



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

Quarterly Reporting Pack

Quarter 3, 2020-2021

The IGTO Quarterly Reporting Pack provides progressive updates against the latest IGTO Corporate Plan



The IGTO Corporate Plan can be accessed here: [Corporate Plan](#)

Part 1

Complaint Investigations

Case Studies for Q3 FY21

These case studies illustrate how the IGTO has assisted taxpayers that have raised a complaint with us.

Case Study 1:

An individual taxpayer raised concerns that the ATO had determined they were ineligible for JobKeeper because they had not lodged their application by the due date. The taxpayer lodged a deferral request for the periods for which they were late, explaining to the ATO that they were dealing with serious family issues at the time which delayed their application. The ATO did not grant the deferral request and the taxpayer subsequently lodged a complaint with the IGTO. The IGTO commenced an investigation and requested the ATO to consider and explain why the taxpayer's circumstances was not considered exceptional or unforeseen for a deferral to be granted as, based on the IGTO's review of relevant ATO public guidance, the taxpayer appeared to be eligible. The ATO escalated the decision to senior officers for review and after re-considering the taxpayer's explanation it was determined that they were eligible to receive JobKeeper. As a result, the taxpayer received backdated JobKeeper payments and an apology from the ATO.

Case Study 2:

An individual taxpayer raised a query regarding their employee termination payment, specifically in relation to their long service and annual leave and the calculation of the tax to withhold. Information from the ATO's website was provided to the taxpayer via email including ATO instructions on how to calculate the tax to withhold from amounts paid to employees for their unused leave on the termination of their employment; a sample copy of the specific payment summary form that the employer must complete and send to the employee and the ATO; and ATO guidance confirming an employer must provide the payment summary to the employee within 14 days of the payment being made.

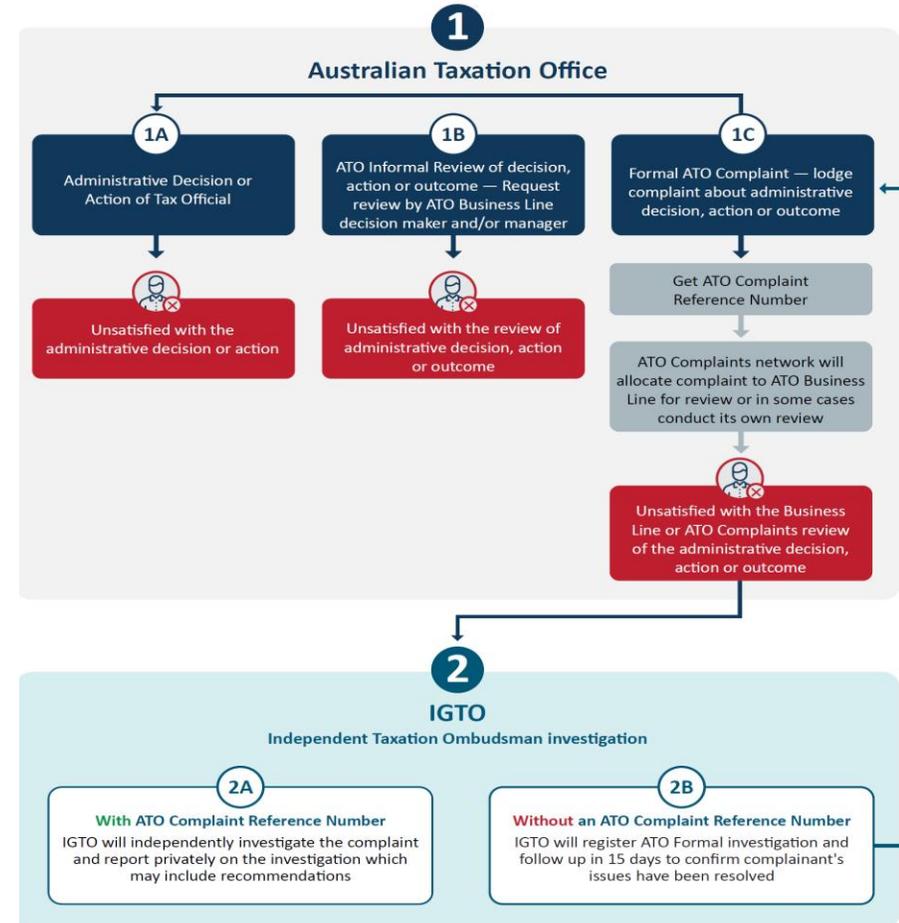
Making a Complaint - Overview

As the Taxation Ombudsman, we can help investigate taxation complaints about the Australian Taxation Office (ATO) or the Tax Practitioners Board (TPB).

