



**Australian Government**  
**Inspector-General of Taxation**  
**Taxation Ombudsman**

# **IGTO** CORPORATE **PLAN** **2022-25**

# IGTO PLAN ON A PAGE

## OUR PURPOSE AND SERVICES TO THE COMMUNITY

1. To improve the administration of taxation laws for the benefit of the community.
2. To provide independent advice (to the Minister, the Government, the ATO or TPB).
3. To provide assurance (to taxpayers, tax practitioners, agencies or the community in general) through complaint, review and other investigations and reporting that Australian taxation administration laws are operating effectively, consistently, as intended and in accordance with community expectations of fairness.

## OUR STRATEGIC PRIORITIES

Our areas of focus to achieve our purpose and to provide our services to the community

Communicate clearly, effectively, independently and with integrity

Ensure that our tax complaint investigation service is approachable, contactable and responsive to the changing needs of the community

Improve the skills, expertise and resilience of our people and organisation

Provide independent thought leadership and expertise

Engage with stakeholders in the tax administration system

## PERFORMANCE FRAMEWORK

The Key Performance Areas and Key Performance Indicators we use to measure the delivery of our strategic priorities

### ENVIRONMENT

The external and internal factors we need to consider to deliver on our objectives:

- Complex and changing tax administration system with many participants
- Stakeholders and relationships
- Resourcing and funding
- Other factors influencing our environment — including those within and outside our control

### CAPABILITY

The capabilities required by the IGTO today and into the future:

- Our people
- Our values
- Clear and effective communication strategy
- Technology systems which protect taxpayer data

### RISK

The areas of risk that may impact on us achieving our purpose and objectives are:

- Efficient delivery of our complaints investigation service
- Provision of timely, accurate and high quality reports to Government
- Developing and maintaining constructive and cooperative relationships with stakeholders
- Attract and retain professionals with requisite skills and capabilities
- Complying with governance, legislative and external reporting requirements
- Corporate-wide risks

### CO-OPERATION

The principal organisations with whom we engage to achieve our purpose are:

- The Treasury
- The Australian Taxation Office and Tax Practitioners Board
- The Commonwealth Ombudsman, Australian Small Business and Family Enterprise Ombudsman and the Australian National Audit Office
- Professional and Industry bodies and Practitioners

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**Australian Government**  
**Inspector-General of Taxation**  
**Taxation Ombudsman**

27 August 2021

The Hon Michael Sukkar MP  
Minister for Housing and Assistant Treasurer  
Parliament House  
CANBERRA ACT 2600

Dear Minister

**CORPORATE PLAN FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022**

I am pleased to present you with the Corporate Plan for the Inspector-General of Taxation and Taxation Ombudsman (**IGTO**) for 2022 and beyond. This plan commences on 1 July 2021 and spans four (**4**) reporting periods ending 30 June 2025.

This plan has been prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*. The plan has been approved by me, as the Accountable Authority as required under paragraphs 35(1) and 35(2) of the *Public Governance, Performance and Accountability Act 2013*. The Corporate Plan is the principal planning document for IGTO and outlines the actions and priorities to successfully deliver on our purpose and strategic priorities during this time, as well as the key performance measures that we will monitor for these purposes.

Please do not hesitate to contact me on +61 2 8239 2125 or 0456 766 526 should you require any further information or explanation.

Yours sincerely

A handwritten signature in black ink that reads "K Payne".

Karen Payne  
Inspector-General of Taxation and Taxation Ombudsman

Copy to:

The Hon Josh Frydenberg MP, Treasurer  
Senator the Hon Simon Birmingham, Minister for Finance  
Senator the Hon Jane Hume, Assistant Minister for Superannuation,  
Financial Services and the Digital Economy  
The Hon Stuart Robert MP, Minister for Employment, Workforce,  
Skills, Small and Family Business

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# EXECUTIVE SUMMARY

# Executive summary

The Inspector-General of Taxation and Taxation Ombudsman (**IGTO**) is an independent, Commonwealth statutory agency. The IGTO has dual roles, which complement each other:

- The **Taxation Ombudsman** provides independent assistance and assurance directly to taxpayers and tax professionals and investigates taxation complaints about their tax affairs – **complaint enquiries** and **complaint investigations**, respectively;
- The **Taxation Ombudsman**, also conducts investigations of actions that have broader community impact or are commonly observed in a number of complaints to identify wider system improvements that address the causal issues – **own-initiative investigations**; and
- The **Inspector-General of Taxation** undertakes investigations of actions, systems and taxation laws (to the extent they deal with tax administration matters) – **review investigations**.

Both roles and the various investigation modes determine whether taxation laws are administered consistently and as intended. This includes determining whether taxation laws are administered in accordance with Australian Taxation Office (**ATO**) guidelines and publicly communicated commitments (including those set out in the *Taxpayers' Charter*), and also consistent with community expectations. The IGTO's investigations build confidence in the fairness of the tax system and deliver improvements to the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities.

The community's perception of the fairness of the tax administration system is an important factor and influence in determining voluntary compliance by taxpayers and tax practitioners alike – which ultimately determines the efficiency and effectiveness of the tax administration system itself – including tax revenues raised, the timeliness of tax lodgements and the efficient resolution of complaints and disputes.

We have a clear purpose and statutory function<sup>1</sup> which forms the foundation of our Corporate Plan. The IGTO:

- Directly assists complainants to navigate the tax system by providing information and assurance about actions of concern by the ATO and Tax Practitioners Board (**TPB**), providing information to complainants and presenting available options and referring matters to the most appropriate agency to assist complainants;
- investigates complaints about actions taken by a tax official that relate to administrative matters under a taxation law;
- investigates systems established by the ATO, or TPB, to administer taxation laws, including systems for dealing or communicating with the public generally or with particular people or organisations in relation to administrative matters under those laws;
- investigates systems established by taxation laws, but only to the extent that the systems deal with administrative matters;
- investigates actions taken by a tax official where they relate to administrative matters under a taxation law;
- investigates actions that are the subject of a complaint transferred to the IGTO by the Commonwealth Ombudsman;
- makes recommendations to the ATO, the TPB and the Government in relation to matters that it has investigated;
- publicly reports on investigations; and

- engages with the Government through our Minister, Parliament and its Committees, the ATO, the TPB and the tax professional community at large through briefings, consultations, engagements, submissions, research and thought leadership to generate discussion and debate on key areas of tax administration.

Our purpose and function are also instructive in determining how we operate and how we hold ourselves accountable to the community. When we directly assist to resolve or investigate complaints as the Taxation Ombudsman, the investigation is conducted in private and recommendations and reporting is also made privately. This is consistent with taxpayers' rights to privacy.<sup>2</sup> Similarly, own-initiative investigations are also conducted in private, although we may publish a report which is released publicly where it is appropriate to do so. When we undertake review investigations and make recommendations, as Inspector-General of Taxation, the investigation and recommendations are public investigations and, importantly, are to improve the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities. All submissions to review investigations remain confidential and are only quoted and acknowledged with the express, written consent of the relevant stakeholder. These investigations may be own-initiated or as directed by the Minister or as requested by the Minister, Parliament or its Committees, the ATO or the TPB.

To achieve our purpose and deliver our services to the community, we have identified five (5) strategic priorities. These priorities are supported by the key performance areas and key performance indicators we use to measure our success. Our operating environment, capabilities, and management of risk also influence whether we are successful in achieving our purpose. Our plan on a page provides an overview of how the components of our Corporate Plan fit together.

**The Australian community expects its tax system to be administered fairly, equitably and transparently.**



# 1

## INTRODUCTION

# Introduction

This Corporate Plan has been prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*. The plan has been approved by the IGTO as the accountable authority in accordance with paragraphs 35(1) and 35(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

This plan commences on 1 July 2021 and spans four (4) reporting periods ending 30 June 2025.

## Our vision

*To assure and ensure that there is fair, equitable, and transparent administration of the tax system consistent with community expectations.*

We apply these principles in everything we do.

*Figure 1.1* shows how our vision statement is operationalised via our services to the community.

Figure 1.1 – The IGTO’s Why, How and What



## Background to the IGTO

The office of the Inspector-General of Taxation was established as an independent, Commonwealth statutory agency in 2003 – following the recommendations of the Board of Taxation. The agency's functions were later expanded in 2015 to include those of the Taxation Ombudsman. This reform received bipartisan support.

The IGTO provides assurance about the administration of taxation laws – refer to Appendix A for a full list. That is, that taxation laws are administered fairly, equitably and transparently. For these purposes, the IGTO has powers to investigate which also include:

- Powers to obtain information or documents;
- Powers to examine witnesses under oath or affirmation;
- Powers to enter agency premises;
- Powers to grant a certificate of unreasonable delay;
- Powers to refer questions to the Administrative Appeals Tribunal (AAT); and
- Powers to recommend that the Principal Officer refer questions to the AAT.

The *Inspector-General of Taxation Act 2003 (IGT Act)* provides for a range of independent investigations:

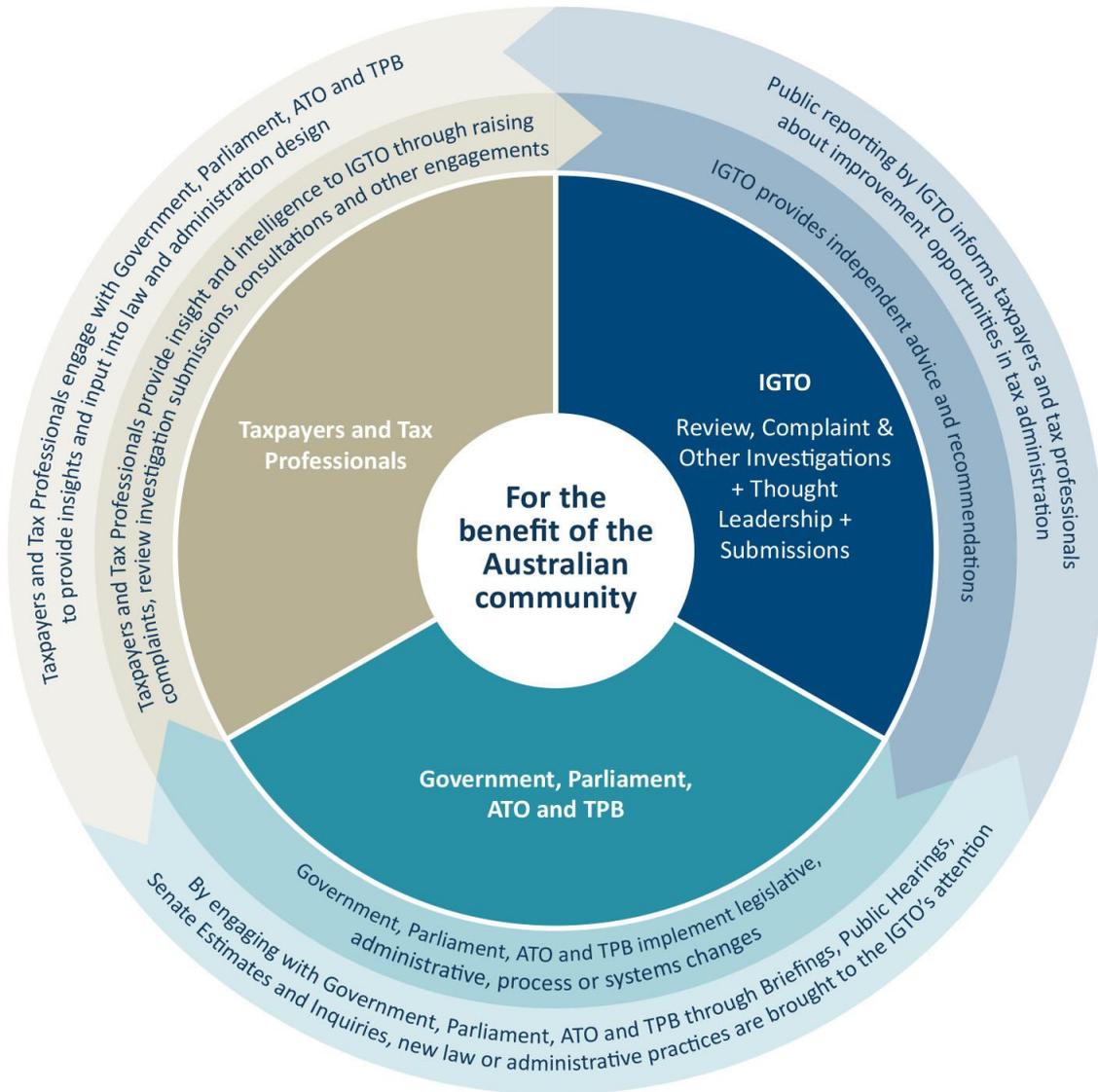
- As the **Taxation Ombudsman**, we provide taxpayers, tax professionals and other entities with an independent service to address their tax administration concerns through complaint enquiries and complaint investigations. While complaint investigations are conducted privately, the IGTO may report publicly on these investigations.
- **The Taxation Ombudsman** also conducts investigations of actions that have broader community impact or are commonly observed in a number of complaints to identify to critically examine issues to optimise our influence on the wider system improvements that address the causal issues – **own-initiative investigations**. Such investigations are conducted in private, however, the IGTO may publicly report on these investigations.
- As the **Inspector-General of Taxation**, we conduct review investigations that provide independent advice and recommendations to the Minister, the Government, the ATO, and the TPB as required. These review investigations examine systems established by the tax laws and the ATO and may be conducted as own-initiated investigations or under Ministerial direction. They may also be undertaken following a request from the Minister, the Commissioner of Taxation or the Chair of the Tax Practitioners Board, a resolution of either House, or both Houses, of Parliament or a resolution of a Committee of either House, or both Houses, of Parliament. The IGTO publicly reports on such investigations.

The Inspector-General of Taxation is appointed by the Governor-General for a statutory term – up to a maximum term of five years. The current Inspector-General of Taxation, Ms Karen Payne, commenced her five year term on 6 May 2019.

The Inspector-General of Taxation is a separate Commonwealth government agency that employs public servants directly under an Enterprise Agreement in accordance with the *Public Service Act 1999*.

An overview of the functions and interactions of our office is set out in *Figure 1.2*.

Figure 1.2 – Overview of the functions of the Inspector-General of Taxation and Taxation Ombudsman



# 2

## OUR PURPOSE

# Our purpose

*To improve the administration of taxation laws for the benefit of the community*

*and*

*To provide independent advice to the Minister, the Government and Parliament;*

*and*

*To provide assurance to the community through complaint, review and other investigations that Australian taxation laws are operating and being administered effectively, consistently, as intended and in accordance with community expectations of fairness.*

We have developed a principled framework through community consultation to better:

- understand and capture the community's expectations regarding improved tax administration;
- inform and direct our allocation of resources for complaint enquiries and investigations, review or other investigations and related reporting;
- inform and direct the scope of our complaint enquiries and investigations, review or other investigations and related reporting; and
- measure, reflect and report on our performance.

*Figure 2.1* presents the features that the community considers reflects good tax administration.

This has been updated to reflect stakeholder feedback received in FY20.

A more detailed overview of our framework is included in Appendix B.

Figure 2.1 – Features of good tax administration

The community expects the tax administration laws to be administered

**Fairly – that is, by delivering:**

- Fair treatment of taxpayers
- Consistent taxation outcomes
- Proportionate resource allocation

**Respectfully, professionally and collaboratively:**

- Understanding of circumstances
- Protects and respects taxpayer rights and confidentiality
- Ensure taxpayer information is protected
- Minimise unnecessary disruption to business
- Solutions identified in collaboration with business, practitioners and taxpayers

**Pro-actively – can adapt and respond to:**

- Changing taxpayer profiles
- Changing technology & commercial circumstances
- Changing business / employment environments
- Commercially acceptable timeframes
- Ensure data is used efficiently

**By providing accountability:**

- Transparent decision making
- Transparency of complaints and responses
- Appropriate, cost effective remedial action
- Appropriate governance and risk management

**In a way that provides certainty & consistency of taxation outcomes:**

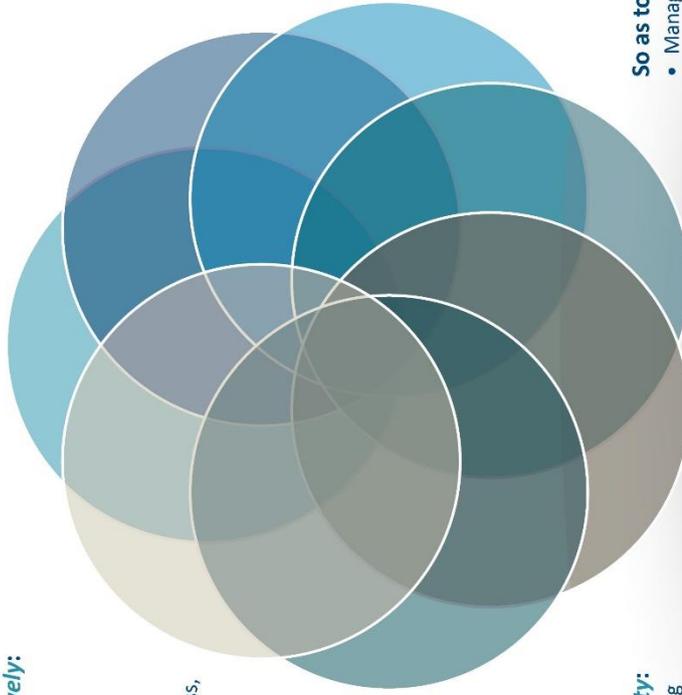
- Clear, effective administration
- Clear communication
- Taxation outcomes consistent with the law and policy intention
- Reliable guidance and advice
- Advice that is accessible, timely and understandable
- Consistency in dispute handling
- Administrative certainty

**So they are easy to use – aim for simplicity and to minimise costs:**

- Minimise the compliance burden for the ATO and taxpayer
- Minimise errors and mistakes
- Avoid duplication
- Minimise red tape

**So as to ensure tax is paid and collected correctly:**

- Manage collection risks — under and over collection
- Timely and affordable collection
- Proportionate resource allocation based on risk and amount to be collected



# 3

## OUR KEY ACTIVITIES

## Our key activities

*Investigate and report independently on the administration of Australian taxation laws;*

*Provide independent advice (to the Minister, the Government and Parliament); and*

*Provide assurance (to taxpayers, practitioners, agencies or the community in general) through complaint, review and other investigations that Australian taxation laws are operating effectively, consistently, as intended and in accordance with community expectations of fairness.*

The IGTO has two separate but complementary functions which serve to improve the administration of the taxation laws. The **Inspector-General of Taxation function** performs an important role in providing assurance or recommendations to improve the operation and administration of taxation laws and systems for the benefit of all Australians. The **Taxation Ombudsman function** provides assurance or recommendations specific to taxpayers and/or tax professionals about the fairness of the administration of taxation laws and systems as they relate to their specific circumstances. The assurance or recommendations may have broader benefit for all Australians. Both roles are equally important and complementary, in that they both provide assurance regarding the taxpayer and tax practitioner experience within the tax system and ensure fairness and transparency in their dealings with the ATO and/or the TPB.

The above functions of the IGTO are delivered to taxpayers and the community through the following key activities:

- directly assisting complainants to navigate the tax system by providing information and assurance about ATO/TPB actions of concern, providing complainants with information, presenting available options and referring matters to the most appropriate agency to assist complainants;
- investigating complaints about actions taken by a tax official that relate to administrative matters under a taxation law;
- investigating systems established by the ATO and/or the TPB, to administer taxation laws, including systems for dealing or communicating with the public generally or with particular people or organisations in relation to administrative matters under those laws;
- investigating systems established by taxation laws, but only to the extent that the systems deal with administrative matters;
- investigating actions taken by a tax official where they relate to administrative matters under a taxation law;
- investigating actions that are the subject of a complaint transferred to the IGTO by the Commonwealth Ombudsman;

- making recommendations to the ATO, the TPB and the Government in relation to matters that it has investigated; and
- publicly reporting on investigations.

When undertaking our investigations, we determine whether the administrative actions and decisions of the ATO and TPB are in accordance with the law, internal policies and procedures, and publicly communicated commitments to the community (such as those set out in the ATO's *Taxpayers' Charter*). We seek, in all of our investigations, to ensure and assure that the actions or decisions are fair, equitable and transparent or make recommendations for improvement.

## How we manage complaints

The IGTO is approached by individuals, small businesses, other taxpayers and tax professionals through a range of different channels including an online smart webform, telephone, facsimile and email. In order to manage the impacts of the COVID-19 pandemic on our team during FY20, we have actively encouraged complainants to make use of the online webform as the most effective channel to lodge a taxation complaint.

Regardless of the channel through which we are approached, all approaches to the IGTO are recorded as either complaint enquiries or complaint investigations and categorised (Categories range from '0' to '5') for case management and reporting purposes. A summary of our Complaint Categories can be found on our website and in Appendix C. The IGTO provides this summary explanation to assist stakeholders and the community to better understand the nature of the services we provide and the IGTO's reporting in relation to these services.

- Categories 0, 1 and 2 are complaint enquiries and represent independent assistance and assurance services;
- Categories 3, 4 and 5 are complaint investigations and represent approaches where a formal complaint investigation (also known as a 'dispute' investigation where a complaint remains unresolved by the ATO or TPB) is commenced.

Descriptions of formal complaint investigation (categories 3, 4, 5) are as follows:

- **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 officer providing accountability for the management and resolution of the complaint. IGTO also checks the ATO's handling of the complaint for satisfactory conclusion.
- **Category 3.2 – Uncomplicated Disputes** – IGTO investigates independently, engages with the ATO/TPB to verify facts and issues, determines the most appropriate and timely actions, and identifies who will take them for early resolution.
- **Category 3.3 – Frequently Raised Dispute 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 Disputes** – IGTO undertakes deeper inquiry and investigation to surface relevant evidence and determine the most appropriate options for resolution.
- **Category 5 – Highly Complex Complaint Disputes** – 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.

The IGTO may not delegate her power to make a report under section 15 of the *Ombudsman Act 1976*.<sup>3</sup> Accordingly and necessarily, the IGTO is involved in all complaint cases which have been classified as Category 5 complaints.

