



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

Quarterly Reporting Pack

Quarter 4, FY21

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

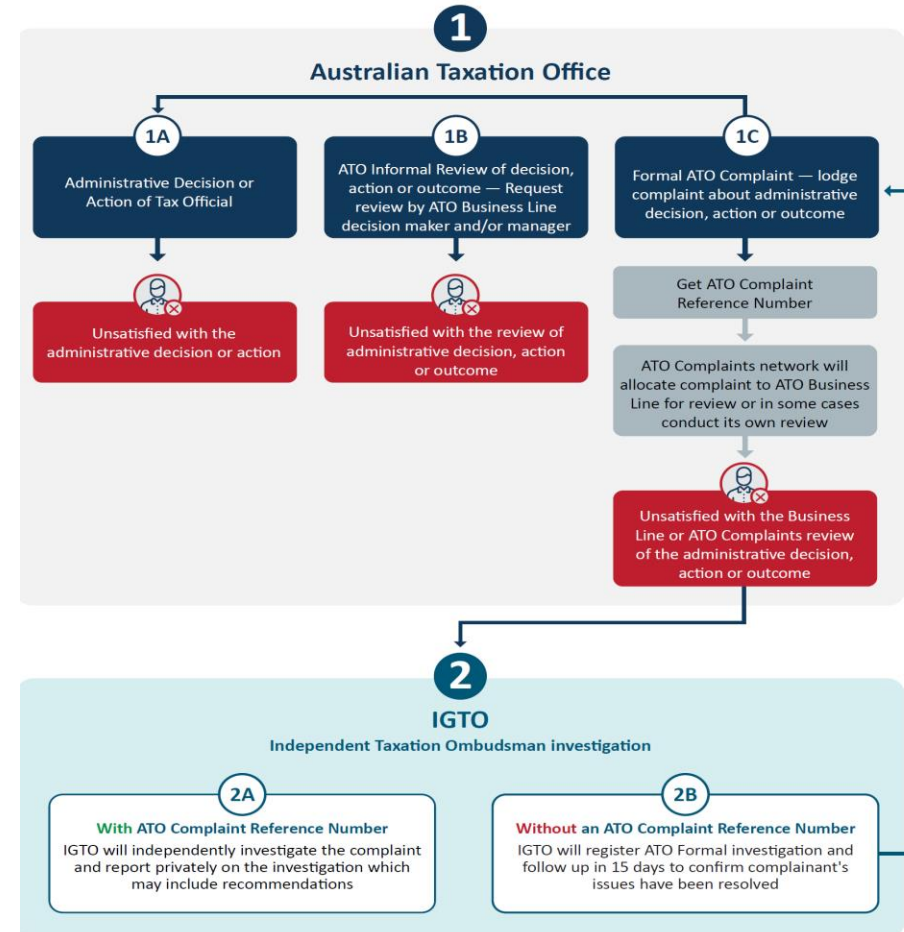
Making a Complaint - Overview

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)