A taxation complaint may be formally investigated and resolved in two stages:

Stage 1 – the complainant should first try to resolve their concerns directly with the ATO (or TPB) – by lodging a formal complaint.

Stage 2 – if the complainant remains unsatisfied, they may lodge a taxation complaint with us, the Taxation Ombudsman, for an independent investigation.



Complaint categorisations

Definition of a complaint per ISO standards:

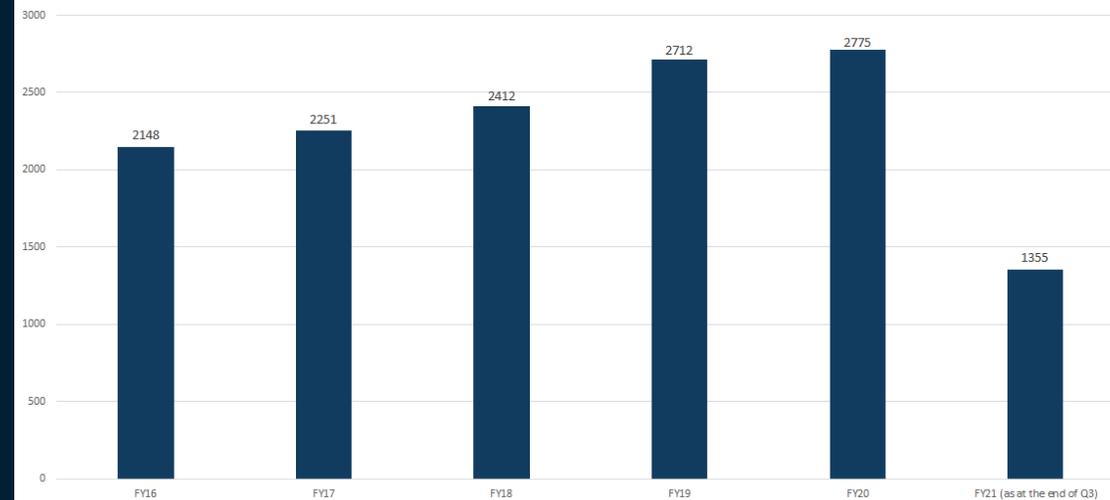
Any expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

Independent Assistance and Assurance	
Category 0	Insufficient information (i.e. the complainant is unable to provide the IGTO with sufficient information to be able to assist)
Category 1	Translation/Navigation (i.e. IGTO helps the complainant to make sense of ATO/TPB explanations, provides independent assurance regarding ATO/TPB actions of concern and/or charts out the options that are open to the complainant)
Category 2	Referral (i.e. IGTO refers complainant's information to most appropriate agency and/or declines to investigate)
Independent Formal Investigation	
Category 3.1	ATO has no record of a previous complaint - IGTO identifies issues requiring formal investigation and options for resolution and requires the matter to be dealt with by an identifiable ATO/TPB officer providing accountability for the management and resolution of the complaint. IGTO also checks the ATO/TPB's handling of the complaint for satisfactory conclusion
Category 3.2	Uncomplicated Cases - IGTO investigates independently, engages with the ATO to verify facts/issues, determines the most appropriate and timely actions, and identifies who will take them for early resolution
Category 3.3	Frequently Raised Issues - IGTO identifies the case as involving a common area of complaint that is capable of being resolved efficiently and effectively through pre-agreed investigation processes
Category 4	Complex Cases - IGTO undertakes deeper inquiry and investigation to surface relevant evidence and determine the most appropriate options for resolution
Category 5	High Complex Cases - IGTO investigates by engaging directly with ATO senior management (SES), and provides ATO senior management with early warning of emerging risks and opportunity to address sensitive issues (by providing early warning of emerging risks)