# 4

## OUR OPERATING CONTEXT

# Our operating context

The following part provides an outline of the context in which the IGTO operates. It covers:

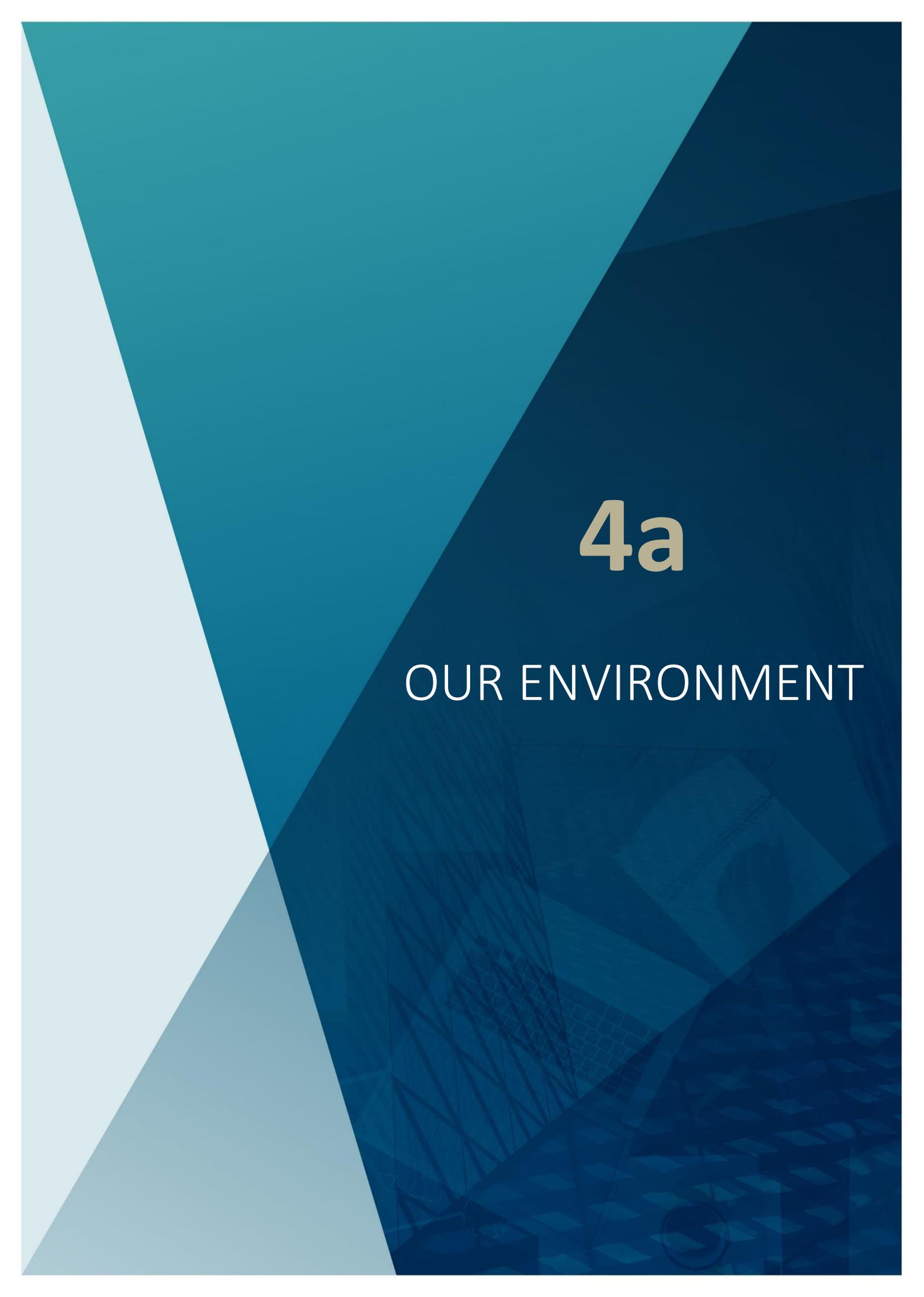
**4a** Our environment

**4b** Our capability

**4c** Our risk oversight and management systems

**4d** Co-operation with other organisations





4a

OUR ENVIRONMENT

# Our environment

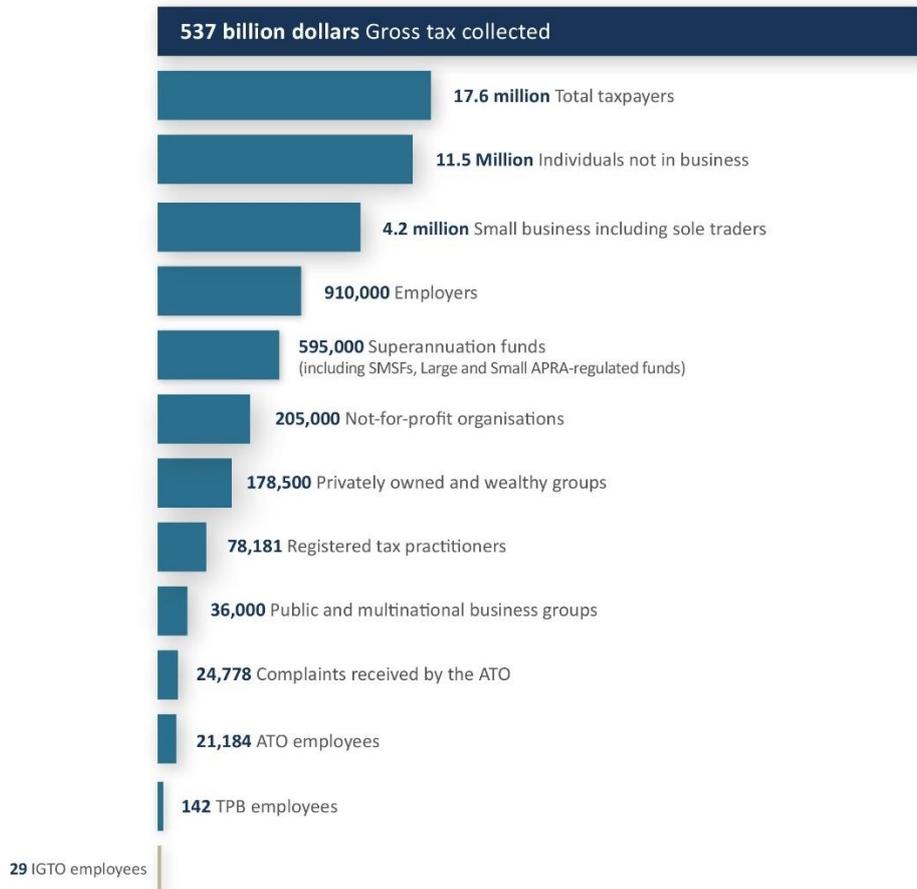
Our effectiveness in achieving our purpose is dependent on our ability to manage and adapt to the environment in which we operate: the *Australian taxation and superannuation administration system*. Specifically, we have oversight of taxation laws administered by the Commissioner of Taxation as well as the *Tax Agent Services Act 2009*. These are set out in full in Appendix A.

Importantly, this list includes the Government’s Coronavirus (COVID-19) support measures contained in the Coronavirus Economic Response Package, elements of which are administrated through the taxation and superannuation systems.

## Tax administration system is complex and constantly changing

The Australian tax administration system is complex. *Figure 4.1* provides some high-level statistics for the system, which shows 11.5 million individual taxpayers (not in business), 4.2 million small businesses, approximately 21,000 ATO employees and over 24,000 complaints received by the ATO. In comparison, at present, our agency operates with a team of approximately 29 people from a single office location with national responsibility. This can, at times, pose difficulties in engaging with the broader community, particularly those in remote areas.

**Figure 4.1 – Scale of the tax system in Australia as at 30 June 2020**



Source: ATO and TPB Annual Reports 2019-20

The tax administration system is also dynamic. Unsurprisingly, the ATO’s administration of taxation laws in relation to registration, lodgement, reporting and payment also changes. Professional and industry representatives, educators, and advisors assist the Australian community with compliance and keeping up to date with these changes, while the courts and tribunals adjudicate disputes which arise. The various processes and participants involved is represented in Figure 4.2.

**Figure 4.2 – Participants in the tax system and their functions**



We observe changes to the tax laws, regulatory reforms, information technology advances, software improvements and enhancements and shifts in commercial practices as the world changes and the way business is done evolves at an accelerating pace. The need to pivot and respond to the COVID-19 pandemic – to both support and serve the tax community and ensure staff wellbeing and workplace safety – is a real example of our need to be flexible and agile. We have implemented technological improvements to enable more effective remote work from home arrangements. We have reviewed and revised policies to reduce unnecessary in-office work and related travel as well as introducing clear social distancing rules where in-office work is necessary.

We believe that the tax and superannuation systems need to be administered consistent with community expectations. We seek to improve the tax administration laws in line with these expectations.

Our ability to do this is influenced by:

- our key stakeholder relationships;
- our resources and funding; and
- other factors in our operating environment including some within our control, some partially within our control, and some beyond our control.

## Stakeholders

Our relationships with participants in the taxation system is fundamental to improving the tax administration system. These relationships continue to evolve in line with greater community awareness and demand for our services.

Our key relationships are with:

- the Australian community, including taxpayers and their representatives (tax practitioners, advisers, solicitors and barristers);
- professional and industry bodies – including those that operate frequently within the tax sphere and those from industries and professions that may only occasionally interact with the tax system;
- the Government, including the Treasurer, the Assistant Treasurer, Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women’s Economic Security and the Minister for Employment, Workforce, Skills, Small and Family Business;
- Parliamentarians and Parliamentary Committees;
- the ATO and the TPB;
- Courts and Tribunals – especially the Administrative Appeals Tribunal (AAT) and the Federal Court of Australia;
- other government agencies, such as the Treasury, the Commonwealth Ombudsman, the Australian National Audit Office (**ANAO**), the Australian Commission for Law Enforcement Integrity (**ACLEI**), the Australian Small Business and Family Enterprises Ombudsman (**ASBFEO**), the Board of Taxation and the Office of the Australian Information Commissioner;
- the education system, including universities;
- community organisations, including Tax Clinics;
- international organisations, including overseas revenue agencies and counterparts; and
- Ombudsman associations and other complaints investigation industry bodies – both domestic and international.

## Resourcing and funding

Our ability to provide services to the community in line with their expectations is limited by the resources available to our office. This in turn is dependent upon the level of available funding – both of which are matters for Government and accordingly outside the control of our agency. We will manage our internal budget appropriately to provide the highest quality and range of services possible with the resources available.

## Other factors in our operating environment

Our operating environment is characterised by various factors that may influence our performance. Over the next four years, our focus will be on improving strategies to manage and adapt to our operating environment and the various influencing factors as they continue to evolve. Importantly, the COVID-19 pandemic is a major change to the operating environment with both local and international factors of relevance. Specifically, the COVID-19 economic support and other fiscal measures delivered through the tax system is having a significant impact on our operating environment. The impact of these factors is difficult to predict from both a risk management and control perspective, such that further on-going responsiveness and adaptation may be required.