Case Studies for Q4 FY21

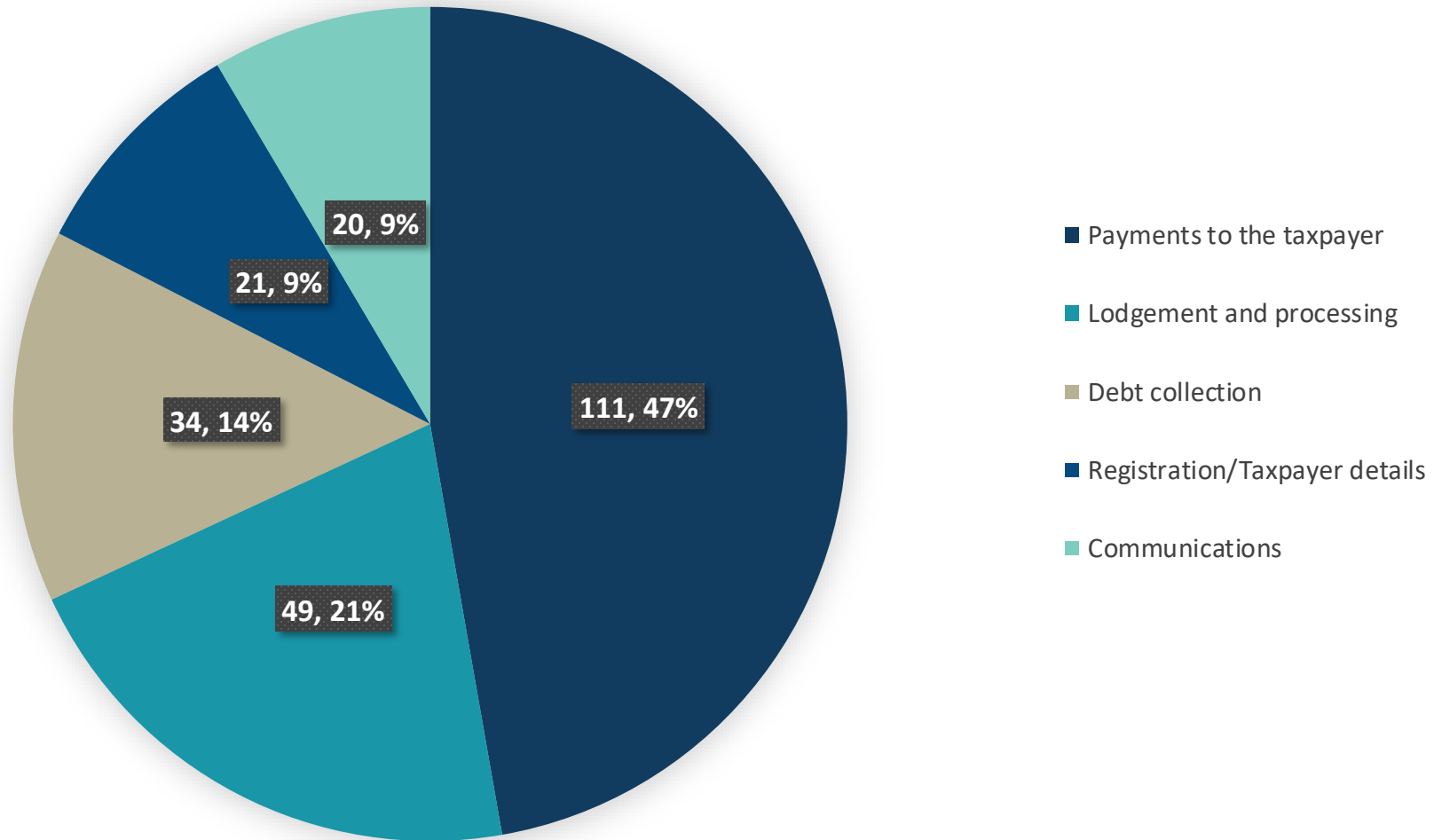
Case Study 1:

A small business taxpayer raised concerns that the ATO had determined they were ineligible for JobKeeper after they had purchased a long standing pre-existing small business shortly after 1 March 2020. The taxpayer lodged a JobKeeper assistance request which was declined by the ATO, followed by an objection decision, also declined due to the small business not carrying on a business as of 1 March 2020. The small business taxpayer subsequently lodged a complaint with the IGTO. The IGTO commenced an investigation and requested the ATO to consider and explain why the small business taxpayer was not considered to be carrying on a business, based on the IGTO's review of relevant ATO procedures, guidance and information, the small business taxpayer appeared to be eligible. The ATO escalated the decision to senior officers for review and after re-considering the small business taxpayer's explanation, it was determined that they were eligible to receive JobKeeper. As a result, the taxpayer received backdated JobKeeper payments.

Case Study 2:

An individual taxpayer raised a query regarding their income tax notice of assessment, specifically in relation to receiving a tax debt for the first time. Information from the ATO's website was provided to the taxpayer via email including ATO instructions on how to calculate the applicable income tax refund for the relevant financial year, including providing them with a copy of an ATO objection form, should they wish to challenge the notice of assessment. The IGTO also assisted the taxpayer to access the available ATO payment plan services in relation to the tax debt they received.

