



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

Quarterly Reporting Pack

Quarter 2, FY22

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

Complaints

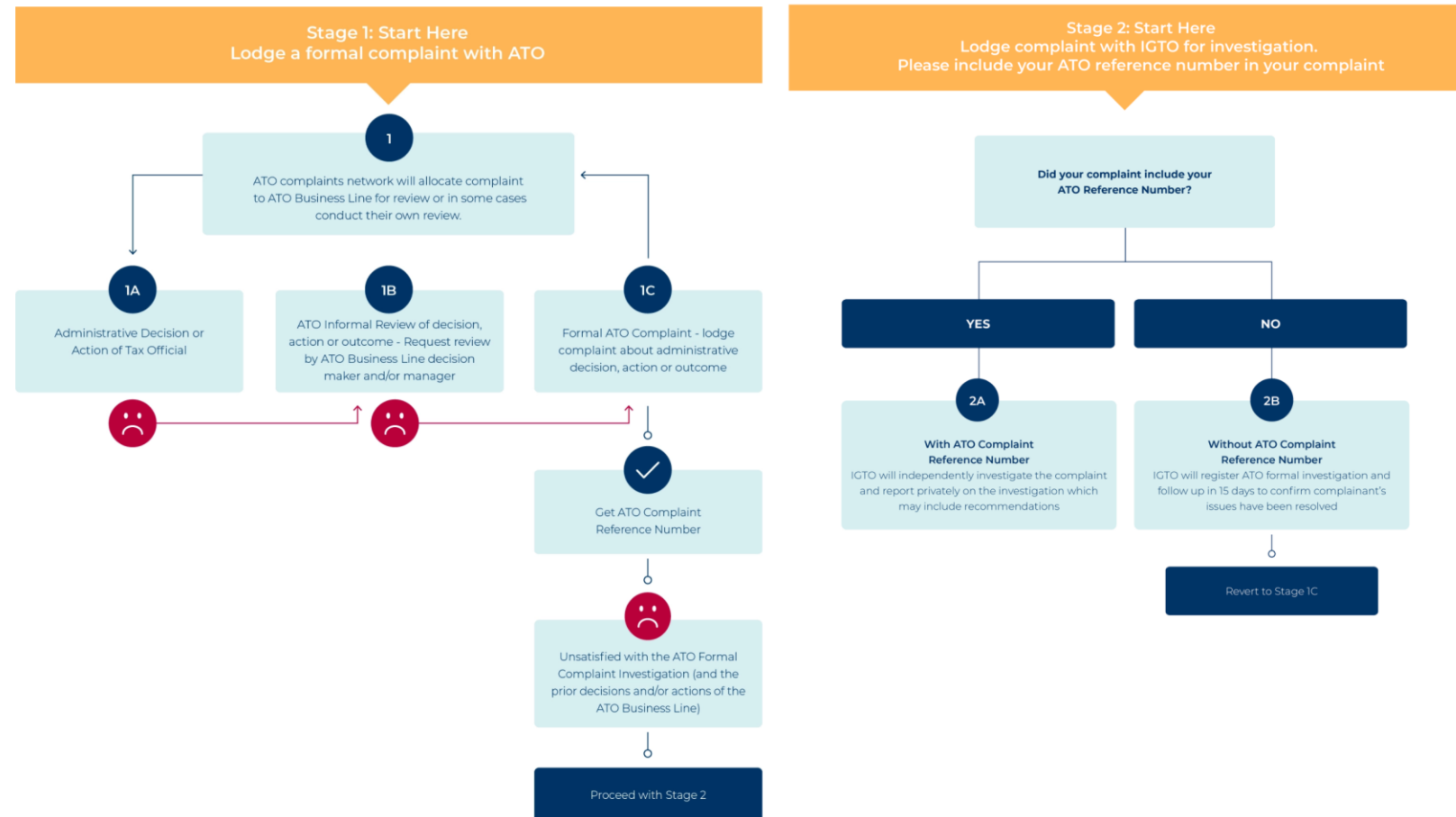
Making a Complaint – Overview

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

A 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.

Definition of disputes per ISO standards:

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	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 Disputes – 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	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 Disputes – 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

Case Studies for Q2 FY22

Case Study 1:

A complainant raised concerns because he did not receive a clear response from the ATO regarding the tax treatment of a compensation payment received from a superannuation fund. Due to the complex technical nature of the matter, the taxpayer had communicated to the ATO over a lengthy period via multiple channels, including requesting a ruling, lodging an objection and complaining to the ATO complaints unit. However, the ATO did not sufficiently address the complainant's tax issue.