OTHER FACTORS IN OUR OPERATING ENVIRONMENT	
FACTORS WITHIN OUR CONTROL	OUR STRATEGIES
<p><b>Our ability to manage available resources for our tax complaint investigation service and review investigations</b></p>	<p>We anticipate a continued increase in complex and highly complex disputes. The impacts of COVID-19 and related economic and fiscal support measures have contributed to the increase in more complex dispute investigations received by the IGTO. The challenge is exacerbated for us to manage our resources efficiently so that we can support staff health and wellbeing and maintain a reasonable level of review investigation work whilst also maintaining high standards in the investigation of taxpayer complaints. To meet this challenge, we plan to be flexible with our resources so that we continue to meet the community’s expectations. For example, we have implemented a prioritisation model to deal quickly with cases demonstrating exceptional circumstances. We may also undertake own-initiative investigations of tax administration actions examining single or narrowed issues, and publishing thought leadership and research articles to generate community debate.</p>
<p><b>Ensuring that our tax complaint investigation service is effective and achieves our purpose, including the capability of our people and our ability to communicate clearly and effectively to taxpayers</b></p>	<p>We will continue to optimise our tax complaint investigation service. This involves undertaking a review of our current service to identify areas of improvement as well as developing solutions. This strategy is not limited to the complaints process but includes policies and communications as well as the skills and support we provide to our staff.</p> <p>We will continue to develop and upskill our staff through individual and agency wide learning and development opportunities to ensure we are able to tailor our communications and tax complaint investigation services to the diverse taxpayer community. Our knowledge and understanding of the tax system are fundamental to the quality of service we can provide to the community, allowing us to efficiently identify taxpayer concerns and options for resolution whilst also providing us with the opportunity to impart our knowledge and understanding of the tax system to the taxpayers we assist.</p> <p>Over the next four years, we will regularly seek feedback on our tax complaint investigation service to ensure it remains effective and meets community expectations. Insights from our tax complaint investigation service will also be increasingly important in the selection of areas for review investigation.</p>

## OTHER FACTORS IN OUR OPERATING ENVIRONMENT

FACTORS WITHIN OUR CONTROL	OUR STRATEGIES
<p><b>Our information and communication technology (ICT) systems</b></p>	<p>Our ICT platform is a secure cloud-based environment built in accordance with Government initiatives and direct support of the Digital Transformation Agency's (DTA) program. Our ICT systems are the platform through which we communicate and interact to provide our services to the taxpayer community. We support greater flexibility for access and delivery of our services to the community through remote capability across all our systems, including our case management and telephone systems for managing our tax complaint investigation service. Our cultural commitment to innovation continues to improve our data capture and reporting capability for meaningful and deeper insights into trends and issues impacting on the administration of the tax system. We will continue to strive to enhance our ICT systems to improve our services to the community in a rapidly evolving digital environment. We continue to work actively with Government and its key agencies to enhance our cyber security posture.</p>
<p><b>Our working relationship with the ATO and the TPB</b></p>	<p>We act independently but continue to work with the ATO and the TPB to resolve concerns raised by members of the community and to identify improvements that would benefit the wider community. Our relationship with the ATO and the TPB is central to improving tax administration. This relationship is necessary to achieve prompt outcomes for complainants and more effective implementation of improvements to the system. We are also able to access some ATO ICT systems directly for independent assurance purposes in carrying out our tax complaint investigation and review investigation responsibilities.</p>
<p><b>Our ability to anticipate and respond to changes in the administration of the tax system</b></p>	<p>Our effectiveness in improving tax administration depends on our ability to anticipate and respond to changes in tax laws and its administration, particularly given the complexity of tax laws. The more responsive we are to changes in tax administration, the more useful and relevant our services and assistance will be to the community.</p> <p>We will continue to keep abreast of changes in the administration of tax laws, including through our interactions with Government agencies, the tax profession and the wider community. Our tax complaint investigation service provides us with real time insights into emerging issues. We need to allocate resources accordingly and work with the ATO and the TPB to address these issues promptly.</p>

**OTHER FACTORS IN OUR OPERATING ENVIRONMENT**

**FACTORS PARTIALLY WITHIN OUR CONTROL      OUR STRATEGIES**

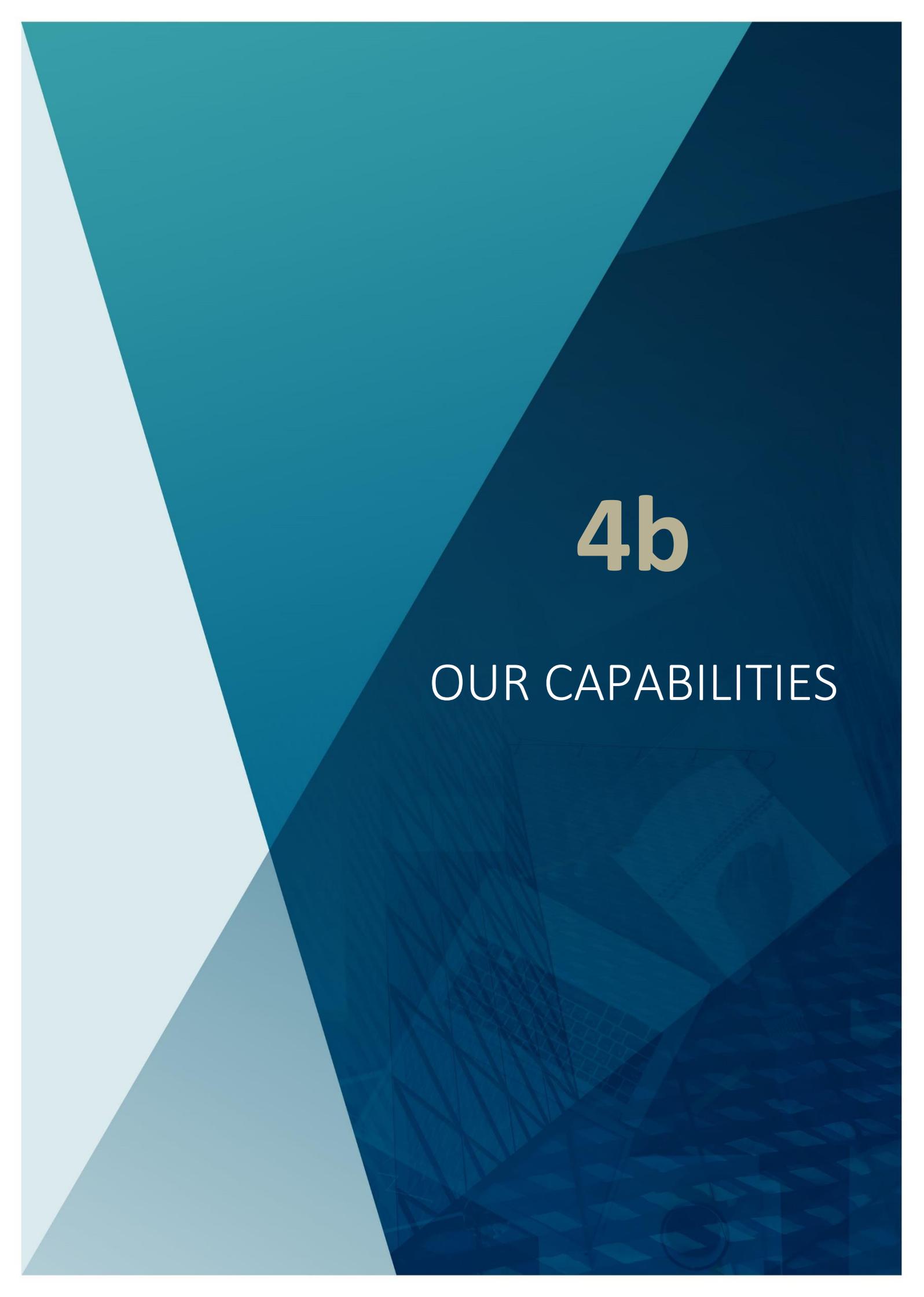
<p><b>Community awareness</b></p>	<p>The role of the ATO in the tax administration system is generally well understood by the community and all taxpayers have had interactions with the ATO, either directly or through their agent or representative.</p> <p>The role of the IGTO is less well known and understood in the community. An important priority for the IGTO is to improve the community’s awareness of our office and the services and assistance we can deliver.</p> <p>Our services need to be accessible to all Australians and meet their needs. With an increase in the community’s awareness of our role, improved access to the Australian community and as satisfaction with our service becomes more widely known, we anticipate an increase in the number of complaints (by approximately five to ten percent each year) over the next four years.</p> <p>To complement the increasing community awareness of our office, we will pursue engagement opportunities with professional bodies, government agencies and the taxpayer community to establish positive working relationships and build their confidence in our role and our ability to assist them.</p> <p>We will update our website and virtual engagement platforms to augment our communication channels and enable us to enhance community awareness and engagement opportunities.</p>
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**FACTORS BEYOND OUR CONTROL      OUR STRATEGIES**

<p><b>Community expectations</b></p>	<p>As our tax complaint investigation service matures, the community’s expectations of our service delivery will continue to increase. We need to continue to maintain high standards of service while meeting the changing demands and expectations of the community.</p> <p>To meet the increased demand, particularly for our more complex dispute investigation services, further efficiencies in the manner that IGTO work is carried out will have to be sought. Difficult decisions may have to be made regarding our service standard in terms of resolution of complaints and the number of own initiative or review investigations that may be conducted which may not align with community expectations.</p> <p>We must also manage the health and wellbeing of our team, in particular, where we are unable to meet complainant expectations. We continue to develop and refine strategies to deal with such situations in an efficient and effective manner, while also assisting these complainants to address genuine complaints.</p>
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## OTHER FACTORS IN OUR OPERATING ENVIRONMENT

<p><b>ATO resource allocation decisions and new or updated system implementation</b></p>	<p>The ATO is a key agency in the tax administration system and its dealings with the community and its systems are environmental factors which are beyond our control. In particular, factors such as ATO resourcing allocation decisions, when new ATO systems are implemented, their usability and functionality can all impact the volume of complaints we receive. This has a direct impact on our resources and the level of services we are able to provide to the community.</p>
<p><b>Legislation coming into effect, government policies and Ministerial directions</b></p>	<p>New laws, policies and Ministerial directions have an impact on our office and its work. We need to be responsive to these changes and reallocate resources accordingly to meet those directions.</p> <p>One example is the legislation that allows the ATO to disclose the tax debt information of a business to credit reporting bureaus. As the legislation requires the ATO to consult with our office before disclosing tax debt information, this will directly impact our resources and ability to maintain an effective tax complaint investigation service and undertake review investigations into tax administration systems and issues.</p> <p>Another example is the introduction of COVID-19 economic and fiscal support measures through the taxation and superannuation system and taxpayer complaints relating to eligibility and the timing of payments.</p>
<p><b>COVID-19 pandemic and lasting impacts on the Australian community, economy and tax system</b></p>	<p>The COVID-19 pandemic has had, and continues to have, a significant impact on the Australian community, the economy and the tax system, with a significant body of work and resources being devoted to COVID-19 support measures. We expect that the impacts of the pandemic will be long-lasting and wide-ranging and this, in turn, may have implications for new laws and policies, ATO and TPB administrative actions and associated concerns being raised with our office. The uncertainties associated with the pandemic affect the whole Australian community as well as the international community more broadly.</p> <p>We have developed and continue to refine our virtual engagement platforms, communication channels, website and investigative processes to enable an agile response to changing circumstances at short notice.</p>



4b

OUR CAPABILITIES

## Our capabilities

Our capabilities enable our office to deliver our KPIs and achieve our vision and purpose.

Our capabilities are:

- Our people;
- Our values;
- Our communication strategy; and
- Our information and communication technology (ICT) systems.