Top 5 complaint issues in Quarter 4

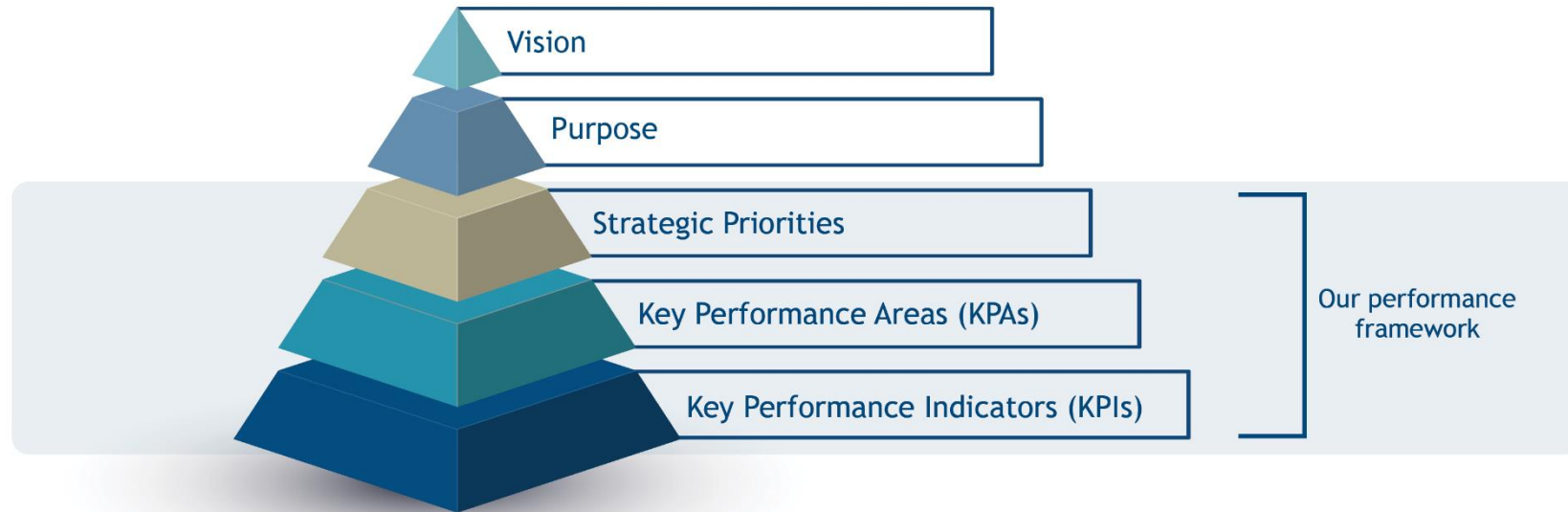


Part 2






Key Performance Indicator (KPI) results for Q4, 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

	Communicate clearly and effectively	<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>
	Be approachable, contactable and responsive	<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>
	Improve the skills, expertise and resilience of our people and organisation	<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>
	Independent thought leadership and expertise	<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>
	Engage with stakeholders in the tax administration system	<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

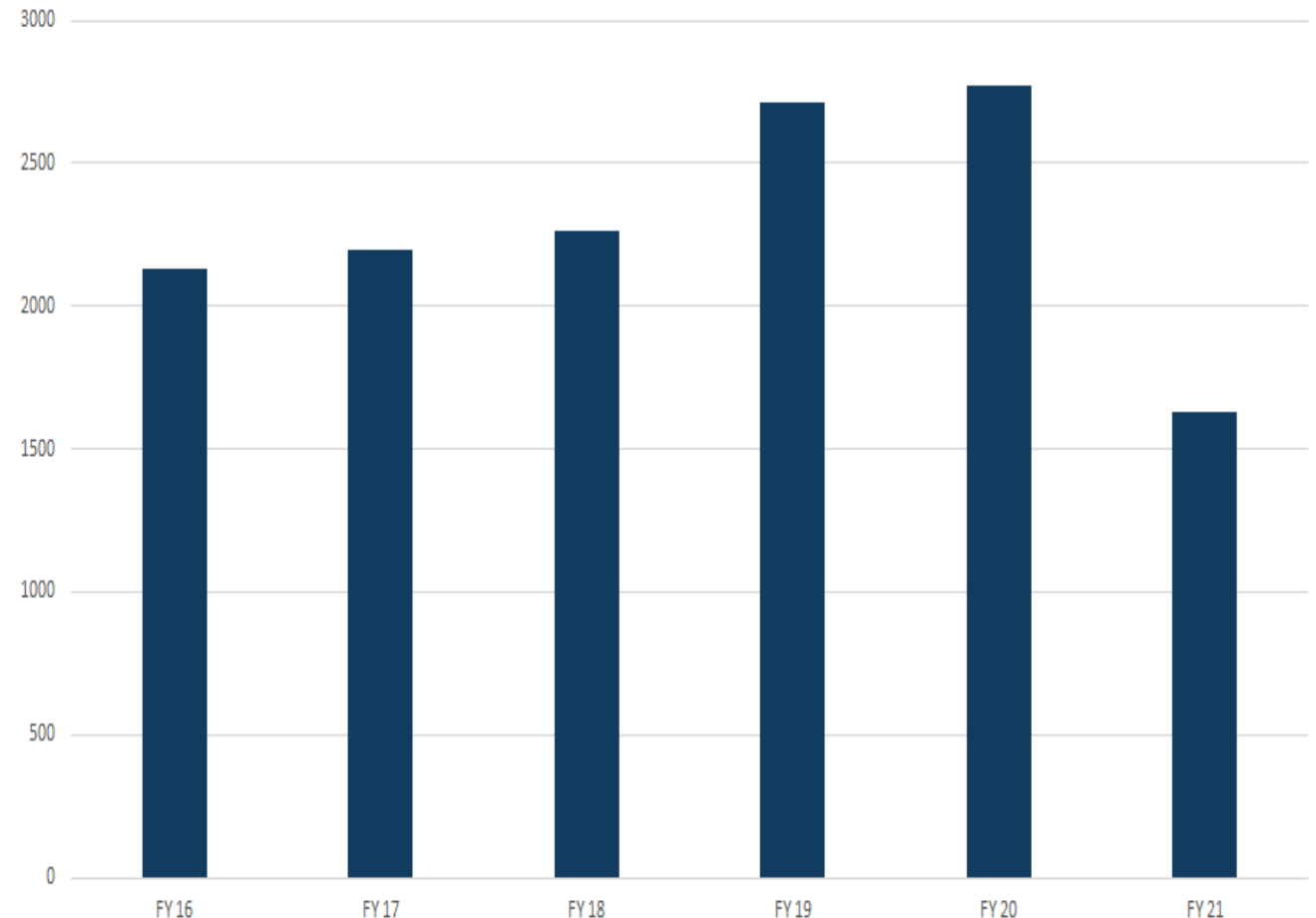
KPA 1 Provide an independent, efficient and effective tax complaints service for taxpayers	<ul style="list-style-type: none"> • Actively investigate complaints in a fair, independent and timely manner. • Provide understandable reasons for our decisions. • Maintain cooperative relationships with the ATO 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. 	   
KPA 2 Identify and investigate priority areas for improved tax administration	<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. 	    
KPA 3 Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia	<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. 	   
KPA 4 Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally	<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. 	    
KPA 5 Develop and foster a diverse, engaged and resilient team	<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