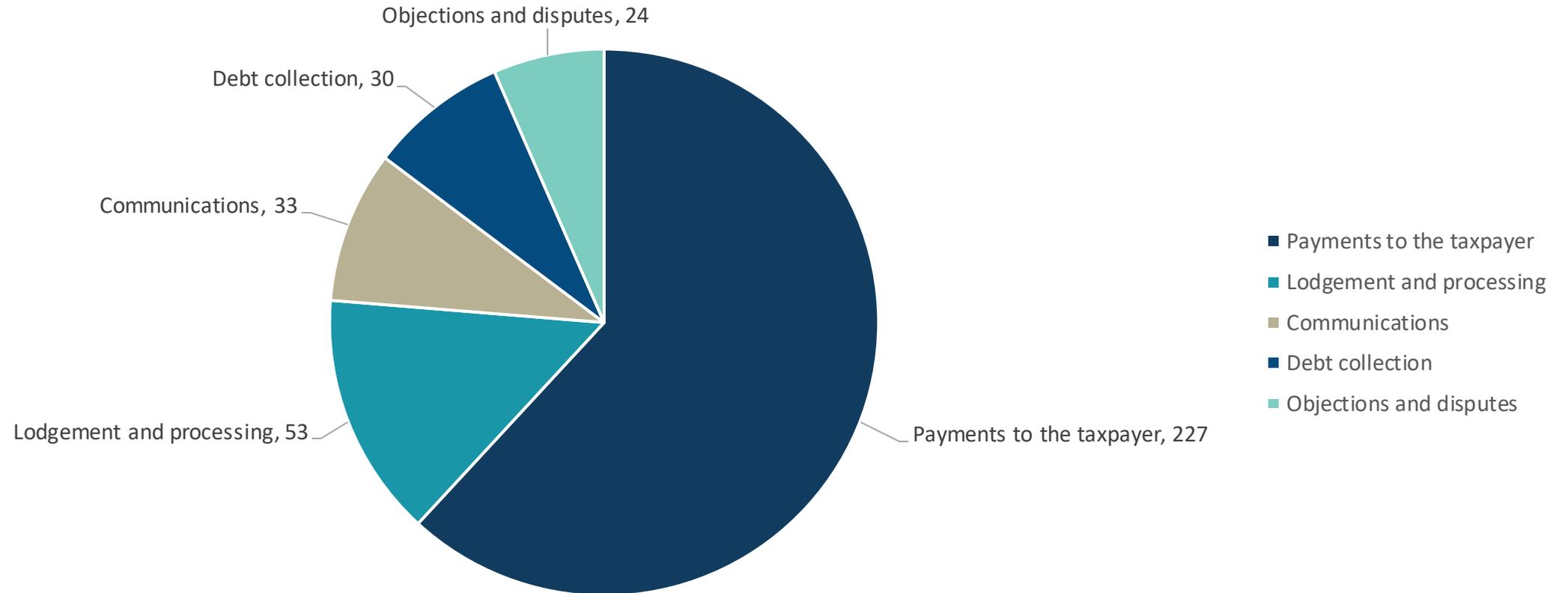
Total complaints received each year to date

The decline in total complaints received in FY21 is due to a number of internal and external factors, including:

- increased messaging encouraging complainants to engage the ATO/TPB in the first instance where there is no record of previous complaint lodged
 - Category 3.1 complaints (ATO has no record of the complaint) reduced from 903 in FY20 to 154 in FY21 - an 83% decline
- the ATO's pause on its debt collection activities and other activities in FY21 to focus on the COVID-19 economic stimulus measures
 - in FY21 YTD, we recorded 170 issues about ATO debt collection, compared to 656 in FY20