## Our people

Our people are central to the tailored services we provide to the community. We are committed to providing a workplace environment in which our team is supported, engaged and inspired to provide the best service and outcomes possible with our available resources. Our strategy is centred on employing and retaining qualified and experienced tax specialists who have the relevant people skills and the ability to provide an independent, professional and effective service to the community. Our people and their skills enable us to achieve our purpose of improving tax administration and providing independent advice and assurance to our stakeholders on the operation and administration of Australia's tax laws.

The IGTO will continue to deliver services to the Australian community throughout the ongoing COVID-19 pandemic. Our people have been provided with the capability to work remotely, whilst still being engaged in the wider team through our new cloud-based ICT systems and necessary in-office work days. Our focus will continue to be on our people, making sure they are safe and supported through these disruptive times. This approach ensures that they are well-placed to continue delivering high quality services to support the Australian community.

We strongly support the development of our team and continue to enhance our capability through specialist learning and development opportunities. This includes building relationships with organisations in the areas of complaints resolution, leadership and engaging in persuasive communication, all of which are essential in achieving our purpose and in helping us maintain best practice in our services to the Australian community.

We are also committed to workplace diversity and flexibility. Our office is made up of culturally and linguistically diverse people with varied qualifications, skills and experience. The diversity of our people assists us to better understand the needs of our community and ensure that we provide tailored and appropriate services. We will continue to promote flexible working options and arrangements for both men and women across our agency, and consider further opportunities as these arise in a wider policy context, particularly diversity and inclusion.

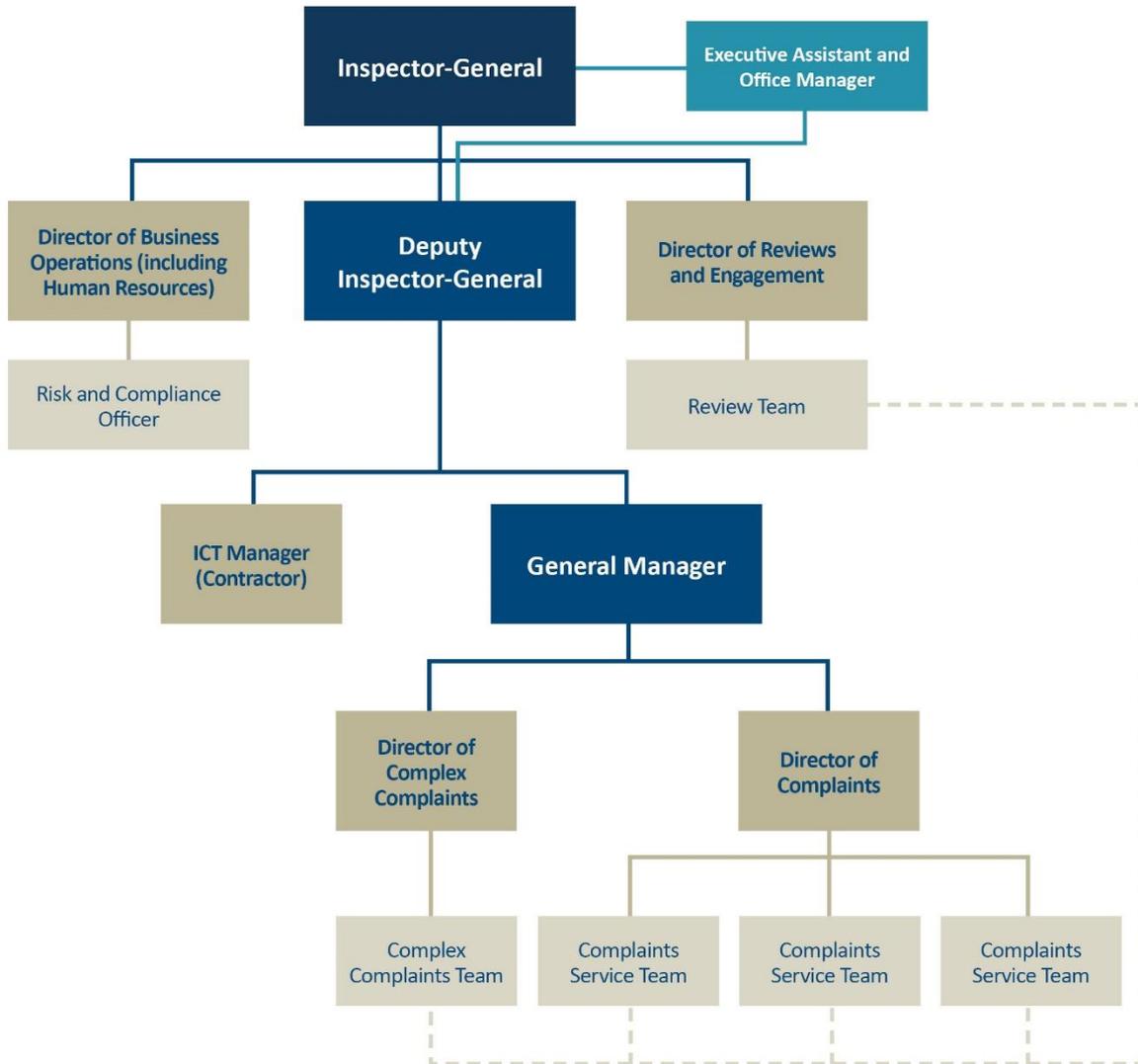
During FY21, there was a material reduction in the volume of complaints but a significant increase in the complexity of complaints – including complaints relating to new areas of tax administration and law. We are working on building a workforce model based on volume and complexity of complaints which will allow us to be flexible and agile in managing our resources. We design our work around multi-skilling our team to meet our administrative, operational and reporting requirements.

A key priority of our work is ensuring that our actions are undertaken to improve the administration of the tax system for the benefit of the Australian community. This has never been more important than during the COVID-19 pandemic where individuals and businesses alike are significantly affected, and continue to be affected, particularly those in the community who are more vulnerable. Complaint investigations are therefore very important to us, and we have implemented processes to prioritise those that raise exceptional circumstances – for example: COVID-19 support measures or disclosure of business tax debts to credit reporting bureaus which are also time-sensitive. There is a need to balance the tax complaint investigation service against review and other investigation work, as well as mandatory corporate compliance. This represents a challenge for our team resource management and service delivery.

### Our organisational structure

Our organisational structure is designed to ensure our people are not only empowered to perform their roles but also supported by experienced leaders with a line of sight to the most senior levels of our executive. The below organisational structure represents statutory appointments, APS positions and a contractor position (being the ICT Manager position).

Figure 4.3 – Our organisational structure



## Our values

The IGTO adopts the Australian Public Service (APS) Values which are key to ensuring that we achieve our strategic priorities and our purpose.

Our team are public servants and are held to the same standards as all public servants.

The APS Values articulate the Parliament's expectations of public servants in terms of performance and standards of behaviour. As a public agency, we adhere to the principles of good public administration as embodied in the APS Values. These values require our people to be:

<p><b>i</b>mpartial</p> <p><b>c</b>ommitted to service</p> <p><b>a</b>ccountable</p> <p><b>r</b>espectful</p> <p><b>e</b>thical</p>	<p>The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.</p>
	<p>The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government.</p>
	<p>The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.</p>
	<p>The APS respects all people, including their rights and their heritage.</p>
	<p>The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does.</p>

Source: Australian Public Service Commission

## Rewards and recognition

As part of our agency's Reward and Recognition program, we also reward our team members who champion the following values:

- innovation;
- going above the call of duty;
- perseverance;
- displaying exceptional management and leadership;
- displaying personal drive and integrity;
- our strategic values; and
- exceptional service delivery across all areas

We will continue to recognise staff who demonstrate our values by nominating and presenting annual awards to celebrate their achievements. We will also nominate staff for industry awards in the fields of tax, complaint investigation services, leadership and innovation. These awards form a central part of our rewards and recognition framework.

## Our communication strategy

Our current communication strategy focuses on two core themes:

- raising community awareness of our role and the independent, specialised service we provide; and
- capturing emerging themes and issues impacting tax administration.

Our taxpayer survey results are favourable and show that the community appreciates the services we provide. However, it also shows that there is a lack of awareness about our services.<sup>4</sup> As such, our priorities over the plan horizon include enhancing the public profile of our office.

We plan to reach and engage with a wider audience using a multi-channel approach, including increasing our community speaking engagements and collaboration with organisations both domestically and overseas. The global restrictions imposed as a result of the COVID-19 pandemic continue to present challenges for our engagement with local and international stakeholders. We are continuing to explore strategies to maintain and adapt our consultation and engagement processes with stakeholders while adhering to federal and state health orders and directives.

We are being more proactive in raising awareness about our work through updates to our refreshed website and quarterly eNewsletter, *IGoT News!*, which features case studies and the latest news about our activities. We are continuing to explore ways to raise community awareness of our agency and the services that we offer through engagement with partner agencies and organisations, enhancing the information we make available on our website and reconsidering our social media presence and how best to leverage those platforms.

## Our information and communications technology (ICT) systems

Our ICT platform is a secure cloud-based environment built in accordance with Government initiatives and with direct support from the DTA's program. Our services to the community are supported by our ICT systems platform, which facilitates and captures our communications and interactions with taxpayers, tax practitioners and other stakeholders. As a small agency, we are reliant on external service providers to support our ICT platform needs. Our culture of innovation supports our digital strategy to ensure that the systems are optimal to achieve our functional purpose and that the security of information and data is also maintained.

We will work with Government and third-party service providers to achieve our digital and ICT strategy in serving the Australian community, through:

- our secure ICT platform in a cloud-based environment through our third party service providers;
- our independent and direct access to the ATO's systems that provides independent assurance in our tax complaint investigation services and review investigation function; and
- other government agency support.

Our ICT strategy over the next four-years will explore initiatives that support and enhance the services we deliver in an evolving digital environment. We are actively maintaining our ICT platform in accordance with Government initiatives and the further development of the DTA's Protected Utility blueprint. We will continue to upgrade our complaints case management system to improve its functionality and reporting transparency for a more efficient and effective tax complaint investigation service for the benefit of taxpayers, tax practitioners and the Australian community. We will also continue to maintain our ICT systems in a manner which supports our team's flexible working arrangements.

We will continue to consider and explore opportunities to improve our business capabilities to facilitate more interactive and on-demand communications for the Australian community. We will also further develop our capability to capture, interpret and report on tax complaints data that is anonymised and aggregated to ensure privacy and confidentiality. This will help us to better explain the Australian community's concerns with the tax administration system.

We continue to work actively with Government and its key agencies to enhance our cyber security posture. This will include real-time monitoring and alerting, regular independent compliance tests, and skills development and continuous awareness training for our staff. We will also continue to explore the use of artificial intelligence and other emerging technologies.

4c

OUR RISK OVERSIGHT  
AND MANAGEMENT  
SYSTEMS

# Our risk oversight and management systems

The identification and effective management of risk is an integral part of our business planning and governance processes.

Identifying the risks that we face and determining what we need to have in place to reduce them to an acceptable level is vitally important in developing our business plans, business continuity arrangements, fraud control measures and insurance arrangements.

By assessing and managing risk, we can minimise potential errors, ensure better accountability for our actions and obtain insights to improve our performance. It will also enhance the delivery of our services utilising innovative solutions and achieve value for money.