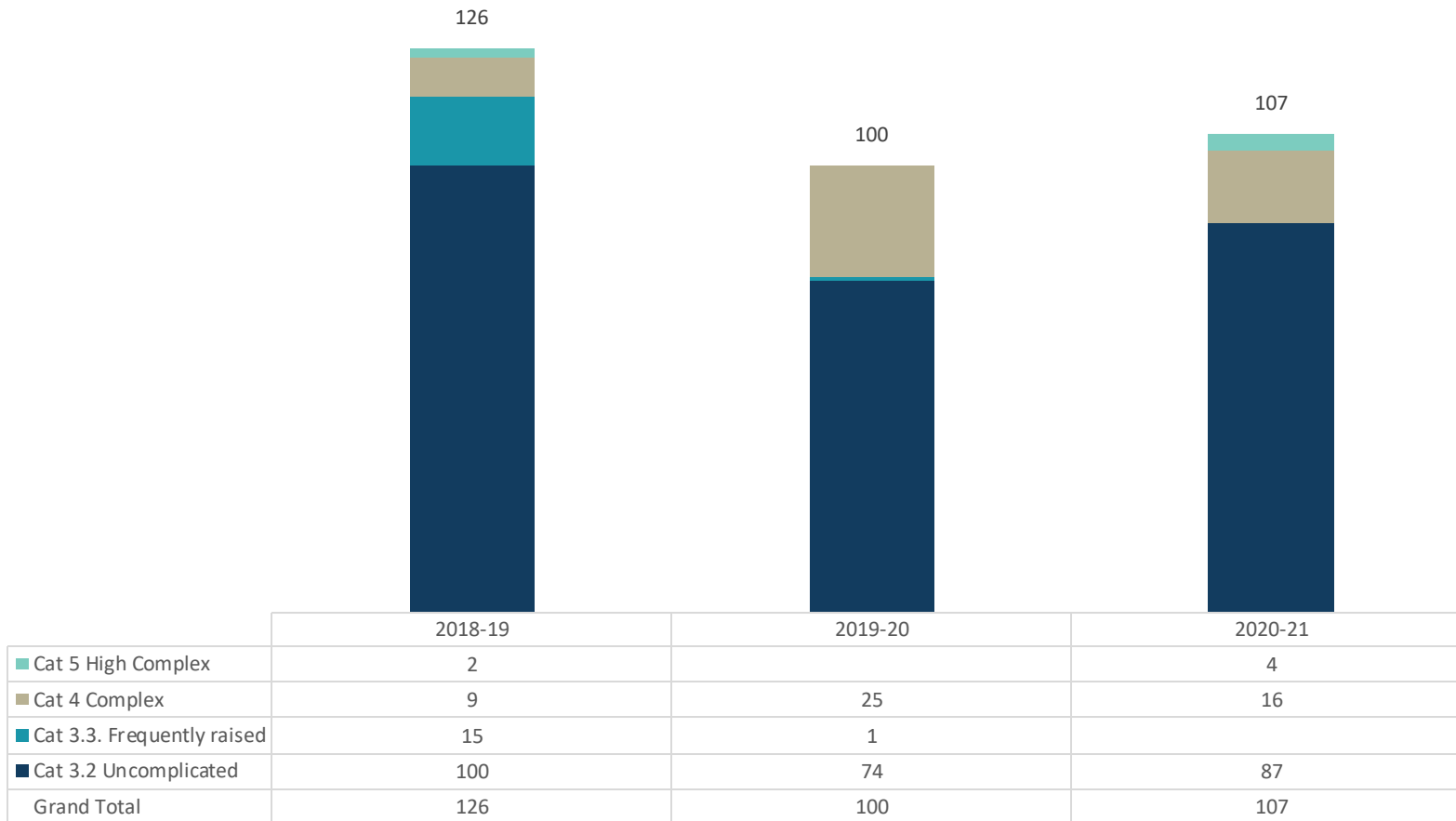
Provide an independent, efficient and effective tax complaints service for taxpayers