Top 5 complaint issues in Quarter 3

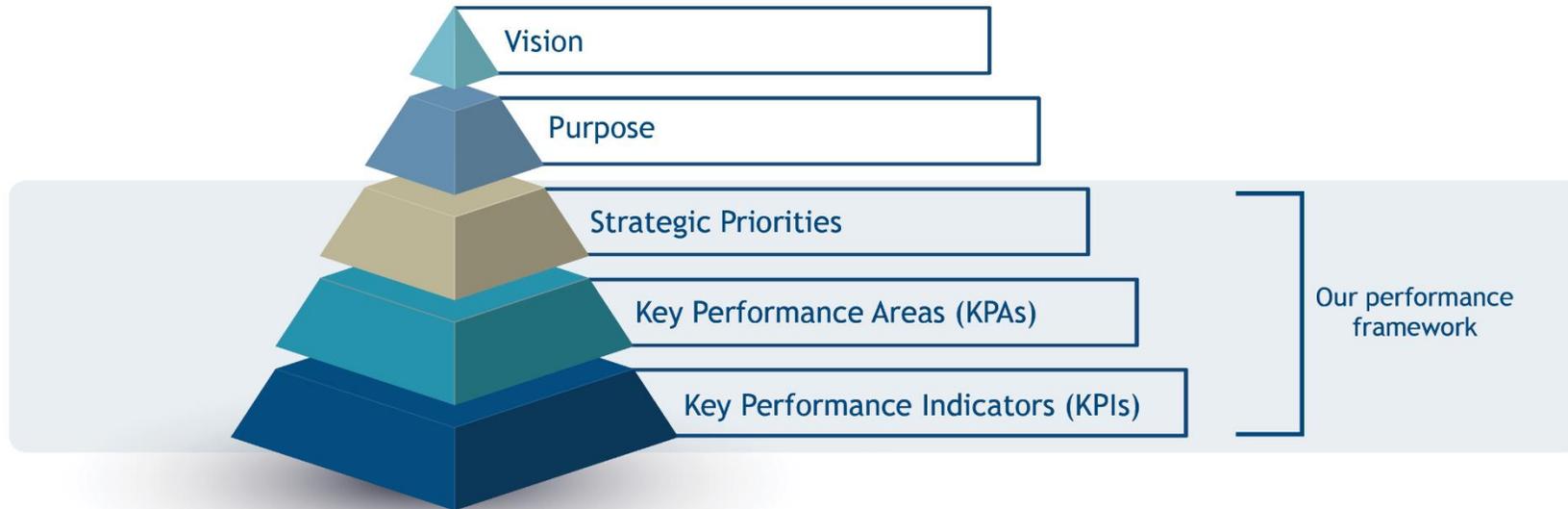


Part 2

Key Performance Indicator (KPI) results for Q3, FY21

Our performance framework

Our performance framework is intended to inform Parliament and other stakeholders of our activities and to ensure we are accountable to the Australian community. It naturally supports our vision and purpose. Our strategic priorities inform our framework and outline the areas we must focus on to meet our objective of improving tax administration for the benefit of the Australian community. Key performance areas (KPAs) and indicators (KPIs) assess our performance in achieving these priorities.



Our strategic priorities

	<p>Communicate clearly and effectively</p>	<p>Clear communication is an important strategic priority for the IGTO. Clear communication is important in all aspects of the delivery of our services to the community:</p> <ul style="list-style-type: none"> • Providing access to information; • understanding issues raised in complaints; • understanding stakeholder issues; • investigating complaints; • understanding and analysing the sources of complaints and misunderstandings; • conducting reviews; • preparing submissions to Parliamentary Committees and Government; and • reporting our key findings and recommendations to the Minister, Government, Parliament, ATO, TPB and ultimately for the community. <p>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 and managing debt compliance – such as arrangements for time for payment.</p>
	<p>Be approachable, contactable and responsive</p>	<p>The success of our delivery of services to the community depends on IGTO being easy to work with, being accessible and responsive in our investigation of complaints and reviews. Whilst responsiveness may necessarily vary with the complexity of the matters investigated – it is a priority for all of our reviews and complaint investigations.</p>
	<p>Improve the skills, expertise and resilience of our people and organisation</p>	<p>Our team needs to have both tax technical skills and the expertise and skills to work with people, sometimes in moments of high stress and anxiety.</p> <p>The complexity of the Australian taxation laws necessitates specialist expertise in taxation to navigate options and make recommendations.</p>
	<p>Independent thought leadership and expertise</p>	<p>IGTO can provide some unique insights on the operation of the taxation administration laws – both domestically and by way of international comparisons. Our thought leadership contribution to the taxation community is another opportunity to contribute to improved taxation administration laws.</p>
	<p>Engage with stakeholders in the tax administration system</p>	<p>Stakeholder engagement is a strategic priority for IGTO – to ensure we stay connected with the tax community. This is critical to allow us to identify priority areas for review, to keep on top of the ‘current’ experiences in the market and tax community and to promote community awareness of the service we provide and assistance we can deliver.</p>