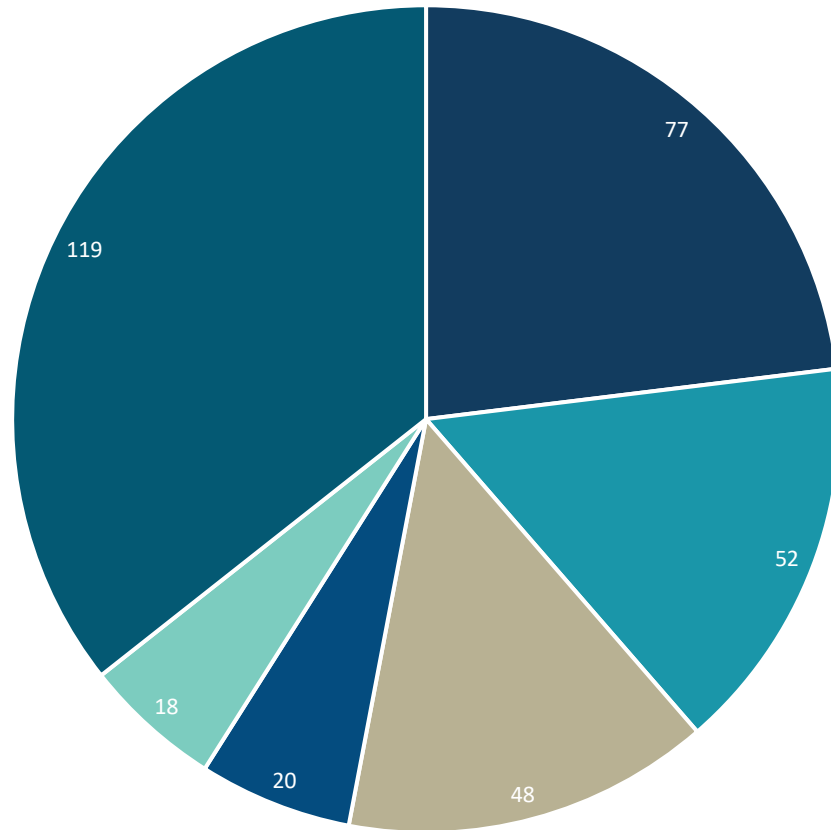
The IGTO commenced an investigation to ensure that specialist ATO officers were aware of this complainant's tax issues. This resulted in the ATO providing a clear written determination on the taxation treatment of the compensation payment at the request of the IGTO. The ATO also explained the options available to the complainant to dispute the ATO determination, as well as providing a specialist superannuation officer as a point of contact for the complainant.

Case Study 2:

A complainant raised a concern that the ATO had incorrectly amended their tax return based on third-party information. The ATO amended the tax return despite the complainant providing further evidence via letter as instructed in ATO data matching correspondence. The IGTO commenced an investigation and uncovered that when the ATO receives a letter, it is read by an ATO officer and classified to an appropriate area for actioning based on matching keywords to an ATO database. In the complainant's case, their letter was initially classified to the income tax amendment area before being re-classified to the data matching area, which caused the delay in its processing. The IGTO considered that the complainant's letter should have been classified to the data matching area in the first instance.

The IGTO suggested that the ATO consider updating its procedures to prompt taxpayers to quote 'data matching' in their correspondence to the ATO to help classifying officers better classify the correspondence in the first instance. The ATO agreed to the IGTO's business improvement suggestion and is taking steps to update its website, internal staff guidance, and data matching letter template. Furthermore, the ATO accepted the complainant's additional information and reverted their original amendment.

Top 5 complaint issues finalised in Quarter 2



Top 5 issues	
Payments to the taxpayer	77
Lodgment and processing	52
Debt collection	48
Communications	20
Registration/Taxpayer details	18

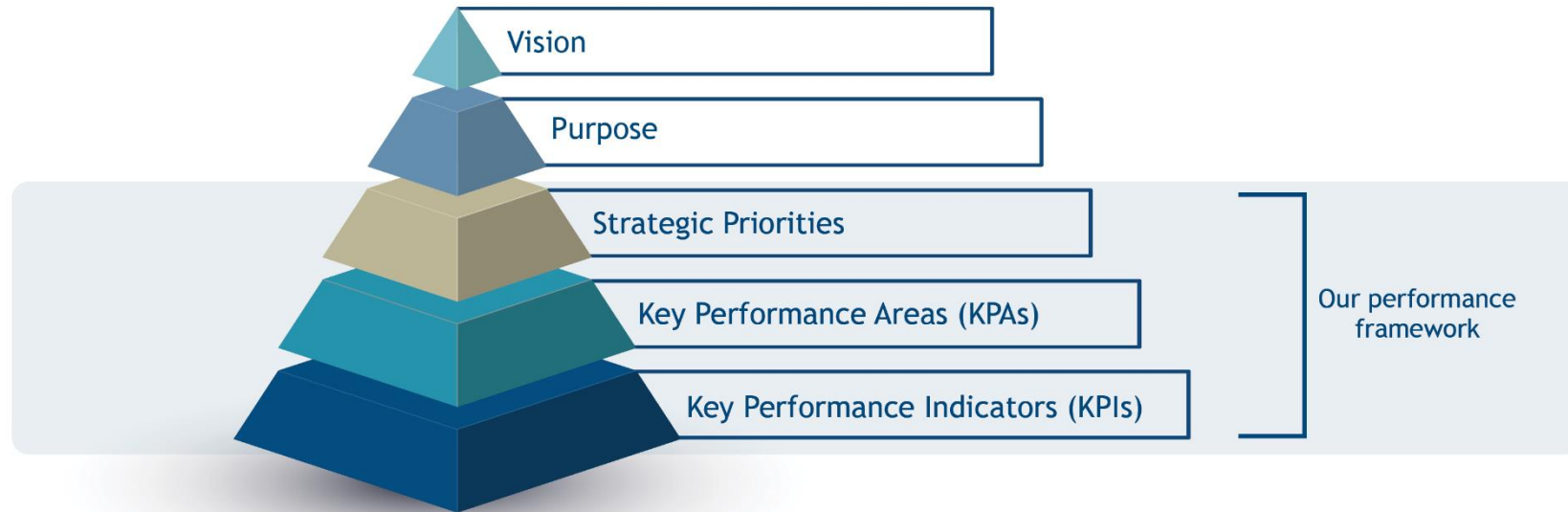
■ Payments to the taxpayer ■ Lodgment and processing ■ Debt collection ■ Communications ■ Registration/Taxpayer details ■ Other