Total complaints received each year to date

- The reduction in taxation complaints in FY21 could be due to a number of factors, including:
 - The ATO debt recovery actions eased during the COVID-19 pandemic
 - The IGTO's call centre is currently operating as a call-back centre due to the need for IGTO staff to work from home
 - IGTO website communications have been updated to clearly explain the process to lodge a formal complaint with the ATO
 - The IGTO is actively encouraging complainants to resolve their taxation complaints directly with the ATO in the first instance by lodging a formal complaint with the ATO Complaints Unit
- Although there has been a significant reduction in simple complaints – especially category 3.1 – there has been a corresponding increase in the complexity of complaints – which are more time intensive to investigate
- The IGTO also introduced a triage system to improve our efficiency and prioritise urgent assistance cases - given the demand for our services. The IGTO reviews and prioritises taxation complaints which demonstrate exceptional circumstances



Complaint investigations closed in Q4 of each Financial Year – Categories 3.2 to 5



In Q4 of FY21, there was a 7% increase in the number of complaint investigations closed compared to Q4 of FY20.

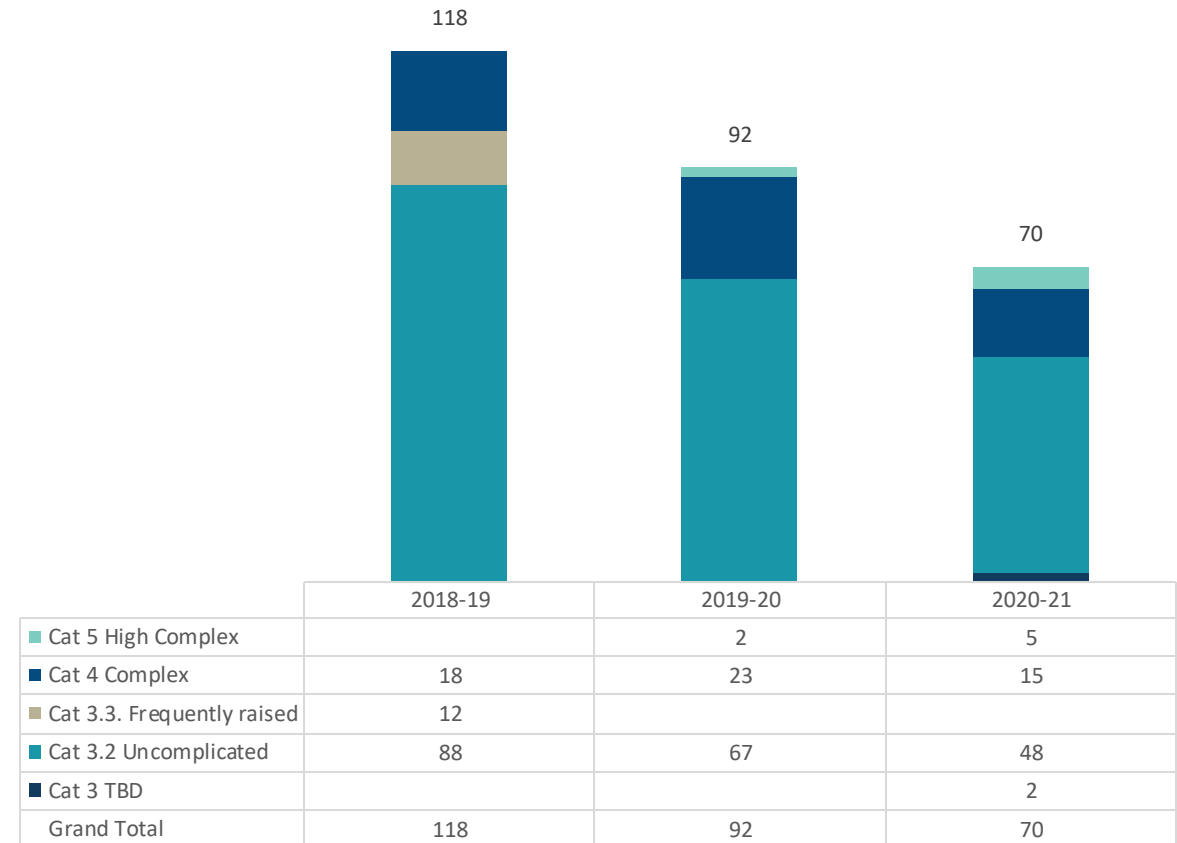
Complaint investigations received in Q4 of each Financial Year – Categories 3.2 to 5