Key performance areas

<p>KPA 1</p> <p>Provide an independent, efficient and effective tax complaints service for taxpayers</p>	<ul style="list-style-type: none"> • Actively investigate complaints in a fair, independent and timely manner. • Provide understandable reasons for our decisions. • Maintain cooperative relationships with the ATO and TPB. • Identify and share improvement opportunities, internally and also with the ATO and TPB, to support prompt and effective delivery. • Provide targeted training and development to staff in order to maintain a tax specialist complaints team. 	
<p>KPA 2</p> <p>Identify and investigate priority areas for improved tax administration</p>	<ul style="list-style-type: none"> • Analyse data and feedback obtained from complaints together with consultation with stakeholders to identify broader tax administration issues. • Allocate resources appropriately to priority areas. 	
<p>KPA 3</p> <p>Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia</p>	<ul style="list-style-type: none"> • Be responsive to the community, including the Government, the ATO and the TPB in making effective recommendations for improving tax administration. • Allocate resources to conduct reviews appropriately. 	
<p>KPA 4</p> <p>Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally</p>	<ul style="list-style-type: none"> • Engage with the Government, ATO and the TPB to communicate effectively and efficiently on areas of concern. • Foster relations with other government agencies and Ombudsman to ensure tax administration complaints are referred to our office. • Engage with the broader community using a variety of channels. 	
<p>KPA 5</p> <p>Develop and foster a diverse, engaged and resilient team</p>	<ul style="list-style-type: none"> • Provide a workplace environment in which our staff are supported, engaged and inspired to provide the best service and outcomes. • Develop our specialist capabilities through targeted training and development opportunities. • Ensure our office is made up of diverse people with varied qualifications, skills and experience. 	

KPA 1

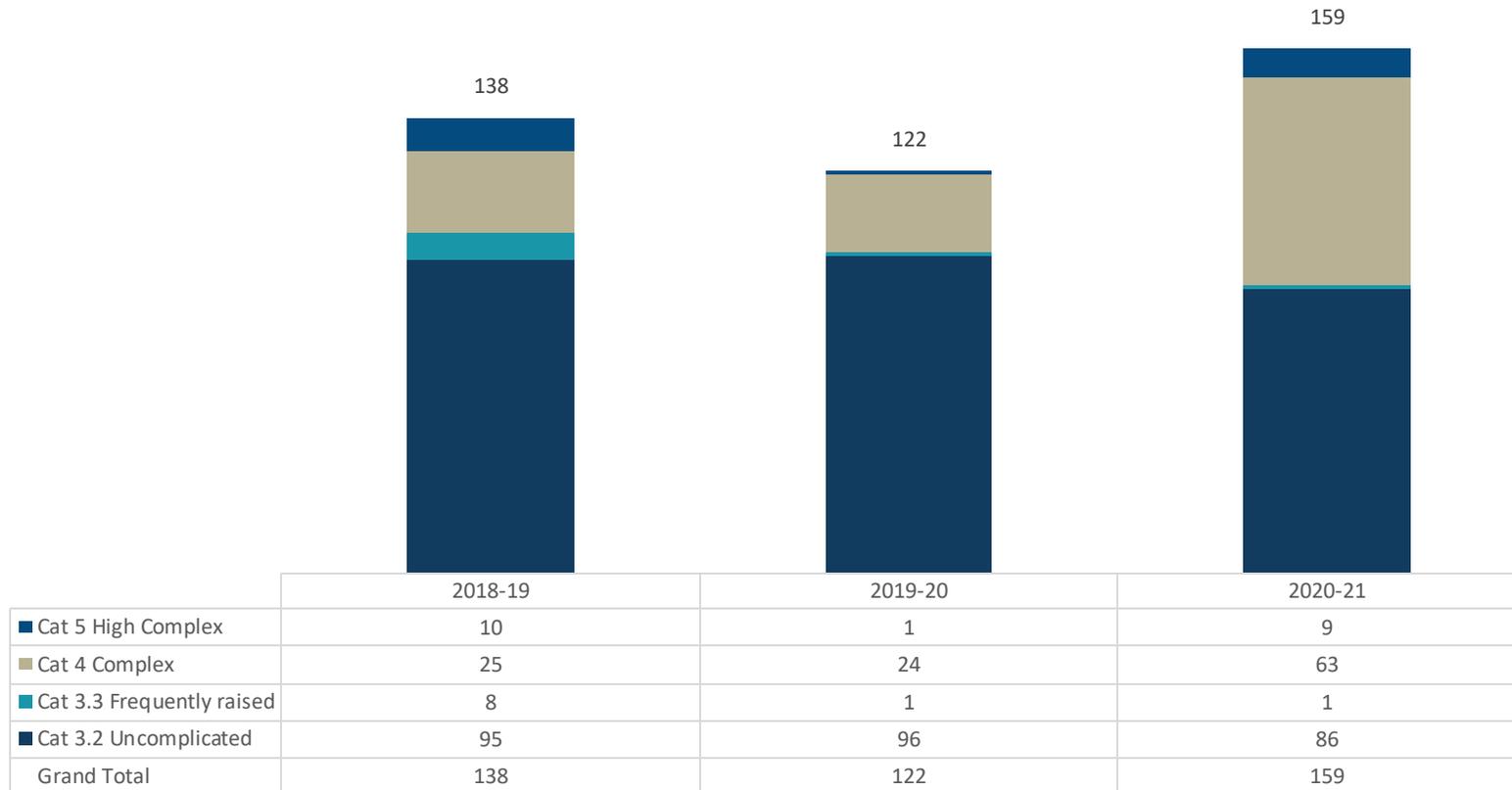
Provide an independent, efficient and effective tax complaints service for taxpayers

