaken by the Australian National Audit Office.

Internal audits

The service level agreement with the Treasury includes for provision of internal audit services. There have not been any internal audits undertaken at this time.

Reports by the Australian National Audit Office, the Ombudsman and others

The Inspector-General has participated in a number of cross-agency reviews undertaken by the Australian National Audit Office. The Inspector-General supported relevant recommendations. There have not been any comments by the Commonwealth Ombudsman on matters within the office of the Inspector-General in 2003-04.

Judicial decisions

In 2003-04, no matters relating to the Inspector-General of Taxation were the subject of judicial proceedings, tribunal hearings or consideration by the Ombudsman.

MANAGEMENT OF HUMAN RESOURCES

The office of the Inspector-General consists of a small number of staff and provides a very good environment for staff to develop through their work and participation in a broad range of agency activities and corporate obligations. The nature of the work does provide for a clear sense of achievement and satisfaction in performing an important community role. However, given its small size and relative stability, staff are recruited on the basis of their current competence with the expectation that career progression will occur in the wider public service/professional environment. They are encouraged and supported to provide their best performance while in the service of the Inspector-General.

Performance management

The Performance Management System is based on an annual performance cycle with a formal annual review and a less formal half-yearly review.

Since all staff have less than eight months service with the office of the Inspector-General at 30 June 2004, the Inspector-General's Performance Management System is yet to complete a full cycle.

The Inspector-General has utilised the design features and infrastructure of the Treasury Performance Management System in the establishment of the Performance Management System. An important feature is transparency in the process used by the Executive in measuring performance and communicating to each individual staff

member. All staff report directly to both members of the Executive. Within a very small office environment, monitoring and assessing performance on an individual basis is relatively straightforward. Conversely, it is more difficult to evaluate individual performance against the wider population of people in similar roles.

Australian Workplace Agreements

All Inspector-General of Taxation staff are employed under Australian Workplace Agreements. The employment terms and conditions are consistent for all staff within the Office of Inspector-General of Taxation. Employment conditions and remuneration are determined by reference to the Employment Guidelines which incorporate a pay model (see tables 5 and 6 for salary scales for SES and non-SES staff). The employment arrangements do not provide for payment of performance pay. This arrangement provides underlying consistency for all employees while providing flexibility in recognising individual circumstances.

The Inspector-General of Taxation Australian Workplace Agreements specifically reference the Australian Public Service Values in the context of setting out expected performance and behaviour.

Workplace relations

The Inspector-General consults with employees on matters in the workplace.

Recruitment and succession planning

The Inspector-General recruits staff based on merit. The ability to make an immediate contribution to the role of the office is very important. The opportunity exists under the *Inspector-General of Taxation Act 2003* to second staff to the office.

Training and development

The Inspector-General's Employment Guidelines reinforce the Inspector-General's commitment to staff development. As well as providing internal staff training on an ad hoc basis, the Inspector-General financially supports individual staff members who wish to complete post-graduate courses or attend specific development opportunities. Several staff members are working towards finalising Masters studies in either tax or law.

Staffing information

Table 4 details the number of staff employed by the Office of Inspector-General of Taxation, by category and gender. All staff are employed under the *Public Service Act 1999*.

Table 4: Operative and paid inoperative staff by classification and gender as at 30 June 2004

Classification	Male	Female	Total
APS4		1	1
EL1	2		2
EL2	1	1	2
SES Band 2	1		1
Inspector-General	1		1
Total	5	2	7

Remuneration of SES staff

Table 5: Salary scales — SES

Classification	4 September 2003	
	Minimum	Maximum
	\$	\$
SES Band 2	134,178	172,281

Senior executives have access to a motor vehicle for private purposes, airline lounge membership, mobile phones, and home office facilities.

The Inspector-General of Taxation has his remuneration package determined by the Remuneration Tribunal.

Remuneration of non-SES staff

Table 6: Salary scales — non-SES

Classification	4 September 2003	
	Minimum	Maximum
	\$	\$
APS4	44,550	46,958
EL1	74,653	85,851
EL2	95,510	105,237

The Inspector-General may provide alternative remuneration arrangements in specific circumstances.

PURCHASING AND ASSETS MANAGEMENT

Purchasing

The Inspector-General of Taxation has adopted Treasury purchasing policies and utilises services under a service level agreement. For example, all IT purchases are undertaken by the Treasury IT Procurement Unit. These policies and procedures are consistent with the Inspector-General's Chief Executive Instructions and the Commonwealth Procurement Guidelines.