*Data in relation to the categorisation of complaints received in Q4 FY21 is accurate as at 21 July 2021. It is noted that as complaints progress, they may progress to a higher category (be re-categorized)

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

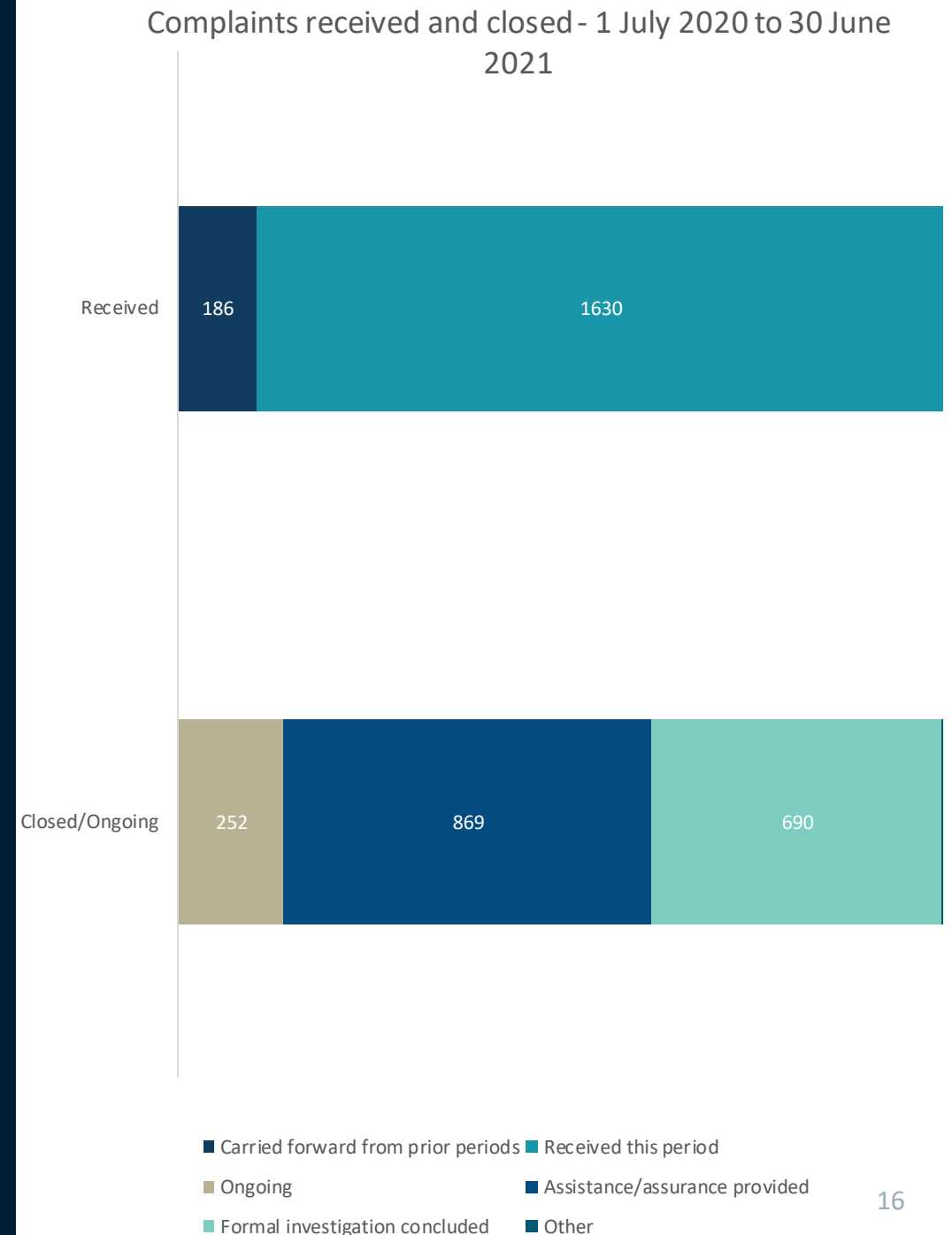
This means that in FY21, not all complaints received are immediately assigned to an IGTO investigator to progress. Complaints are placed in a queue to allocate on a 'first in, first out' basis unless there are exceptional circumstances.