Part 2

Key Performance Indicator (KPI) results for Q2, FY22

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.



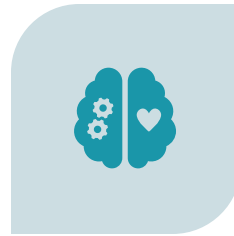
Our Strategic Priorities



COMMUNICATE CLEARLY
EFFECTIVELY INDEPENDENTLY
AND WITH INTEGRITY



ENSURE 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


























PROVIDE INDEPENDENT
THOUGHT LEADERSHIP AND
EXPERTISE



ENGAGE WITH STAKEHOLDERS
IN THE TAX ADMINISTRATION
SYSTEM

Key performance areas

KPA 1 Provide an independent, efficient and effective tax complaints investigation service to assist the community and improve the administration of the tax system	<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 investigation service for taxpayers

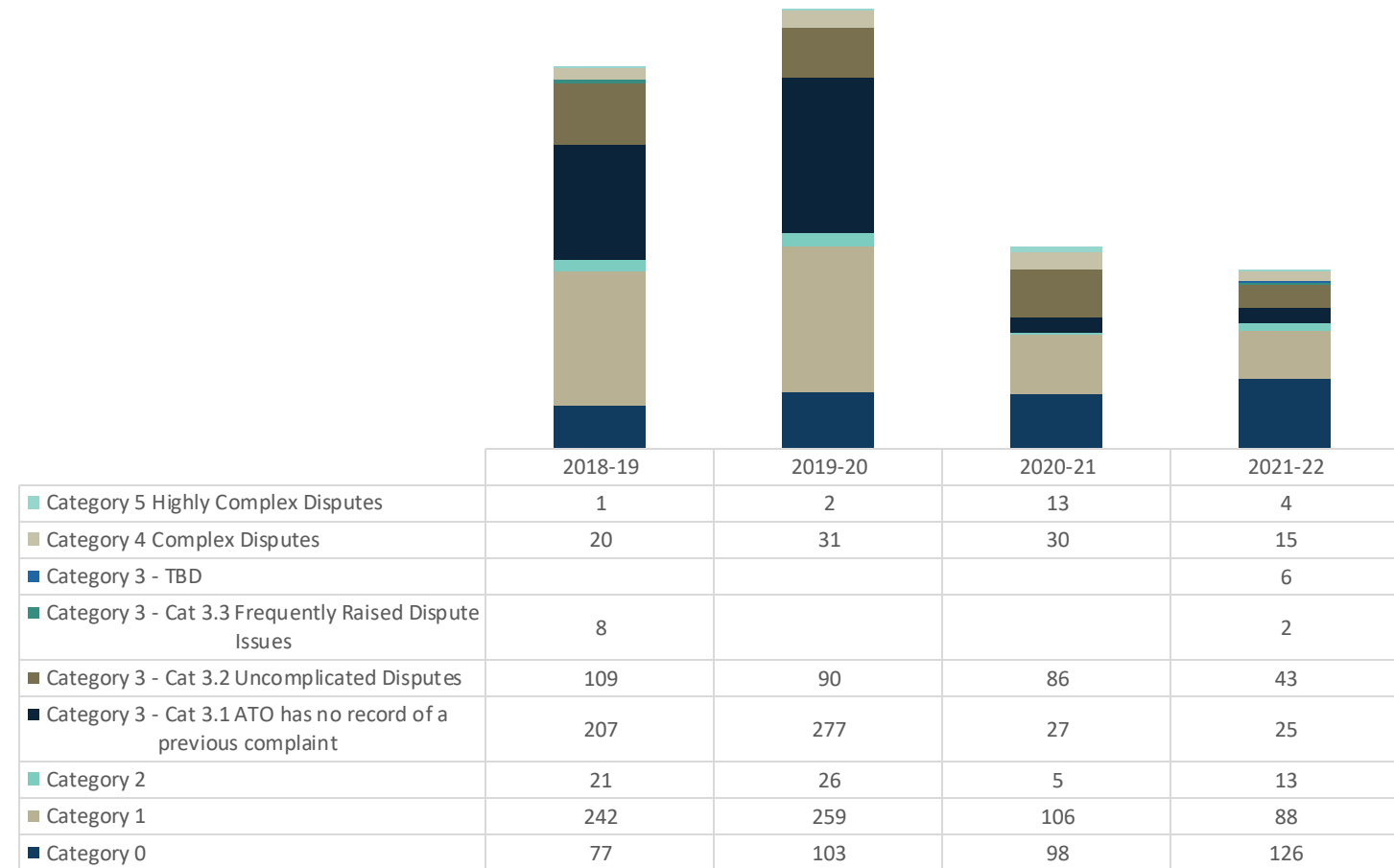
Complaint trends/observations in Q2



- There has been a reduction in total complaints received by the IGTO during Q2 FY22 compared to the same quarter in prior years. This may be attributable to:
 - the ongoing impacts of the COVID-19 pandemic and responses thereto;
 - reduced ATO compliance activities as a result of COVID-19;
 - improved IGTO messaging regarding complaint and dispute investigations;
 - Reduction in number of complaints received where the ATO has no record of a previous complaint (see category 3.1).
- This is evidenced in the charts which follow.
- The IGTO continues to hold a high proportion of complex Category 4 and 5 dispute investigations compared to the same period in prior years.