## Legislative compliance

We have established and maintain appropriate systems of risk oversight, management and internal controls in accordance with section 16 of the PGPA Act through our Risk Management Policy and Framework (Risk Framework). Our Risk Framework is consistent with both:

- the current international risk management standard AS/NZS ISO 31000:2018 Risk Management – Guidelines; and
- the Commonwealth Risk Management Policy.

## Our Risk Framework

Our Risk Framework includes a risk management strategy, risk management plan and risk policy statement. Our Risk Framework incorporates the Commonwealth's nine elements of risk management in establishing an appropriate system of risk oversight and management.

### Accountabilities

Our Risk Framework requires risk owners to be responsible for risks identified in the Risk Register, which includes responsibility for related controls and treatment plans. The Risk and Compliance Officer will coordinate biannual reviews with Risk Owners to ensure compliance with the IGTO's risk performance, in respect of their allocated risks in the Risk Register. Importantly, effective management of our risks requires a holistic approach and therefore responsibility for managing risks rests with all of our staff.

In addition, the IGTO has an independent Audit and Risk Committee which is an important element of the agency's governance structure. It provides valuable assurance and advice by reporting to the IGTO. The Audit and Risk Committee is supported by an internal audit programme that is supplied through externally contracted arrangements. The Audit and Risk Committee is appointed by the IGTO as required by the PGPA Act. Its membership is fully independent of our office and it is governed by its own charter.

## Key Risks

The key risks to our operational requirements and objectives as outlined in our Risk Register are set out in Figure 4.4 on the following page.

## Integration with our performance framework

We have integrated our Risk Framework with our performance framework. Refer to Appendix D for more detail.

Our Risk Framework highlights key risk principles such as our risk appetite and tolerance, risk culture, roles and responsibilities, linkages to the Corporate Plan, risk assessments, risk register, integrated plans and how we conduct risk reviews.



Figure 4.4 Key risks



\*Corporate-wide risk includes:

- Service delivery being ineffective, interrupted or withdrawn
- Ineffective workforce planning
- Stress and fatigue impacting our staff
- Leakage of protected or sensitive information

The background features a complex geometric design with overlapping triangles and polygons in various shades of teal and blue. The top-left corner is a light teal triangle, while the rest of the page is dominated by darker blue shapes, some with subtle grid or pattern textures.

**4d**

CO-OPERATION  
WITH OTHER  
ORGANISATIONS

## Co-operation with other organisations

The IGTO engages with and works collaboratively with a number of different organisations to achieve our purpose. We have listed below those that we consider will make a significant contribution towards those purposes.

### The Treasury

The IGTO has a memorandum of understanding (MOU) arrangement with the Department of the Treasury for the delivery of some shared services. The MOU provides for cost-effective delivery of services that both supports our corporate functions and facilitates deployment of available resources toward our community service outputs.

### The Australian Taxation Office and Tax Practitioners Board

The IGTO communicates regularly with the ATO and the TPB to ensure that we are briefed on upcoming programs and provided with early insight and access to information regarding new measures or resource-allocation decisions. Any new systems, processes or legislative measures or changes in resource allocations by the ATO or TPB will have flow on effects to the taxpayer and tax professional communities. This, in turn, may lead to increased tax complaints and other concerns being raised with the IGTO. Early engagement enables the IGTO to anticipate and make similar resource allocation and related decisions to ensure we are ready to respond and assist the community, as required.

The IGTO has had an agreed arrangement (Operational Guidelines) with the ATO for the conduct of our tax complaint and review investigation functions. Due to the small number of complaint and review investigations about the TPB and smaller pool of officers engaging in these matters, no such guidelines have been developed for managing tax complaint and review investigations in relation to the TPB.

### The Commonwealth Ombudsman, the Australian National Audit Office (ANAO), the Australian Commission for Law Enforcement Integrity (ACLEI), the Australian Small Business and Family Enterprise Ombudsman (ASBFEO)

There are statutory provisions which mandate the transfer or referral of tax complaints between the IGTO, Commonwealth Ombudsman, ACLEI and ASBFEO.<sup>5</sup> We maintain strong working relationships with the Commonwealth Ombudsman, ACLEI, and ASBFEO to ensure that complaints are transferred effectively and efficiently so that service delivery to the community is optimised.

We also work closely with the Auditor-General and the ANAO when identifying potential issues for review investigation. We collaborate with both the Commonwealth Ombudsman and Auditor-General to ensure that our review investigations and related findings are co-ordinated and leverage any previous or related work programs.

## Professional and Industry Bodies, Practitioners and Academics

The IGTO welcomes the significant insights and contributions of professional and industry bodies, practitioners and academics. This includes identifying potential areas for review investigation, participation in the review investigation through formal and informal submissions and engagement consultations during the course of the review investigations themselves. Through these ongoing engagements with practitioners, academics, professional and industry bodies, discussions groups and other forums, the IGTO can receive direct input from professionals on the administration of the tax system, especially in relation to issues of concern and potential improvement opportunities. The IGTO is also grateful for the assistance that professional and industry bodies, practitioners and academics play in assisting the IGTO to deliver important messages effectively to the broader community.

# 5

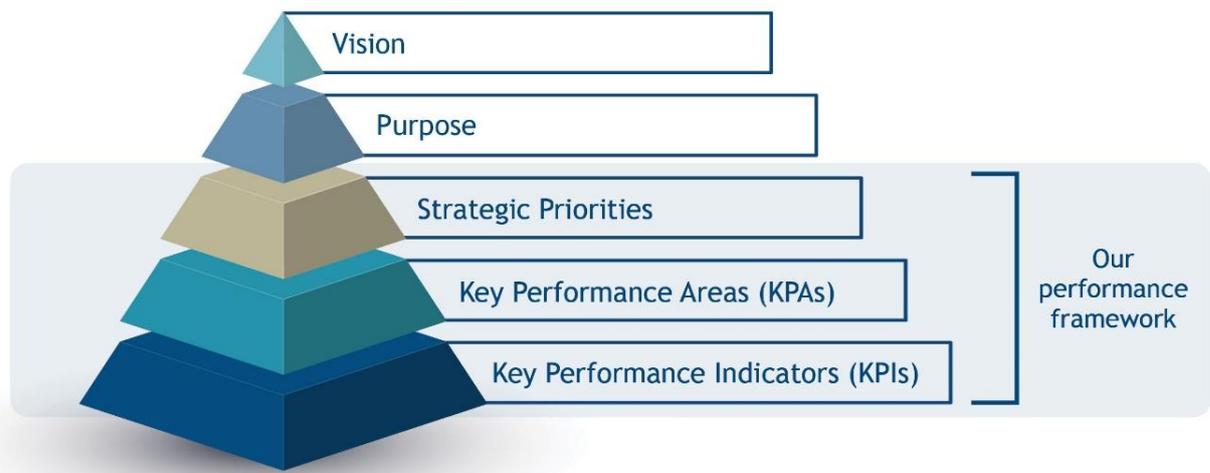
## OUR PERFORMANCE FRAMEWORK

# 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 (KPA) and indicators (KPIs) assess our performance in achieving these priorities.

**Figure 5.1 – Our performance framework**



## Our strategic priorities

Figure 5.2 – Our strategic priorities

	<p><b>Communicate clearly, effectively, independently and with integrity</b></p>	<p>Clear, effective and independent communication is an important strategic priority for the IGTO. We communicate frankly, fearlessly and with integrity in all aspects of the delivery of our services to the community:</p> <ul style="list-style-type: none"> <li>• Providing access to information;</li> <li>• understanding issues raised in complaints;</li> <li>• understanding stakeholder issues;</li> <li>• investigating complaints;</li> <li>• understanding and analysing the sources of complaints and misunderstandings;</li> <li>• conducting reviews;</li> <li>• preparing submissions to Parliamentary Committees and Government; and</li> <li>• reporting our key findings and recommendations to the Minister, Government, Parliament, ATO, TPB and ultimately for the community.</li> </ul> <p>Such communication is critical to assist in re-establishing communication between the ATO and taxpayers. It is particularly important to restore and maintain taxpayers' confidence in the tax system, where that confidence may have been lost in prior interactions.</p>
	<p><b>Ensure that our tax complaint investigation service is approachable, contactable and responsive to the changing needs of the community</b></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><b>Improve the skills, expertise and resilience of our people and organisation</b></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><b>Provide independent thought leadership and expertise</b></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><b>Engage with stakeholders in the tax administration system</b></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

The strategic priorities on the previous page are supported by our KPAs. Figure 5.3 on the following page describes each KPA and shows which priorities they support.

## Key performance indicators

Our KPIs contain measures for each of the KPAs set out in Figure 5.3.

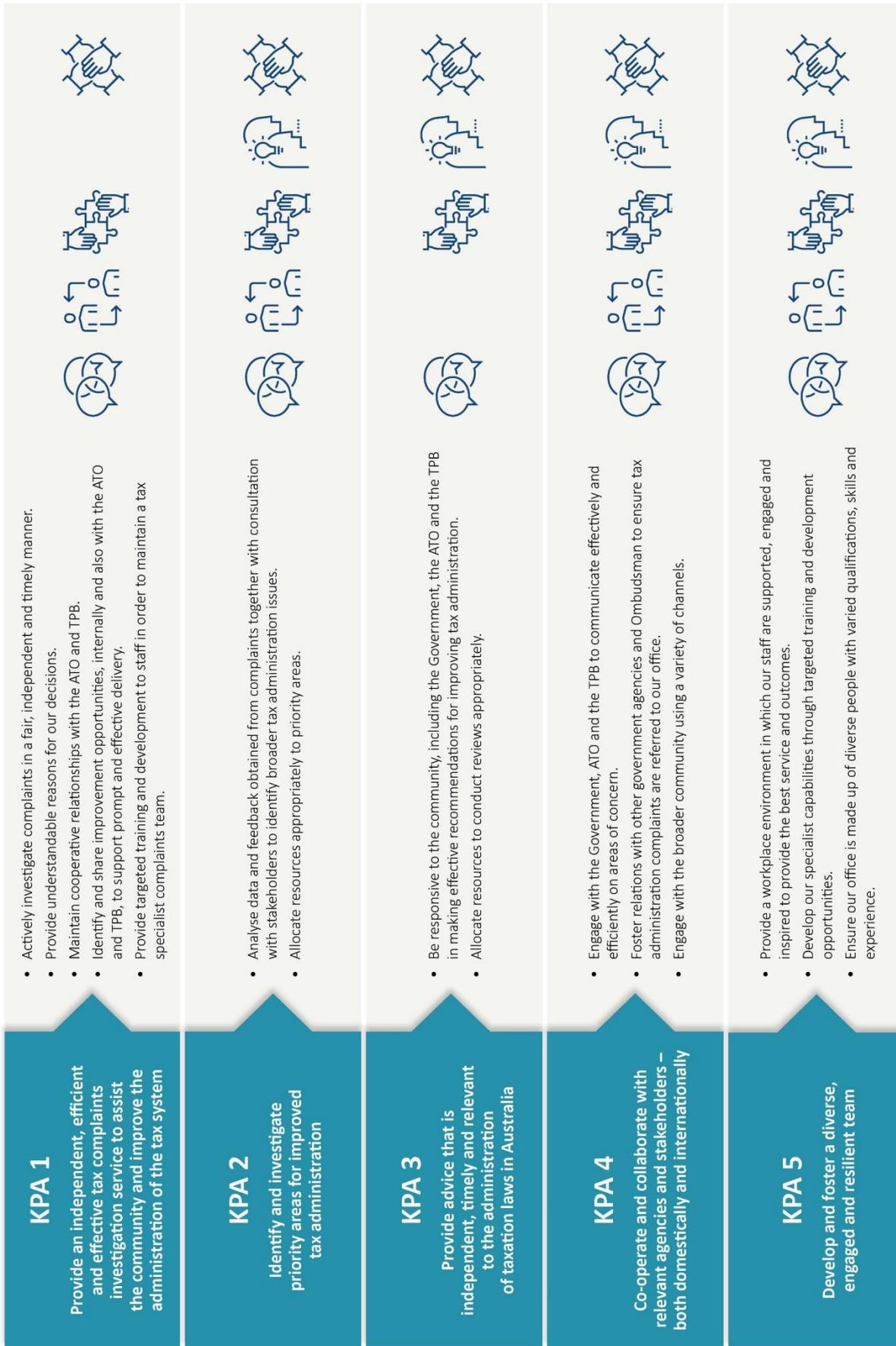
We monitor and measure our performance against these KPIs and report on them annually.