There were 61 complaints in the queue as at 21 July 2021. This explains the lower number of Category 3.2 to 5 complaints received in FY21 compared to previous financial years – as these are yet to be categorised



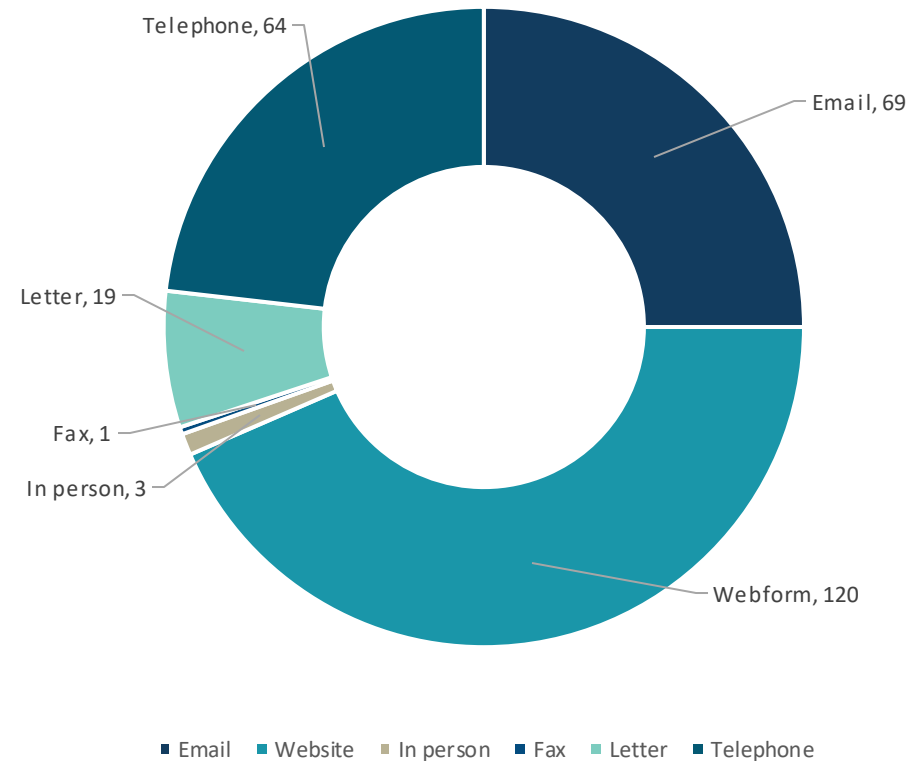
Complaints received and closed – 1 July 2020 to 30 June 2021

- $(869+695 = 1564)/1630 = 95.9\%$
- 252 Cases ongoing but some in triage system
- 252/20 Investigators = average of 13 cases per investigator but note most investigators have multiple roles in the agency



Percentage of complaints lodged via dedicated complaints webform or email

Of the 276 complaints lodged during Quarter 4 FY21, 68% 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 IGTO Review investigation reports published and percentage of review investigation recommendations accepted

The IGTO's report into Undisputed Tax Debts in Australia was published in June 2021.

The report presents a summary and analysis of a large amount of data as supplied by the ATO.