- These cases are significantly more resource intensive to investigate.

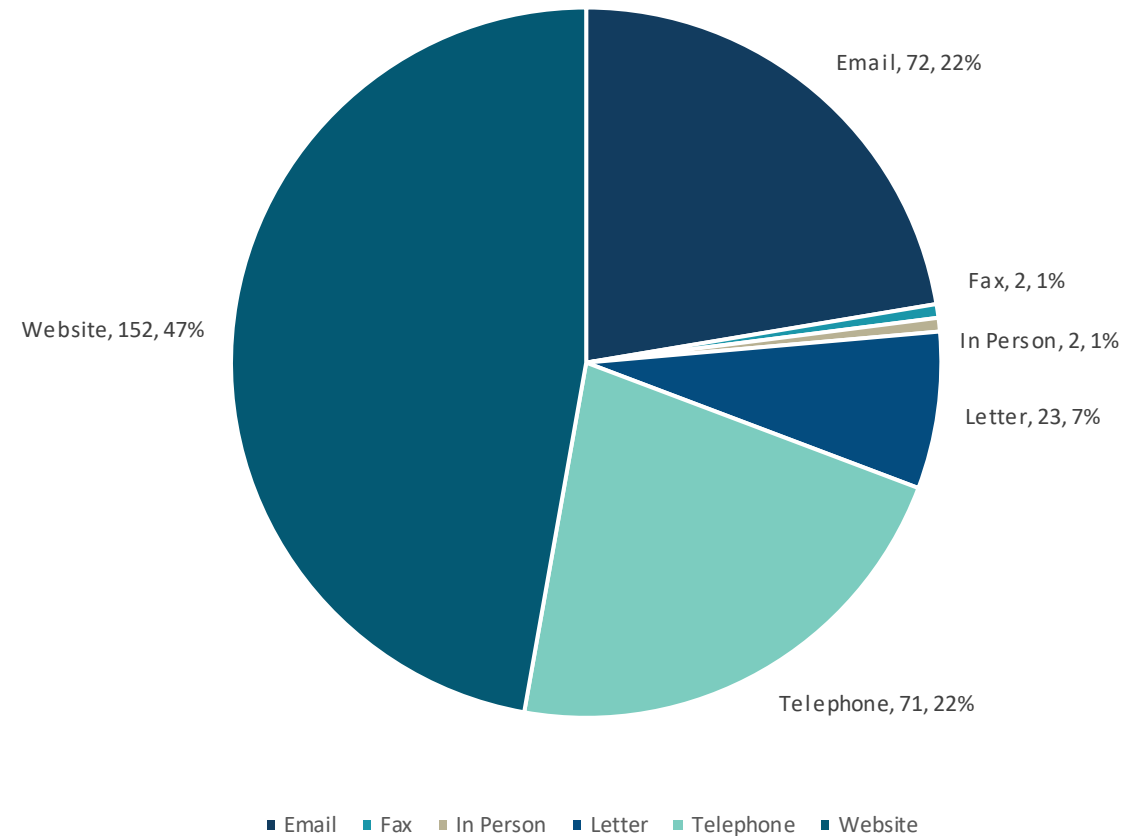
Total complaints received by Category in Quarter 2 of FY19 – FY22

- The IGTO received a total of **322** complaints during Q2 of FY22.
- Overall, there has been a reduction in total complaints received by the IGTO during FY22 Q2 compared to the same period in prior years. This can be attributed to various factors, including the continuing impacts of the COVID-19 pandemic and dynamic responses thereto, including state health orders, ATO compliance activities (in particular, the staying of debt activities which previously comprised the issue of greatest complaint to the IGTO) and IGTO efforts to better message the complaint and dispute investigation processes.
- For example, consistent with the IGTO updated website and call centre messaging, there has been a marked reduction in the number of Category 3.1 investigations received from 277 in FY20 Q2 to 27 in FY21 Q2 and remaining relatively constant with 25 in FY22 Q2.
- The reduction in Category 3.1 investigations assists the IGTO to focus its limited resources towards complex dispute investigations.
- The IGTO is also operating a triage model to better manage limited resources where cases demonstrating exceptional circumstances are prioritised with the remainder allocated on a first-in-first-out basis.
- Complaints currently categorised 0 to 3 TBD may become dispute investigations as they progress and include those awaiting allocation.