The details of the performance criteria and targets for the next four years are provided in Appendix E.

The annual performance statement in our annual report will provide information about our performance against our objectives for each year.



Figure 5.3 – Key performance areas



# 6

## APPENDICES

## Appendix A: IGTO has oversight of the following taxation laws

The IGTO may investigate administrative actions under the following legislation and their associated regulations, which confer powers or functions on the Commissioner of Taxation.

- *A New Tax System (Australian Business Number) Act 1999*
- *A New Tax System (Goods and Services Tax) Act 1999*
- *A New Tax System (Luxury Car Tax) Act 1999*
- *A New Tax System (Wine Equalisation Tax) Act 1999*
- *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020*
- *Commonwealth Places Windfall Tax (Collection) Act 1998*
- *Coronavirus Economic Response Package (Payments and Benefits) Act 2020*
- *Coronavirus Economic Response Package Omnibus Act 2020*
- *Coronavirus Economic Response Package Omnibus (Measures No. 2) Act 2020*
- *Excise Act 1901*
- *Excise Tariff Act 1921*
- *Foreign Acquisitions and Takeovers Act 1975*
- *Fringe Benefits Tax Assessment Act 1986*
- *Fuel Tax Act 2006*
- *Higher Education Support Act 2003*
- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *International Tax Agreements Act 1953*
- *Petroleum Excise (Prices) Act 1987*
- *Petroleum Resource Rent Tax Assessment Act 1987*
- *Product Grants and Benefits Administration Act 2000*
- *Product Stewardship (Oil) Act 2000*
- *Register of Foreign Ownership of Water or Agricultural Land Act 2015*
- *Small Superannuation Accounts Act 1995*
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997*
- *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*
- *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*
- *Superannuation Guarantee (Administration) Act 1992*
- *Superannuation Industry (Supervision) Act 1993*
- *Superannuation (Self-managed Superannuation Funds) Taxation Act 1987*
- *Superannuation (Unclaimed Money and Lost Members) Act 1999*
- *Taxation Administration Act 1953*
- *Taxation (Interest on Overpayments and Early Payments) Act 1983*
- *Trust Recoupment Tax Assessment Act 1985*

As the effects of the COVID-19 pandemic continue to impact the Australian community and economy, there may be other measures that the Government will implement to provide support to Australians. Where these are administered by the Commissioner of Taxation, they may fall within the remit of the IGTO's investigation powers.

The IGTO may also investigate administrative actions of the TPB under the *Tax Agent Services Act 2009* and regulations made under that Act.

# Appendix B: An overview of our framework of good tax administration

## Features of good tax administration

The community expects the tax administration laws to be administered:

**Respectfully, professionally and collaboratively:**

- Understanding of circumstances
- Protects and respects taxpayer rights and confidentiality
- Ensure taxpayer information is protected
- Minimise unnecessary disruption to business
- Solutions identified in collaboration with business, practitioners and taxpayers

**Pro-actively – can adapt and respond to:**

- Changing taxpayer profiles
- Changing technology & commercial circumstances
- Changing business / employment environments
- Commercially acceptable timeframes
- Ensure data is used efficiently

**Fairly – that is, by delivering:**

- Fair treatment of taxpayers
- Consistent taxation outcomes
- Proportionate resource allocation



**In a way that provides certainty & consistency of taxation outcomes:**

- Clear, effective administration
- Clear communication
- Taxation outcomes consistent with the law and policy intention
- Reliable guidance and advice
- Advice that is accessible, timely and understandable
- Consistency in dispute handling
- Administrative certainty

**So they are easy to use – aim for simplicity and to minimise costs:**

- Minimise the compliance burden for the ATO and taxpayer
- Minimise errors and mistakes
- Avoid duplication
- Minimise red tape

**By providing accountability:**

- Transparent decision making
- Transparency of complaints and responses
- Appropriate, cost effective remedial action
- Appropriate governance and risk management

**So as to ensure tax is paid and collected correctly:**

- Manage collection risks – under and over collection
- Timely and affordable collection
- Proportionate resource allocation based on risk and amount to be collected

COMMUNITY PRINCIPLES	COMMENTS AND EXPLANATION
<i>The community expects the tax administrations laws to be administered...</i>	
<p><b>Fairly</b> – that is, by delivering:</p> <ul style="list-style-type: none"> <li>• Fair treatment of taxpayers</li> <li>• Consistent taxation outcomes for all taxpayers</li> <li>• Proportionate resource allocation</li> </ul>	<p>Administration which is delivered fairly should provide equal access, treatment and equal rights to all taxpayers.</p> <p>There should be an appropriate allocation of tax resources based on the needs of users in the system.</p>
<p>In a way that provides <b>certainty &amp; consistency</b> of taxation outcomes through:</p> <ul style="list-style-type: none"> <li>• Clear, effective administration</li> <li>• Clear communication</li> <li>• Taxation outcomes consistent with the law and policy intention</li> <li>• Reliable guidance and advice</li> <li>• Advice that is accessible, timely and understandable</li> <li>• Consistency in dispute handling</li> <li>• Administrative certainty</li> </ul>	<p>The fair administration of taxation laws is enhanced where those laws provide clear direction to taxpayers in relation to compliance and consistent outcomes across a range of taxpayer circumstances and consistent with the policy intended.</p> <p>For example, administration of taxation laws that are applicable to small business taxpayers should not only require consistent treatment as between small business taxpayers but within this ‘class’ of taxpayers. The laws should be administered in a way that provides consistent and certain outcomes for taxpayers.</p> <p>A deficiency in this regard would be an area for improved taxation administration.</p>
<p>So they are easy to use – aim for <b>simplicity</b> &amp; to minimise costs as well as:</p> <ul style="list-style-type: none"> <li>• Minimise the compliance burden for the ATO and taxpayers</li> <li>• Minimise errors and mistakes</li> <li>• Avoid duplication</li> <li>• Minimise red tape</li> </ul>	<p>It is almost self-evident that administration of taxation laws should aim for simplicity and to minimise the compliance cost for taxpayers – especially small business taxpayers and individuals – who are the least resourced to ‘absorb’ such compliance costs. However, there should be no discrimination in minimising compliance costs across all taxpayers – individuals, businesses, superannuation funds and other entities.</p>
<p>So as to ensure tax is paid and collected <b>correctly</b>, including:</p> <ul style="list-style-type: none"> <li>• Management of collection risks - under and over collection</li> <li>• Timely and affordable collection</li> <li>• Proportionate resource allocation based on risk and amount to be collected</li> </ul>	<p>The correct collection of taxation in accordance with the instructions of the Parliament and the Executive should also be a self-evident feature of good taxation administration.</p> <p>The allocation of resources necessarily involves a balanced assessment of risk management and priorities. These priorities are not always within the control of the administrators in the system.</p>
<p>By providing <b>accountability</b> through:</p> <ul style="list-style-type: none"> <li>• Transparent decision making</li> <li>• Transparency of complaints and responses</li> <li>• Appropriate, cost-effective remedial action</li> <li>• Appropriate governance and risk management</li> </ul>	<p>Trust in decisions made is enhanced where there is increased transparency around the decision-making process and decisions made.</p>

COMMUNITY PRINCIPLES	COMMENTS AND EXPLANATION
<i>The community expects the tax administrations laws to be administered...</i>	
<p><b>Pro-actively</b> — can adapt and respond to:</p> <ul style="list-style-type: none"> <li>• Changing taxpayer profiles</li> <li>• Changing technology and commercial circumstances</li> <li>• Changing business / employment environments</li> <li>• Commercially acceptable timeframes</li> <li>• Ensure data is used efficiently</li> </ul>	<p>The dynamic nature of the business and commercial environment necessitates that the administration of taxation systems is flexible and responsive — to the changing taxation laws, changing mix of taxpayers, changing circumstances of taxpayers, changing technology and other environmental changes.</p>
<p><b>Respectfully, professionally and collaboratively</b> so that it is:</p> <ul style="list-style-type: none"> <li>• Understanding of circumstances</li> <li>• Protects and respects taxpayer rights and confidentiality</li> <li>• Ensure taxpayer information is protected</li> <li>• Minimise unnecessary disruption to business</li> <li>• Solutions identified in collaboration with business, practitioners and taxpayers</li> </ul>	<p>Respectful, professional and collaborative interactions in the administration of taxation laws can contribute to many of the features of improved taxation administration noted above.</p> <p>Privacy of taxpayer information is also part of fostering trust and respectful interactions.</p>

## Appendix C: Complaint categories for IGTO case management

The IGTO adopts the definition of a complaint and dispute as per the joint Australian/New Zealand Standard AS/NZS ISO 10002:2014.