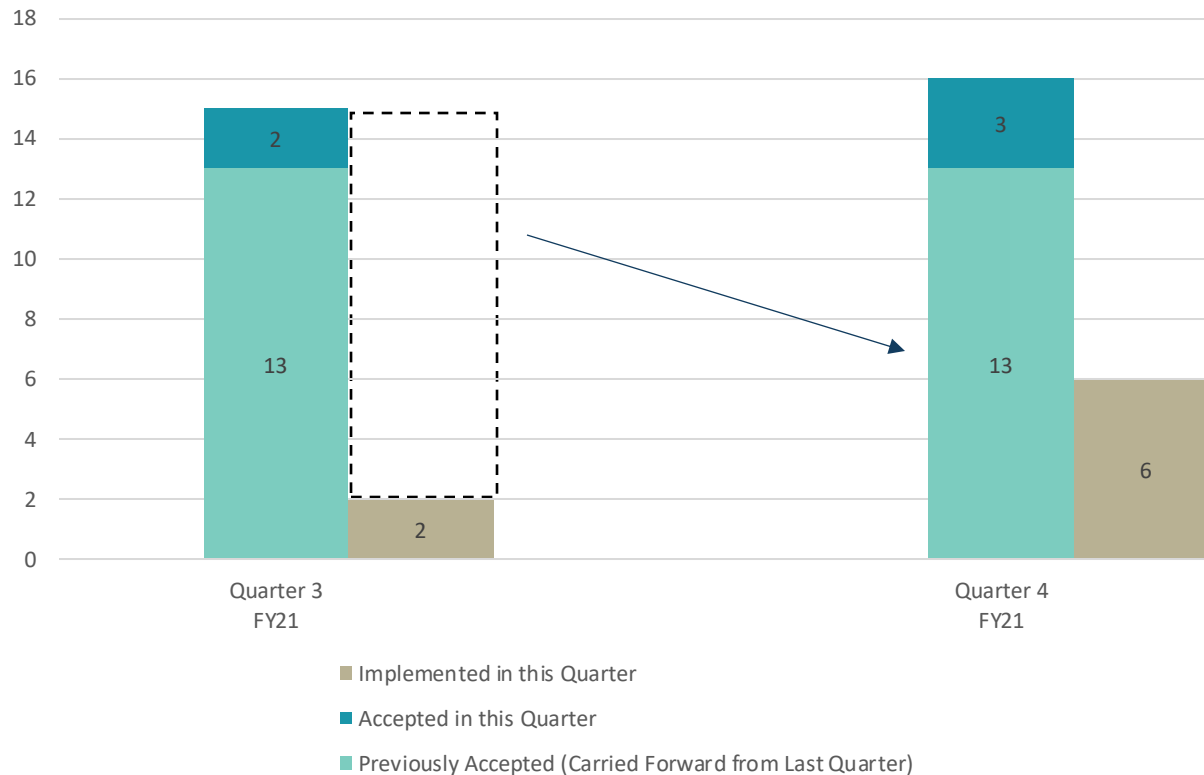
The data relates to levels of undisputed (and changes in these debts) over the past several years, commencing in FY16 and ending in FY20.

The IGTO has made 5 recommendations and the ATO has agreed in full or in part with a majority of the recommendations – except recommendation 3 part 2 and recommendation 5 part 2

The report can be accessed via the following link: [Final Report - Investigation and Exploration of Undisputed Tax Debts in Australia \(igt.gov.au\)](https://igt.gov.au/final-report-investigation-and-exploration-of-undisputed-tax-debts-in-australia)

An accompanying slide deck can be accessed via the following link: [Slide deck - Investigation and Exploration of undisputed tax debts in Australia \(igt.gov.au\)](https://igt.gov.au/slide-deck-investigation-and-exploration-of-undisputed-tax-debts-in-australia)

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



Accepted in Quarter 3 FY21	Implemented in Quarter 3 FY21*	Carried forward to Quarter 4 FY21	Accepted in Quarter 4 FY21	Implemented in Quarter 4 FY21
2	2	13	3	6

*The IGTO acknowledges that an error was made in the Quarterly Reporting Pack for Quarter 3, FY21, in which the data indicated that 1 Agreed Business Improvement was implemented in Quarter 3 FY21. It is noted that the correct figure should have been 2 Agreed Business Improvements implemented in Quarter 3 FY21.

The data has been updated accordingly in this pack.

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 30 meetings during Q4, all of which were with the ATO:

- 25 meetings in relation to the complaints service; and
- 5 meeting in relation to review investigations.

Number of domestic and international conferences and forums, stakeholder discussion groups or workshops attended by the IGT0

	Domestic Conferences	International Conferences
Quarter 4	16	0
Quarter 3	18	0
Quarter 2	15	0
Quarter 1	19	3

Examples of conferences attended in Q4 FY21 include:

- Annual Inspectors-General Meeting
- CPA SMSF Discussion Group
- Microsoft Security Administration

KPA 5

Develop and foster a diverse, engaged and resilient team


IGTO Workforce

	Male			Female			
Period	Full Time	Part Time	Sub Total	Full Time	Part Time	Sub Total	Total
As at 30 June 2021 (Q4 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



1429.70 total hours
of L&D CPD for all
employees



49.30 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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