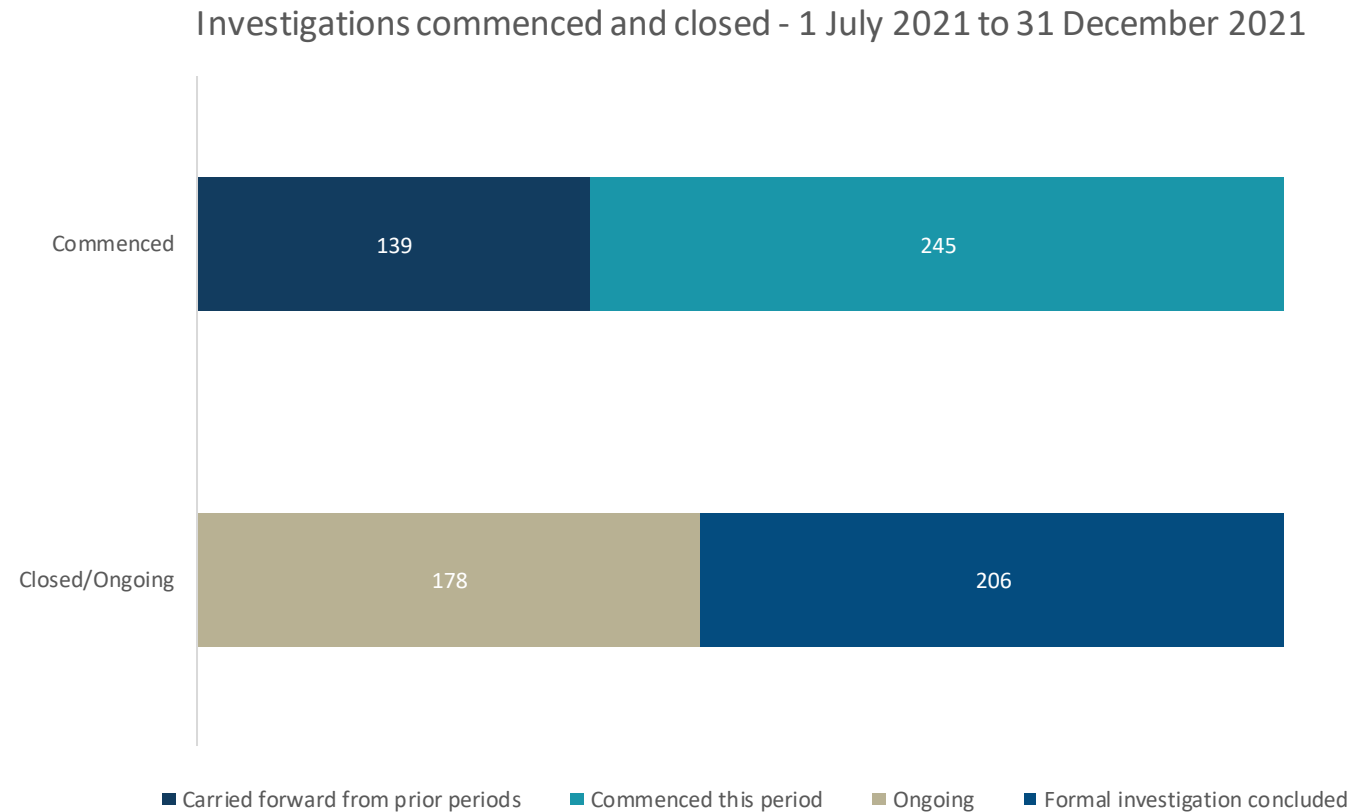
Percentage of complaints lodged via dedicated complaints webform or email

Of the 322 complaints lodged during Quarter 2 FY22, 70% of those complaints were lodged via the complaints webform or email.