Remedies and outcomes as at May

2021 – noting that a single complaint case may have several remedies and outcomes

Independent Assistance and Assurance		Independent Formal Investigation	
We assisted by:	No.	We assisted by:	No.
Providing a better explanation	26	Providing a better explanation or additional information about what had occurred	407
Providing information to address concerns	414	Providing independent assurance	227
Helping people direct their concerns to the appropriate agency	140	Expediting resolution of the matter	119
Providing feedback to the agency	35	Having the ATO or TPB change its substantive position (e.g. application of the law)	113
		Asking the ATO or TPB to reconsider the matter	101
		Obtaining an apology for the complainant	95
		Providing feedback to the agency	25
		Having the ATO or TPB change an IT system	6
		Having the ATO reduce or release a debt	5
		Having the ATO remit or reduce Penalties and interest	5
		Having the ATO or TPB change a policy/practice	4

Complaints closed in Q3 of each Financial Year – Categories 3.2 to 5



In Q3 of FY21, there was a 30.3% increase in the number of complaint investigations closed compared to Q3 of FY20.

Complaint investigations received in Q3 of each Financial Year – Categories 3.2 to 5

*Data in relation to the categorisation of complaints received in Q3 FY21 is accurate as at 6 May 2021. It is noted that as complaints progress, they may be re-categorised.

**Due to the impacts of the COVID-19 pandemic, a triage and overflow system has been introduced.

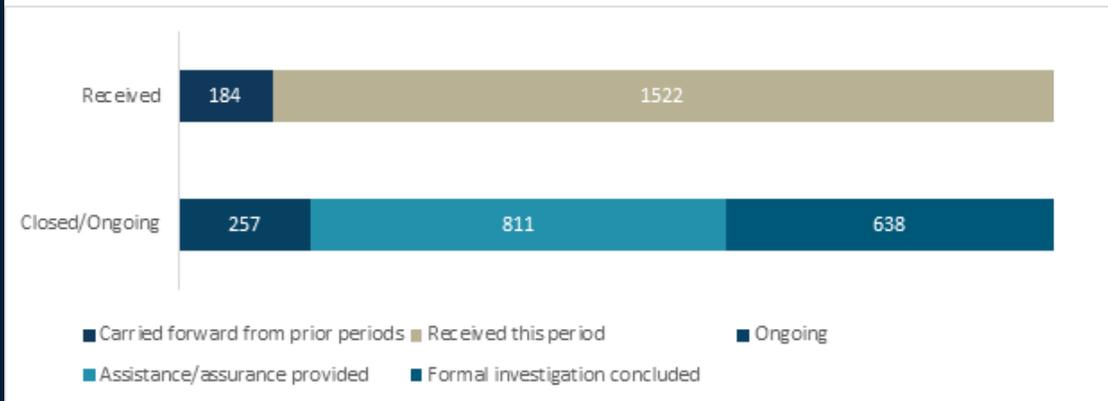
This means that in FY21, not all complaints received are immediately assigned to an IGTO investigator to progress. Complaints are placed in a queue to allocate on a 'first in, first out' basis unless there are exceptional circumstances.