To maintain procurement expertise and procedural compliance with the guidelines, all internal procurement documentation is available to staff of the Inspector-General on the Treasury intranet.

Treasury regularly updates the intranet site to incorporate contemporary procurement practice such as the Better Practice Principles outlined in ANAO reports, *Engagement of Consultants, Senate Order of June 2002 (February 2003)*, and the use of confidentiality provisions in Commonwealth contracts.

Assets management

The Treasury, for and on behalf of the Inspector-General, manages both current and non-current assets in accordance with the guidelines set out in the Inspector-General's Chief Executive Instructions and Australian Accounting Standards.

The Inspector-General's non-current assets are subject to an annual stocktake to ensure the accuracy of asset records.

Consultancies

Consistent with the Chief Executive Instructions and the Commonwealth Procurement Guidelines, the office of the Inspector-General engages consultants and contractors on the basis of:

- value for money;
- open and effective competition;
- ethics and fair dealing;
- accountability and reporting;
- national competitiveness and industry development; and

- support for other Australian Government policies.

CONSULTANCIES

The Inspector-General of Taxation contracted a total of five consultancies during 2003-04, at a total cost of \$67,708. All consultancies related to corporate service functions.

Table 7: Consultancies over \$10,000 in 2003-04

Consultant	Project	Cost \$	Reason	Procurement Method
Group GSA Pty Ltd	Provide project management support to manage office fitout	44,620	(a)	Direct Engagement

(a) Specialist skills or knowledge not available in house.

WORKPLACE DIVERSITY

While needing to recruit a specialist and numerically small workforce, the Inspector-General has ensured that merit-based recruitment processes recognise gender, age and ethnicity issues. In this regard, a reasonable balance has resulted. Broader community involvement is encouraged, with staff members being supported in their Australian Defence Force Reserve and professional association activities.

Table 8: Operative and paid inoperative staff by EEO target group

Classification	Female	Born Overseas	ESL	AATSI	Disability
APS4	1		1		
EL1			1		
EL2	1				
Total	2	0	2	0	0

Disability Action Plan

The Inspector-General has evaluated the Treasury Disability Action Plan and is considering options appropriate to a small agency.

PART 4:

FINANCIAL STATEMENTS

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INDEPENDENT AUDIT REPORT

To the Minister for Revenue and Assistant Treasurer

Scope

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Position, Financial Performance and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

for the Inspector-General of Taxation for the period ended 30 June 2004.

The Inspector-General of Taxation's Chief Executive is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of the procedures, the audit was not designed to provide assurance on internal controls.

Procedures were performed to assess whether in all material respects the financial statements present fairly, in accordance with the Finance Minister's Orders made under the

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130 Elizabeth Street
SYDNEY NSW
Phone (02) 9367 7100 Fax (02) 9367 7102

Financial Management and Accountability Act 1997, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the financial position of the Inspector-General of Taxation, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Chief Executive.

Independence

In conducting the audit, I have followed the independence requirements of the ANAO which incorporate Australian professional ethical pronouncements.

Audit Opinion

In my opinion, the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Inspector-General of Taxation as at 30 June 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



P Hinchey
Senior Director

Delegate of the Auditor-General

Sydney
24 September 2004

Inspector-General of Taxation

Statement by the Chief Executive Officer and Chief Finance Officer

In our opinion, the attached financial statements for the period ended 30 June 2004 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



David Vos AM
Inspector-General of Taxation
24 September 2004



Steve Chapman
Chief Finance Officer
24 September 2004

Statement of financial performance
for the period ended 30 June 2004

	Notes	2004 \$
Revenues from ordinary activities		
Revenues from government	4A	2,012,000
Other revenue	4B	98,474
Revenues from ordinary activities		2,110,474
Expenses from ordinary activities		
Employees	5A	823,559
Suppliers	5B	724,766
Depreciation and amortisation	5C	18,058
Expenses from ordinary activities		1,566,383
Net surplus		544,091
Total changes in equity other than those resulting from transactions with the Australian Government as owners		544,091

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position

for the period ended 30 June 2004

	Notes	2004 \$
ASSETS		
Financial assets		
Cash	6A	360,279
Receivables	6B	82,696
Total financial assets		442,975
Non-financial assets		
Infrastructure, plant and equipment	7A,7C	178,955
Leasehold improvements	7B,7C	257,269
Other	7D	2,017
Total non-financial assets		438,241
Total assets		881,216
LIABILITIES		
Provisions		
Employees	8	299,645
Total provisions		299,645
Payables		
Suppliers	9	35,907
Total payables		35,907
Total liabilities		335,552
NET ASSETS		545,664
EQUITY		
Contributed equity	10	1,573
Accumulated surplus	10	544,091
Total equity		545,664
Current assets		444,992
Non-current assets		436,224
Current liabilities		166,456
Non-current liabilities		169,096

The above statement should be read in conjunction with the accompanying notes.

value from 2005-06. As 2003-04 is the first period of the agency's operation, and most assets have been acquired only recently, then current depreciated cost is recognized as up-to-date fair value at 30 June 2004.