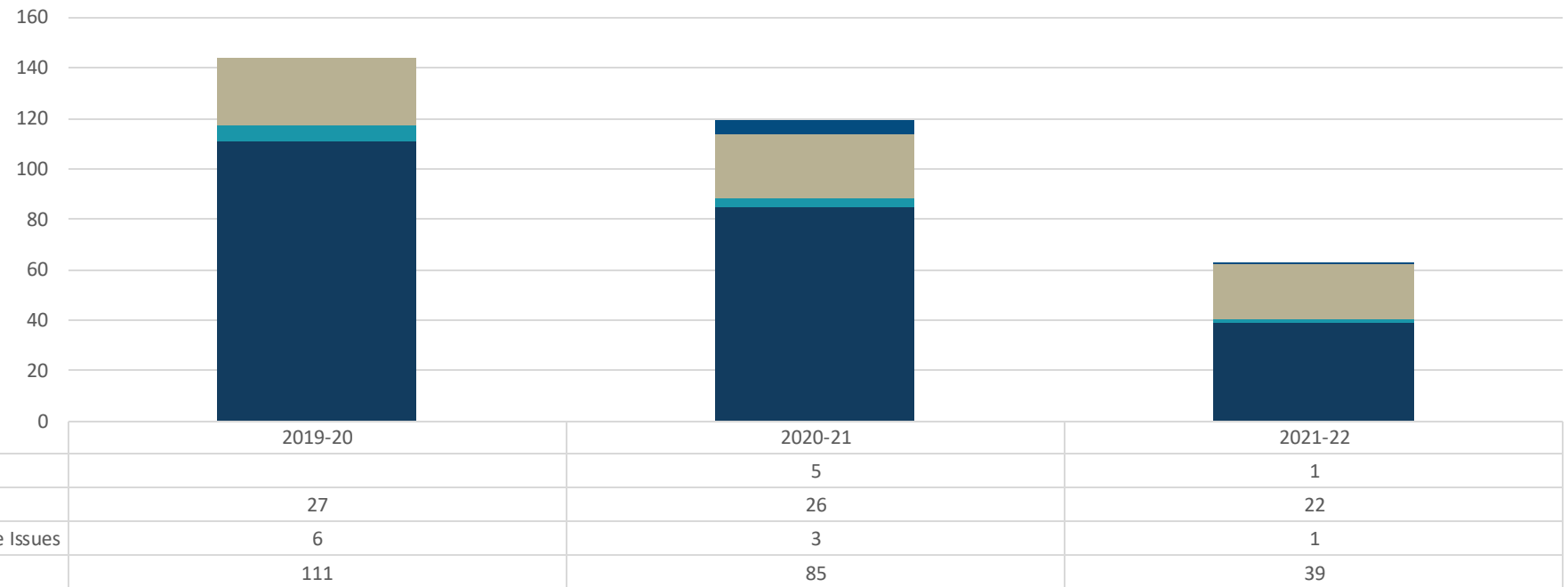
Number of complaint investigations (Cat 3.1+) commenced, ongoing and finalised – 1 July 2021 to 31 December 2021

- We have commenced **245** 3.1+ complaint investigations.
- We have closed **206** 3.1+ complaint investigations.
- We have **178** 3.1+ complaint investigations ongoing at the end of Q2 FY 22 (31 December 2021).
- $206/384 = 53.6\%$ of complaints investigations finalized.



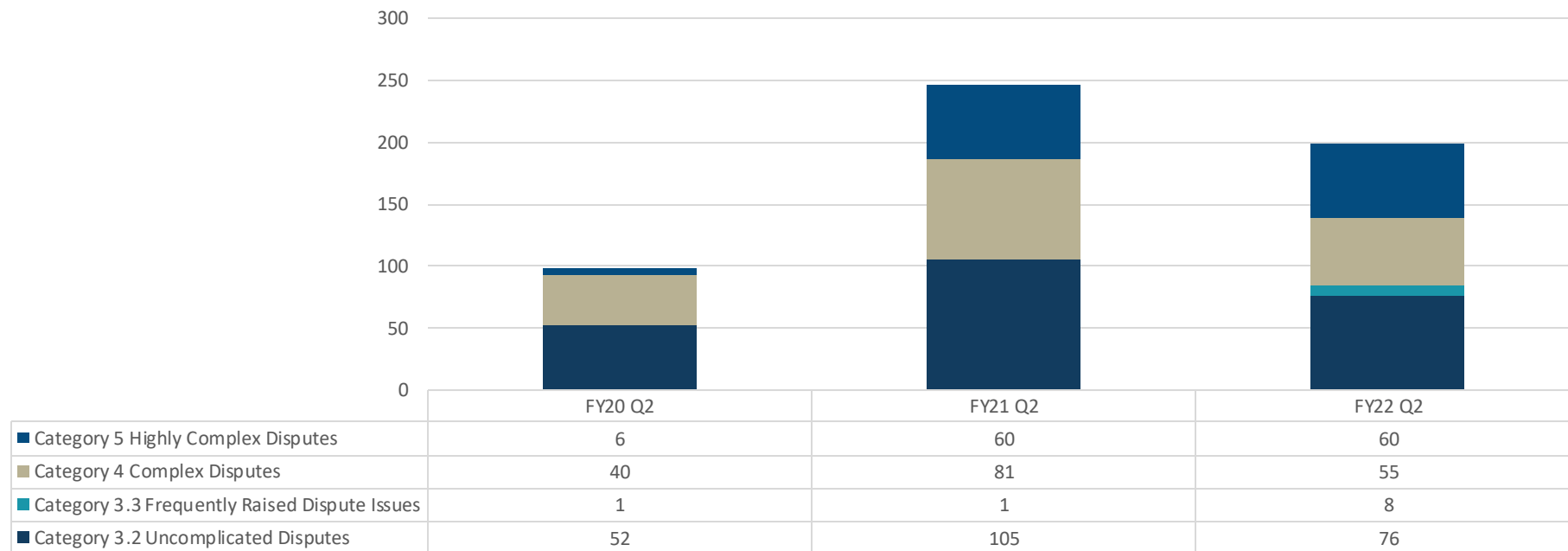
Dispute investigations (Cat 3.2+) closed in Q2 FY20 – FY22

- The number of dispute investigations closed is lower compared to FY21 and FY20.
- However, the IGTO has closed a higher proportion of complex dispute investigations (Category 4 and 5 disputes) compared to prior Quarter 2 periods. These cases are significantly more resource intensive to investigate.