There were 23 complaints in the queue at the end of Q3. This explains the lower number of Category 3.2 to 5 complaints received in FY21 compared to previous financial years.



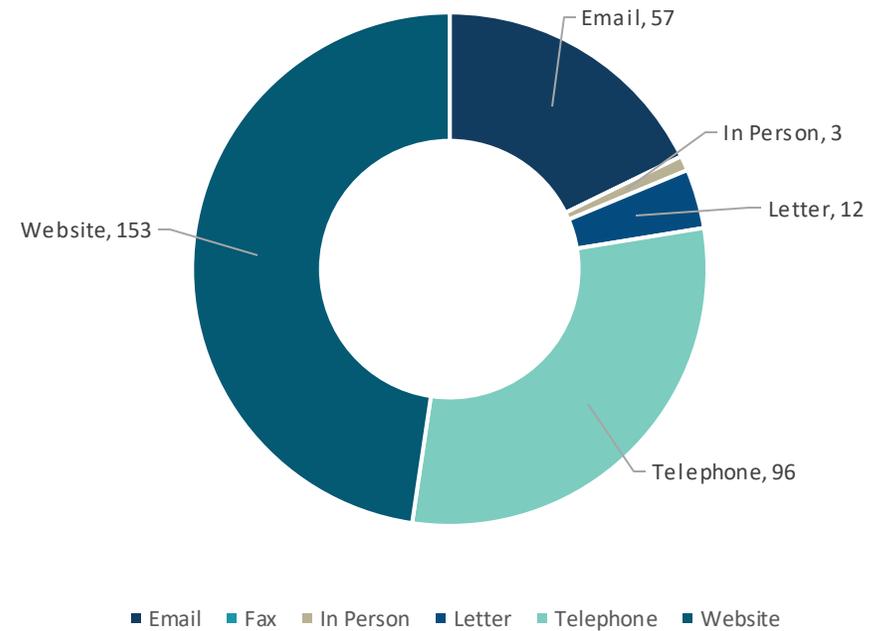
Complaints received and closed – 1 July 2020 to 25 May 2021

- $(811+638 = 1449)/1706 = 84.9\%$
- 257 Cases ongoing but some in triage system
- 257/20 Investigators = average of 13 cases per investigator but note most investigators have multiple roles



Percentage of complaints lodged via dedicated complaints webform or email

Of the 321 complaints lodged during Quarter 3 of FY21, 65% of those complaints were lodged via the complaints webform or email.