It is important to note that the Finance Minister requires these assets to be measured at up-to-date fair values as at 30 June 2005. Further, the transitional provisions in AASB 1 will mean that the values at which assets are carried as at 30 June 2004 under existing standards will stand in the transitional balance sheet as at 1 July 2004.

It is intended that revaluations will be conducted annually as at 30 June, thus providing up-to-date fair values and comparatives from June 2004.

Impairment of non-current assets

The agency's policy on impairment of non-current assets is at note 1.10.

Under the new Australian equivalent Standard, these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use.) The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. Note 1.10 discloses a policy of annual revaluation of assets to fair value, thus excluding the impairment tests with the exception of intangibles.

Note 3: Events occurring after reporting date

The agency is not aware of any significant events that have occurred since balance date that warrant disclosure in these statements.

Note 4: Operating revenues

	2004
	\$
Note 4A: Revenues from government	
s32 transfer by Department of Treasury	2,000,000
Resources received free of charge	12,000
Total revenues from government	2,012,000
Note 4B: Other revenue	
Services	98,474
Total other revenue	98,474
Rendering of services to:	
Related entities	98,474
Total rendering of services	98,474

Note 5: Operating expenses

	2004
	\$
Note 5A: Employee expenses	
Wages and salary	626,804
Superannuation	90,279
Leave and other benefits	71,702
Other employee expenses	28,923
Total employee benefits expense	817,708
Workers compensation premiums	5,851
Total employee expenses	823,559
Note 5B: Supplier expenses	
Goods from related entities	118,956
Services from related entities	221,716
Services from external entities	217,806
Operating lease rentals(a)	166,288
Total supplier expenses	724,766
Note 5C: Depreciation	
Property, plant and equipment	18,058
Total depreciation	18,058
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable assets are as follows:	
Leasehold improvements	4,446
Infrastructure, plant and equipment	13,612
Total depreciation	18,058

Note: No depreciation or amortisation was allocated to the carrying amounts of other assets.

(a) These comprise minimum lease payments only.

Note 6: Financial assets

	2004
	\$
Note 6A: Cash	
Departmental	360,279
Total cash	360,279
Note 6B: Receivables	
Goods and services	72,141
Less: Provision for doubtful debts	-
Total goods and services	72,141
GST receivable	10,555
Total receivables (net)	82,696
Receivables is represented by:	
Current	82,696
Total receivables (net)	82,696
All receivables are with Commonwealth entities	
Receivables (gross) are aged as follows:	
Not overdue	82,696
Total receivables (gross)	82,696

Note 7: Non-financial assets

	2004
	\$
Note 7A: Infrastructure, plant and equipment	
Infrastructure, plant and equipment	
- at cost	192,567
- accumulated depreciation	(13,612)
Total infrastructure, plant and equipment	178,955
<i>All infrastructure, plant and equipment are non-current assets</i>	
Note 7B: Leasehold improvements	
Leasehold improvements	
- at cost	261,715
- accumulated amortisation	(4,446)
Total leasehold improvements	257,269
<i>All leasehold improvements are non-current assets</i>	

Note 7: Non-financial assets (continued)

	Infrastructure, plant and equipment \$	Leasehold improvements \$
Note 7C: Analysis of property, plant and equipment		
As at 7 August 2003		
Gross book value	-	-
Accumulated depreciation/amortisation	-	-
Net book value	-	-
Additions by purchase	192,567	261,715
Depreciation/amortisation expense	(13,612)	(4,446)
As at 30 June 2004		
Gross book value	192,567	261,715
Accumulated depreciation/amortisation	(13,612)	(4,446)
Net book value	178,955	257,269
		2004
		\$
Note 7D: Other non-financial assets		
Prepayments		2,017
<i>All prepayments are current assets</i>		2,017