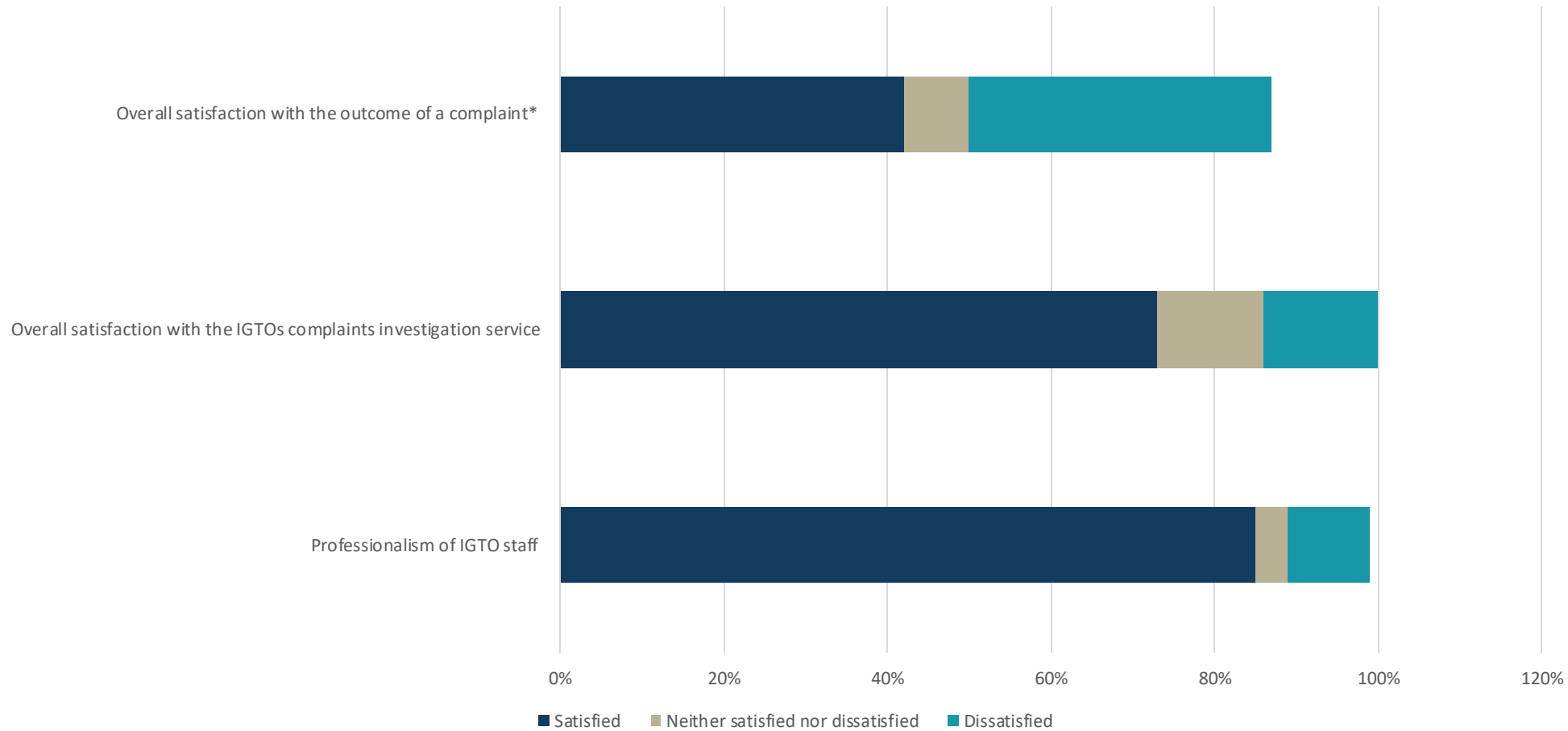
Dispute investigations (Cat 3.2+) on hand in Q2 FY20 – FY22

- There were 199 Category 3.2+ dispute investigations on hand as at 31 December 2021.*These cases include those which were or since have become Category 3.2+ dispute investigations.
- Dispute investigation closing stock in FY22 Q2 is lower compared to FY21 Q2 but higher than FY20 Q2. However, we continue to hold a high proportion of complex Category 4 and 5 dispute investigations. These cases are significantly more resource intensive to investigate.
- Furthermore, additional cases may be re-categorised as dispute investigations as they progress, including those currently awaiting allocation.



*Note: this figure includes additional dispute investigations than the graph in slide 16 due to data reporting timing differences.

Complaint Survey Results in Q2 FY22



*Note: data includes non-respondents, i.e. several individuals surveyed did not select any of satisfaction options.