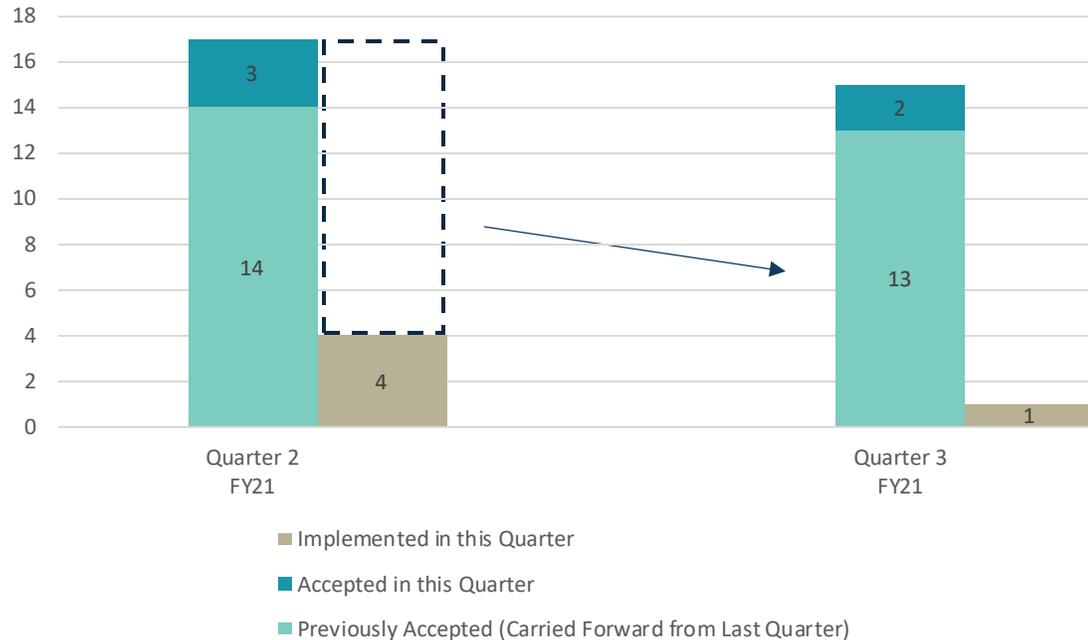


KPA 2 & KPA 3

Identify and investigate priority areas for improved tax administration

Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia

Number of Agreed Business Improvements from Complaint Investigations accepted and implemented by the ATO or TPB



Accepted in Quarter 2 FY21	Implemented in Quarter 2 FY21	Carried forward to Quarter 3 FY21	Accepted in Quarter 3 FY21	Implemented in Quarter 3 FY21
3	4	13	2	1

Percentage of responses to Government, Treasury or Parliamentary inquiries that relate to taxation administration where the IGTO requested to contribute

The following submissions were lodged by the IGTO during Quarter 3 FY21:

- On 2 February 2021, the IGTO lodged a submission to the Senate Economic Legislation Committee's Inquiry into the National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020. The submission is available here: [IGTO Submission to SELC - National Consumer Credit Protection.pdf](#)
- On 26 February 2021, the IGTO lodged a submission to the Attorney-General's Department's (AGD) Commonwealth Integrity Commission consultation draft. The submission is available here: [IGTO Submission to AGD - Consultation on draft CIC Legislation.pdf](#)
- On 16 March 2021, the IGTO lodged a submission to the Senate Economic Legislation Committee's Inquiry into the Treasury Laws Amendment (Your Future, Your Super) Bill 2021 [Provisions]. The submission is available here: [Submissions – Parliament of Australia \(aph.gov.au\)](#)

KPA 4

Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally

Meetings or Briefings with the ATO and/or TPB on IGTO review investigations or the complaints service

The IGTO attended a total of 41 meetings during Q3, all of which were with the ATO:

- 28 meetings in relation to the complaints service; and
- 13 meeting in relation to review investigations.

Number of domestic and international conferences and forums, stakeholder discussion groups or workshops attended by the IGTO

	Domestic conferences	International conferences
Quarter 3 FY21	18	0
Quarter 2 FY21	15	0
Quarter 1 FY21	19	3

Examples of conferences attended in Q3 FY21 include:

- The Tax Institute
- CAANZ
- Australian Cyber Security Centre

KPA 5

Develop and foster a diverse, engaged and resilient team

IGTO Workforce

Period	Male			Female			Total
	Full Time	Part Time	Sub Total	Full Time	Part Time	Sub Total	
As at 31 March 2021 (Q3 FY21)	16	0	16	12	1	13	29
As at 30 June 2020	16	0	16	9	1	10	26
As at 30 June 2019	18	0	18	9	1	10	28
As at 30 June 2018	18	0	18	8	1	9	27

Number of hours in undertaking Learning & Development/
training including those that contribute to the continuing
professional development (CPD) requirement for the
various professional associations



306.25 total hours of
L&D CPD for all
employees



10.56 average hours
of L&D CPD per
employee across 29
employees

Monitor diversity in the agency – including the percentage of female and culturally and linguistically diverse (CALD) staff across all levels

- 45% female
- 52% born overseas
- 62% English as a second language

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