Note 8: Employee provisions

	2004
	\$
Leave	299,645
Aggregate employee benefit liability	299,645
Current	130,549
Non-current	169,096

Note 9: Supplier payables

	2004
	\$
Trade creditors	35,907
Total supplier payables	35,907
Supplier payables are represented by:	
Current	35,907

Note 10: Analysis of equity

	Accumulated Results 2004 \$	Contributed Equity 2004 \$	Total Equity 2004 \$
Opening balance as at 7 August 2003	-	-	-
Net surplus	544,091	-	544,091
Transactions with owner:			
Contributions by owner:			
Assets transferred	-	1,573	1,573
Closing balance as at 30 June	544,091	1,573	545,664
Total equity attributable to the Commonwealth	544,091	1,573	545,664

Note 11: Cash flow reconciliation

	2004 \$
Reconciliation of cash per statement of financial position to statement of cash flows	
Cash at year end per statement of cash flows	360,279
Statement of financial position items comprising above cash: 'financial asset - cash'	360,279
Reconciliation of net surplus to net cash from operating activities:	
Net surplus (deficit)	544,091
Depreciation and Amortisation	18,058
(Increase)/decrease in receivables	(82,696)
(Increase)/decrease in prepayments	(2,017)
Increase/(decrease) in employee provision	299,645
Increase/(decrease) in supplier payables	35,907
Net cash from operating activities	812,988

Note 12: Contingent liabilities and assets

There are no unquantifiable or remote contingencies.

Note 13: Executive remuneration

The number of Executives who received or were due to receive total remuneration of \$100,000 or more:

	2004
\$210,000-\$219,999	1
\$230,000-\$239,999	1
	2
The aggregate amount of total remuneration of executives shown above	\$447,871

Note 14: Remuneration of auditors

	2004
	\$
Financial statement audit services are provided free of charge to the agency	
The fair value of the services provided was:	12,000
Total	12,000

Note 15: Average staffing levels

	2004
The average staffing levels for the agency during the period were:	5

Note 16: Financial instruments

Note 16A: Interest rate risk

Financial instrument	Notes	Non-interest bearing 2004 \$	Total 2004 \$	Weighted average effective interest rate
				2004 %
Departmental financial assets				
Cash	6A	360,279	360,279	n/a
Receivables for goods and services (gross)	6B	82,696	82,696	n/a
Total financial assets		442,975	442,975	
Financial liabilities (recognised)				
Trade creditors	9	35,907	35,907	n/a
Total financial liabilities (recognised)		35,907	35,907	

Note 16B: Net fair values of financial assets and liabilities

Financial instrument	Notes	2004	
		Total carrying amount \$	Aggregate Net fair value \$
Financial assets			
Cash	6A	360,279	360,279
Receivables for goods and services (net)	6B	82,696	82,696
Total financial assets		442,975	442,975
Financial liabilities (recognised)			
Trade creditors	9	35,907	35,907
Total financial liabilities (recognised)		35,907	35,907

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values for trade creditors are approximated by their carrying amounts.

Note 16C: Credit risk exposures

The agency's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position.

The agency has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Note 17: Specific payments disclosure

	2004
	\$
No 'Act of Grace' payments were made during the reporting period	-
No waivers of amounts owing to the Commonwealth were made during the reporting period	-
No ex-gratia payments were made during the reporting period	-
No payments were made under the 'Defective Administration Scheme' during the reporting period	-
No payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period	-

PART 5:

OTHER STATISTICAL INFORMATION

OCCUPATIONAL HEALTH AND SAFETY

The office of the Inspector-General operates so as to foster and maintain a safe and healthy working environment in accordance with the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. During 2003-04, the Inspector-General received no accident and incident reports. No notices were given under sections 29, 46 and 47 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

FREEDOM OF INFORMATION

The Freedom of Information Act gives the general public legal access to government documents.

Section 8 of the *Freedom of Information Act 1982 (Cth)* (the FOI Act) requires the Inspector-General to publish certain information in its annual report. Information about its organisation, functions and decision-making powers is contained in the body of this annual report.

Arrangements for outside participation

The FOI Act requires information regarding the arrangements for bodies or persons outside the Commonwealth to participate in the formulation of policy by the agency, or in the administration of the agency.

A specific performance indicator for the Inspector-General of Taxation is broad-based community involvement in the identification of systemic issues in the administration of tax laws. As previously discussed, the Inspector-General has chosen to widely consult with the community in setting his work program.