*Complaint – An 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.*

*Disputes – Unresolved complaints escalated internally or externally, or both.*

### Complaint enquiries - 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., the 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)

### Complaint investigations - Formal Complaint or Dispute Investigation

Category 3.1	<b>ATO has no record of a previous complaint</b> – 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	<b>Uncomplicated Disputes</b> – IGTO investigates independently, engages with the ATO to verify facts and issues, determines the most appropriate and timely actions, and identifies who will take them for early resolution
Category 3.3	<b>Frequently Raised Dispute Issues</b> – 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	<b>Complex Disputes</b> – IGTO undertakes deeper inquiry and investigation to surface relevant evidence and determine the most appropriate options for resolution
Category 5	<b>Highly Complex Disputes</b> – IGTO investigates by engaging directly with ATO senior management (SES), and provides ATO senior management with early warning of emerging risks and the opportunity to address sensitive issues

## Appendix D: Integration of Risk and Performance

	<b>KPA 1:</b> Provide an independent, efficient and effective tax complaint investigation service to assist the community and improve the administration of the tax system	<b>KPA 2:</b> Identify and investigate priority areas for improved tax administration	<b>KPA 3:</b> Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia	<b>KPA 4:</b> Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally	<b>KPA 5:</b> Develop and foster a diverse, engaged and resilient team
<b>Potential consequences for our agency’s performance</b>					
<b>Key Risk 1:</b> Failure to efficiently deliver a tax complaint investigation service that enhances the taxpayer experience	Service lacks timeliness and quality. Diminished reputation	Diminished ability to identify emerging issues and improvement opportunities	Reports lack qualitative insight	Collaboration with stakeholders lacks qualitative insight	Loss of engagement and morale in team
<b>Key Risk 2:</b> Failure to provide timely, accurate and high quality reports or reviews to government with sound recommendations			Recommendations do not meet standard. Diminished reputation		Loss of engagement and morale in team
<b>Key Risk 3:</b> Failure to develop and maintain constructive and co-operative relationships with our stakeholders	Diminished ability to facilitate resolution, fewer complaints	Diminished visibility of emerging issues and improvement opportunities	Advice to government is less informed, developed or credible	Inability to co-operate and collaborate with stakeholders	Loss of engagement and morale in team
<b>Key Risk 4:</b> Failure to attract and retain professionals who have the requisite skills and capabilities	Insufficient skills and knowledge to handle complex complaints	Diminished visibility of emerging issues and improvement opportunities	Capacity and credibility gaps lead to less comprehensive advice	Insufficient experience to co-operate and collaborate with stakeholders	Loss of engagement and morale in team. Loss of resilience in team
<b>Key Risk 5:</b> Failure to comply with governance, legislative and external reporting requirements			Loss of reputation and credibility as a scrutineer office	Loss of reputation and credibility as a scrutineer office	Loss of engagement and morale in team
<b>Key Risk 6:</b> Corporate-wide risk	Inability to deliver core service. Diminished reputation	Inability to identify emerging issues and improvement opportunities	Inability to deliver core service. Diminished reputation	Inability to deliver service. Diminished reputation	Loss of support for team and engagement from team

## Appendix E: Our KPIs in detail

The IGTO has limited the number of KPI measures to a maximum of 3–4 indicators per KPA. This is to balance the need for limited IGTO resources to devote time in monitoring and reporting against the KPIs for future reporting purposes (both quarterly and annual).

<b>KPA 1 — PROVIDE AN INDEPENDENT, EFFICIENT AND EFFECTIVE TAX COMPLAINT INVESTIGATION SERVICE FOR TAXPAYERS</b>			
No.	KPIs	FY21 Reference Point	Benchmark FY22– FY25
1.1	<b>Complaints received</b>  <b>Statutory requirement – IGT Act, s 41(2)(a)</b>	1,630	Analysis and comparison with prior year
1.2	<b>Number of complaint investigations:</b> - Commenced; and - Finalised in the FY.  <b>Statutory requirement – IGT Act, s 41(2)(b)</b>	Complaint investigations commenced: 693  Complaint investigations finalised: 690	Analysis and comparison with prior year
1.3	<b>% of complaint investigations on hand and received that were finalised in the FY</b>	83%	At level or better than prior year
1.4	<b>Complainant survey results</b>	70% satisfaction – service 57% satisfaction – outcome 86% professionalism rating 51% – would use our services again despite not being satisfied with the outcome	Analysis and comparison with prior year
1.5	<b>% of complaints lodged via dedicated complaints webform or email</b>	61%	Analysis and comparison with prior year

<b>KPA 2 – IDENTIFY AND INVESTIGATE PRIORITY AREAS FOR IMPROVED TAX ADMINISTRATION</b>			
No.	KPIs	FY21 Reference Point	Benchmark FY22– FY25
2.1	<b>IGTO Review Investigations commenced</b>  Statutory requirement – IGT Act, s 41(c)(i)	Nil review investigations commenced in FY21	Analysis and comparison with prior year
2.2	<b>Number of IGTO Review Investigation reports published each year</b>  Statutory requirement – IGT Act, s 41(c)(i)	2 to 4 review investigations finalised per year on average	Analysis and comparison with prior year
2.3	<b>Refresh IGTO register of potential investigation topics through consultation with stakeholders and analysis of complaint trends</b>	Two consultations were undertaken to refresh the Register (November 2020 and May 2021)  One update published to the register (January 2021)	Consultation to refresh the Register undertaken every six months

<b>KPA 3 – PROVIDE ADVICE THAT IS INDEPENDENT, TIMELY AND RELEVANT TO THE ADMINISTRATION OF TAXATION LAWS IN AUSTRALIA</b>			
No.	KPIs	FY21 Reference Point	Benchmark FY22– FY25
3.1	<b>% of Review Investigation recommendations accepted (agreed, agreed in part, agreed in principle) by the ATO or TPB</b>	An average of 83.5% of recommendations were agreed in full, in part or in principle	Analysis and comparison with prior year
3.2	<b>Number of Agreed Business Improvements from Complaint Investigations accepted and implemented by the ATO or TPB</b>	ATO accepted = 10 ATO implemented = 10 ATO closed as not implemented = 1 TPB accepted = 0 TPB implemented = 0	Count and Analysis Analysis and comparison with prior year
3.3	<b>Meetings or Briefings with the Minister, Government, the Australian Parliament and its Committees*</b>	Annual Count	Annual Count
3.4	<b>% of responses to Government, Treasury or Parliamentary inquiries that relate to taxation administration where IGTO requested to contribute</b>	100%	100%

\* Meetings and briefings with the ATO and TPB are included in KPA4.

#### KPA 4 – CO-OPERATE AND COLLABORATE WITH RELEVANT AGENCIES AND STAKEHOLDERS – BOTH DOMESTICALLY AND INTERNATIONALLY

No.	KPIs	FY21 Reference Point	Benchmark FY22– FY25
4.1	Meetings or Briefings with the ATO and/or the TPB on IGTO review investigations or the tax complaint investigation service	Annual Count	Annual Count
4.2	Number of memberships maintained in relevant domestic and international organisations – including legal, accounting, taxation and ombudsman organisations	All relevant memberships maintained	All relevant memberships maintained
4.3	Number of domestic and international conferences and forums, stakeholder discussion groups or workshops attended by IGTO	Annual Count	Annual Count
4.4	Mentions of the IGTO by key stakeholders following key announcements	This is a new measure	Analysis and comparison with prior year

#### KPA 5 – DEVELOP AND FOSTER A DIVERSE, ENGAGED AND RESILIENT TEAM

No.	KPIs	FY21 Reference Point	Benchmark FY22– FY25
5.1	Monitor results from internal and external staff engagement and capability surveys	Staff survey results for IGTO (from APSC and IGTO staff survey), demonstrate 80% of staff consider they have access to the resources and expertise to perform their duties and staff have high satisfaction levels with their employment at IGTO.	Analysis and comparison with prior year
5.2	Number of hours in undertaking Learning & Development/ training including those that contribute to the continuing professional development (CPD) requirement for the various professional associations	An average of 93.47 hours of L&D completed	A minimum of 40 hours per annum per FTE
5.3	Monitor diversity in the agency — including the percentage of female and CALD staff across all levels	Female: 45% Born overseas: 52% CALD: 62%	Analysis and comparison with prior year, APS averages and population distribution

## Glossary of Terms

<b>AAT</b>	Administrative Appeals Tribunal
<b>ACLEI</b>	Australian Commission for Law Enforcement Integrity
<b>ANAO</b>	Australian National Audit Office
<b>APS</b>	Australian Public Service
<b>APSC</b>	Australian Public Service Commission
<b>ASBFEO</b>	Australian Small Business and Family Enterprise Ombudsman
<b>AS/NZS ISO 10002:2014</b>	Australian/New Zealand Standard 10002:2014 Guidelines for complaints handling in organizations
<b>AS/NZS ISO 31000: 2018</b>	Australian New Zealand Risk Management Standard which adopts the 2018 International Risk Management Standard ISO 31000:2018 in full
<b>ATO</b>	Australian Taxation Office
<b>CALD</b>	Culturally and linguistically diverse
<b>DTA</b>	Digital Transformation Agency
<b>FY20</b>	Financial year ended on 30 June 2020
<b>FY21</b>	Financial year ending on 30 June 2021
<b>FY22</b>	Financial year ending on 30 June 2022
<b>FY23</b>	Financial year ending on 30 June 2023
<b>FY24</b>	Financial year ending on 30 June 2024
<b>FY25</b>	Financial year ending on 30 June 2025
<b>ICT</b>	Information and communications technology
<b>IGT</b>	Inspector-General of Taxation
<b>IGTO</b>	Inspector-General of Taxation and Taxation Ombudsman
<b>IGT Act</b>	<i>Inspector-General of Taxation Act 2003</i>
<b>IGTO Agency</b>	Inspector-General of Taxation and employees of the IGT
<b>ISO</b>	International Organization for Standardisation
<b>KPA</b>	Key performance area
<b>KPI</b>	Key performance indicator
<b>MOU</b>	Memorandum of Understanding
<b>PGPA Act</b>	<i>Public Governance, Performance and Accountability Act 2013</i>
<b>Risk Framework</b>	The IGTO's Risk Management Policy and Framework
<b>SES</b>	Senior Executive Service

**Taxation law**

- (a) an Act of which the Commissioner has the general administration (including a part of an Act to the extent to which the Commissioner has the general administration of the Act); or
  - (b) legislative instruments made under such an Act (including such a part of an Act); or
  - (c) the *Tax Agent Services Act 2009* or regulations made under that Act.
- A full list of Acts is provided in Appendix A.

**TPB**

Tax Practitioners Board

## End Notes

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- 1 Section 7 of the Inspector-General of Taxation Act 2003 provides that the functions of the Inspector General (refer section 7) are as follows:
  - (a) to investigate action affecting a particular entity that:
    - (i) is taken by a tax official; and
    - (ii) relates to administrative matters under a taxation law; and
    - (iii) is the subject of a complaint by that entity to the Inspector General;
  - (b) to investigate other action that:
    - (i) is taken by a tax official; and
    - (ii) relates to administrative matters under a taxation law;
  - (c) to investigate systems established by the Australian Taxation Office, or Tax Practitioners Board, to administer taxation laws, including systems for dealing or communicating:
    - (i) with the public generally; or
    - (ii) with particular people or organisations;
    - (iii) in relation to administrative matters under those laws;
  - (d) to investigate systems established by taxation laws, but only to the extent that the systems deal with administrative matters;
  - (e) to investigate action that is the subject of a part of a complaint:
    - (i) transferred to the Inspector General by the Ombudsman under paragraph 6D(4)(b) of the *Ombudsman Act 1976*; or
    - (ii) that the Ombudsman advises, under paragraph 10(1)(b) of this Act, does not need to be transferred under subsection 10(1) of this Act;
  - (f) to report on those investigations.
- 2 The IGTO must comply with the Australian Privacy Principles contained in the *Privacy Act 1988* which regulate how agencies may collect, hold, use or disclose personal information, and how individuals may access and correct personal information held about them.
 

Personal information is defined by section 6 of the *Privacy Act 1988* as information or an opinion about an identified individual, or an individual who is reasonably identifiable:

  - (a) whether the information or opinion is true or not; and
  - (b) whether the information or opinion is recorded in a material form or not.
- 3 *Inspector-General of Taxation Act 2003*, s 42.
- 4 Parliament of Australia, Senate Economics Legislation Committee, Performance of the Inspector-General of Taxation (2020), p 40, <[www.aph.gov.au](http://www.aph.gov.au)>.
- 5 *Inspector-General of Taxation Act 2003*, s 10; *Ombudsman Act 1976*, s 6D and 6(16); *Australian Small Business and Family Enterprise Ombudsman Act 2015*, s 69.