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

IGTO Reviews commenced

The IGTO has commenced three new review investigations during Q2:

1. The Australian Taxation Office's (ATO) Administration and Management of Objections – the IGTO's investigation will seek to identify improvements to objection processes for the benefit of taxpayers and tax practitioners.
2. The Exercise of the General Powers of Administration (GPA) – the investigation will draw from case studies in our complaints investigation service as well as stakeholder submissions to identify and investigate particular areas raised as examples of exercise of the GPA that should be investigated.
3. The Exercise of the Commissioner's Remedial Powers (CRP) – the IGTO's investigation is seeking to clarify how issues are raised for CRP consideration and whether the processes underlying consideration of these matters are sufficiently robust to take into account consideration of relevant factors and expert stakeholder views.

Number of IGTO Review investigation reports published and percentage of review investigation recommendations accepted

The IGTO's report into the effectiveness of ATO communications of taxpayers' rights to complain, review and appeal was published in October 2021.

The report outlines the IGTO investigation into how effectively the ATO communicates taxpayer rights to complain, appeal and review administrative decisions and actions taken by the ATO and correspondingly, seeks to identify any opportunities for improvement.

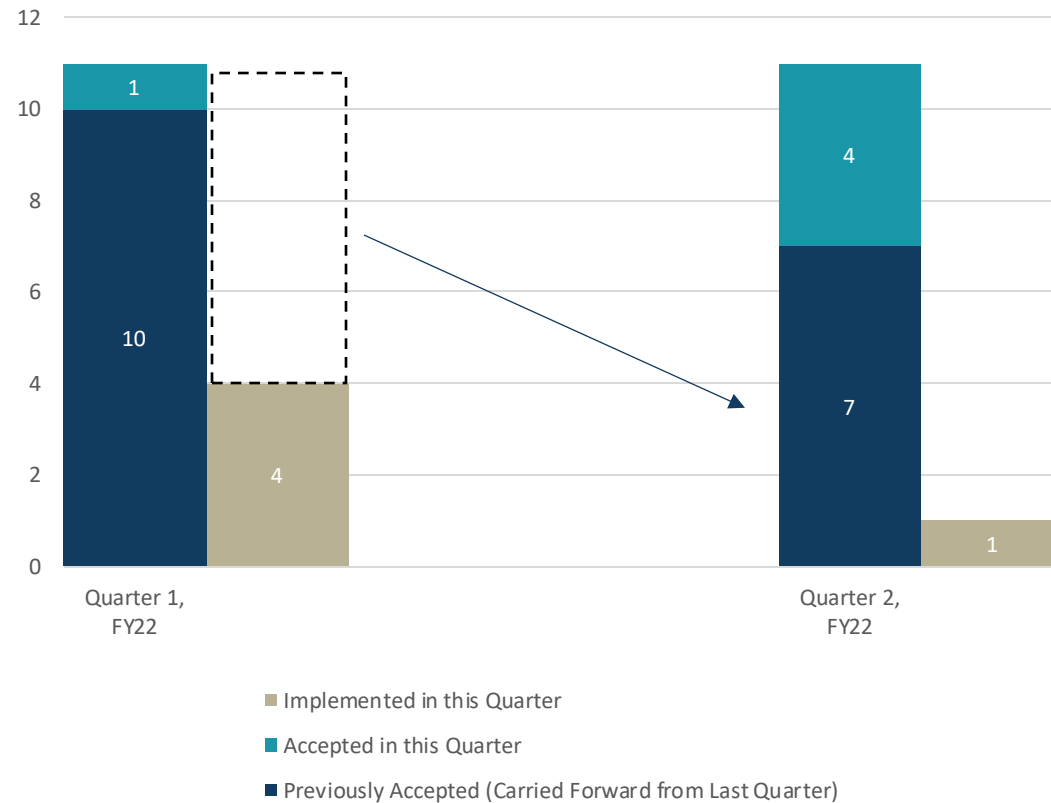
The report provides a detailed look at ATO communications in relation to a sample of its decisions and actions and how effective the ATO is in communicating these rights.

The IGTO has made 6 recommendations (some in parts), 100% of these recommendations (all 6) were agreed in full or in principle by the ATO.

The report can be accessed via the following link: [IGTO-Report_ATO-communications-of-taxpayer-rights.pdf](#)

An accompanying slide deck can be accessed via the following link: [Effective communication of Taxpayer Rights \(igt.gov.au\)](#)

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



Accepted in Quarter 1 FY22	Implemented in Quarter 1 FY22	Carried forward to Quarter 2 FY22	Accepted in Quarter 2 FY22	Implemented in Quarter 2 FY22
1	4	7	4	1

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 investigation service

The IGTO attended a total of 26 meetings during Q2.

24 of these meetings were with the ATO in relation to the complaints service.

1 meeting was with the ATO was held in relation to a review investigation.

1 meeting was with the TPB was held in relation to a review investigation.

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

	Domestic Conferences	International Conferences
Quarter 2 FY22	15	0

Examples of conferences attended in Q2 FY22 include:

- Australian and New Zealand Ombudsman Association Webinar
- Institute of Public Accountants National Congress
- Tax Summit 2021
- ATAX Conference

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 31 December 2021 (Q2 FY22)	16	0	16	12	1	13	29
As at 30 June 2021	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

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



645.2 total hours of
L&D CPD for all
employees



22.2 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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