The Inspector-General also engages in consultation to inform the development of advice to the Government. By being fully informed of the effects of findings and recommendations, the Inspector-General can better advise the government on how the administration of the tax laws may be improved and minimise any unintended consequences.

Consultation is most effective when stakeholders respect each other's input and collaborate to develop workable solutions. However, consultation will not always result in consensus amongst stakeholders.

The Inspector-General takes a number of different approaches to liaison and consultation. Consultations on the work program of the Inspector-General may be broad, such as written submissions responding to an issues paper or terms of reference for a review, or targeted, such as roundtable discussions with a small number of stakeholders or individual meetings with stakeholders.

When engaging in community consultation, the Inspector-General seeks to involve an appropriate range of stakeholders in consultations; ensures all participants have an opportunity to contribute to the consultation; endeavours to provide realistic timeframes for participants to contribute; acknowledges, respects and seeks to understand the views of participants, providing feedback on those views where possible; appreciates and maintains the confidential nature of discussions with stakeholders; and, provides advice to the Government that leads to the improved administration of the tax laws for the benefit of all taxpayers.

Categories of documents held by the Inspector-General

The following categories of documents are held by the Inspector-General:

- correspondence and working papers, including formal submissions, notes of meetings and files relating to a review;
- correspondence and databases used by staff for the purposes of communication with persons and organisations related to the general operations of the Inspector-General;
- correspondence and working papers relating to the administration of the Inspector-General, including personal records, organisation and staffing records, financial and expenditure records, advice and internal operations such as office procedures and instructions; and
- reference material, including press clippings and research papers.

Every six months the Inspector-General also publishes an indexed list of files at www.igt.gov.au.

Documents open to public access

A detailed listing of Inspector-General documents published during the year and available on request – reports, discussion papers, issues papers and annual reports – is available at www.igt.gov.au.

The Inspector-General has a policy of publishing all new issues papers and discussion papers on the Inspector-General's website at the time of release.

All reports to government will also be placed on the Inspector-General's website following the release of the report by the Minister or the tabling of the report in both Houses of Parliament.

Facilities for access of documents

If a member of the public requests a document and the Inspector-General approves access, the Inspector-General will provide copies of documents after the applicant pays any charges.

Members of the public are also able to obtain access to available documents, by arrangement, at Level 19, 50 Bridge Street, Sydney, NSW.

Freedom of information applications and initial contact points

Initial enquiries regarding access to Inspector-General documents should be directed in writing to:

Postal address:
Inspector-General of Taxation
GPO Box 551
SYDNEY NSW 2001

Procedures for dealing with Freedom of Information requests are detailed in section 15 of the FOI Act. A valid request must:

- be in writing;
- be accompanied by a payment of a \$30 application fee;

- include the name and address of the person requesting the information;
- be processed within 30 days of receipt.

Any request, pursuant to subsection 30A(1) of the FOI Act, that the application fee be waived should accompany requests.

Some documents are exempt from public perusal under the FOI Act. Where documents are not accessible by the applicant, valid reasons will be provided.

In accordance with section 54 of the FOI Act, an applicant may, within 30 days of receiving notification under the Act, seek an internal review of a decision to refuse a request. The prescribed fee of \$40 should accompany the application.

Decisions about accessibility of documents may also be reviewed by the Administrative Appeals Tribunal.

Freedom of information activity

The Inspector-General did not receive any requests for access to documents under the FOI Act in 2003-04.

ADVERTISING AND MARKET RESEARCH

No advertising or market research activities were undertaken during 2003-04.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

The office of the Inspector-General actively pursues measures to minimise waste and conserve energy. Timer switches control all general lighting in the office. The owner of the leased office premises has an active energy and waste management strategy.

The Inspector-General recycles paper and cardboard products.

DISCRETIONARY GRANTS

No discretionary grant programs are administered by the Inspector-General of Taxation.

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ACRONYMS

AASB	Australian Accounting Standards Board
AATSI	Aboriginal and Torres Strait Islander
AEIFRS	Australian Equivalents International Financial Reporting Standards
ANAO	Australian National Audit Office
APS	Australian Public Service
ASIO	Australian Security Intelligence Organisation
ATO	Australian Taxation Office
AWAs	Australia Workplace Agreements
EL1	Executive Level 1
EL2	Executive Level 2
ESL	English as a Second Language
FOI	Freedom of Information
GST	Goods and Services Tax
IFRSs	International Financial Reporting Standards
IGT	Inspector-General of Taxation
SES	Senior Executive Service
UIG	Urgent Issues Group

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