



Australian Government

Inspector-General of Taxation

Taxation Ombudsman

IGTO ANNUAL REPORT FY22

Inspector-General of Taxation and Taxation Ombudsman

Annual Report for the financial year ended
30 June 2022

October 2022

© Commonwealth of Australia 2022

ISSN 2204-0897 (p)

ISSN 2204-0900 (w)

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Australian Government

Inspector-General of Taxation

Taxation Ombudsman

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GPO Box 551
Sydney NSW 2000

29 September 2022

The Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services
Parliament House
CANBERRA ACT 2600

Dear Minister

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

I am pleased to present to you the Annual Report of the Inspector-General of Taxation and Taxation Ombudsman for the financial year ended 30 June 2022. This report has been prepared for the purposes of section 46 of the *Public Governance, Performance and Accountability Act 2013* and in accordance with section 41 of the *Inspector-General of Taxation Act 2003*.

I certify that the Inspector-General of Taxation and Taxation Ombudsman has prepared a fraud risk assessment and fraud control plan, both of which are reviewed periodically. I further certify that appropriate fraud prevention, detection, investigation and reporting mechanisms are in place that meet the specific needs of my office and that I have taken all reasonable measures to appropriately deal with and minimise the incidence of fraud.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Payne'.

Karen Payne
Inspector-General of Taxation and Taxation Ombudsman

Table of Contents

Part 1 – Inspector-General of Taxation and Taxation Ombudsman Report	2
Review by the Inspector-General of Taxation	2
Overview of the Agency	26
Part 2 – Performance Report	32
Annual Performance Statements.....	32
Financial Performance Report	63
Part 3 – Management and Accountability	66
Corporate Governance	66
Audit and Risk Committee.....	69
External Scrutiny	70
Assets Management.....	71
Procurement	72
Part 4 – Our People	76
Management of Human Resources	76
IGTO Staffing Statistics	81
Part 5 – Financial Statements	91
Independent Auditor’s Report.....	92
Statement by the Inspector-General of Taxation and Taxation Ombudsman and Chief Finance Officer	94
Part 6 – Other Mandatory Information and Appendices.....	126
Advertising and market research.....	126
Grants	126
Disability reporting.....	126
Freedom of Information	127
Ecologically sustainable development and environmental performance	127
Appendix 1 – List of recommendations made by the Senate Economics Legislation Committee in its Inquiry into the performance of the Inspector-General of Taxation	128
Appendix 2 – Features of good tax administration	131
Appendix 3 – Case categories for IGTO case management	132
Appendix 4 – Agency resource statement	133
Appendix 5 – Expenses for outcomes	133

Part 7 – Reference Materials	136
Glossary	136
Shortened terms	138
List of Requirements	141
Index	149

List of tables

Table 1: Overview of how the IGTO helps to improve taxation administration	4
Table 2: FY22 Complaints Progressed	12
Table 3: FY22 Complaints received, by Agency	13
Table 4: Details of Accountable Authority during the reporting period	28
Table 5: Details on the Audit and Risk Committee’s members	69
Table 6: Expenditure on Reportable Consultancy Contracts Current Report Period (2021–22)	73
Table 7: Organisations Receiving a Share of Reportable Consultancy Contract Expenditure Current Report Period (2021–22)	73
Table 8: Expenditure on Reportable Non-Consultancy Contracts Current Report Period (2021–22)	74
Table 9: Organisations Receiving a Share of Reportable Non-Consultancy Contract Expenditure Current Report Period (2021–22)	74
Table 10: Australian Public Service Act Employment Arrangements Current Report Period (2021–22)	77
Table 11: Australian Public Service Act Employment salary ranges by classification level (Minimum/Maximum) Current Report Period (2021–22)	79
Table 12: All Ongoing Employees Current Report Period (2021–22)	81
Table 13: All Non-Ongoing Employees Current Report Period (2021–22)	81
Table 14: All Ongoing Employees Previous Report Period (2020–21)	82
Table 15: All Non-Ongoing Employees Previous Report Period (2020–21)	82
Table 16: Australian Public Service Act Ongoing Employees Current Report Period (2021–22)	83
Table 17: Australian Public Service Act Ongoing Employees Previous Report Period (2020–21)	83
Table 18: Australian Public Service Act Non-Ongoing Employees Current Report Period (2021–22)	84
Table 19: Australian Public Service Act Non-Ongoing Employees Previous Report Period (2020–21)	84
Table 20: Australian Public Service Act Employees by Full time and Part time Status Current Report Period (2021–22)	85

Table 21: Australian Public Service Act Employees by Full time and Part time Status Previous Report Period (2020–21)	85
Table 22: Australian Public Service Act Employment type by location Current Report Period (2021–22)	86
Table 23: Australian Public Service Act Employment type by location Previous Report Period (2020–21).....	86
Table 24: Australian Public Service Act Indigenous Employment Current Report Period (2021–22)	87
Table 25: Australian Public Service Act Indigenous Employment Previous Report Period (2020–21)	87
Table 26: Information about remuneration for key management personnel for Current Report Period (2021–22)	88
Table 27: Information about remuneration for senior executives for Current Report Period (2021–22)	89

List of figures

Figure 1: Scale of the tax system in Australia.....	5
Figure 2: Overview of the function of the Inspector-General of Taxation and Taxation Ombudsman	9
Figure 3: Top 5 ATO/TPB complaint issues in FY22	13
Figure 4: Three level model of complaint handling	17
Figure 5: Overview of taxation complaint resolution options	18
Figure 6: Overall trend in complexity of complaints received from FY18 to FY22	22
Figure 7: Our story so far	26
Figure 8: Our organisational structure	29
Figure 9: Outcome and program structure	30

PART 1

Inspector-General of Taxation and Taxation Ombudsman Report

Review by the Inspector-General of Taxation

Overview of the Agency

Part 1 – Inspector-General of Taxation and Taxation Ombudsman Report

Review by the Inspector-General of Taxation



“The Australian community expects and benefits from a tax system that is administered fairly, equitably and transparently ... since people are more willing to engage with the system where they trust in its integrity.”

I am pleased to present the Annual Report for the Office of the Inspector-General of Taxation and Taxation Ombudsman (**IGTO**) which includes details on our performance and achievements during the financial year ended 30 June 2022 (**FY22**).

The IGTO is an independent, Commonwealth statutory agency, operating out of a single office location in Sydney but with national responsibilities and obligations. The IGTO contributes to the overall integrity and transparency of the tax system, by independently investigating taxation administrative actions and decisions of the Australian Taxation Office (**ATO**) and the Tax Practitioners Board (**TPB**), as well as systems and laws relating to tax administration.

The dual roles of the Inspector-General of Taxation (**IGT**) and the Taxation Ombudsman complement each other. Independent investigation provides assurance to the community that taxation laws are being administered consistently, fairly, transparently and in accordance with community expectations. This includes determining whether taxation laws are administered in accordance with ATO or TPB policies, procedures and guidelines and publicly communicated commitments (including those set out in the *Taxpayers' Charter*), and also consistent with community expectations of fairness. The main services of the IGT are to:

- provide independent assistance and assurance directly to taxpayers and tax professionals and investigate their disputes (or unresolved complaints) about tax administration actions and decisions of the ATO and TPB, as well as systems relating to tax administration
- investigate and report on issues arising from taxpayer complaints and dispute investigations which are in the public interest
- undertake review investigations, which are informed by community consultations, of actions, systems and taxation administration laws to provide independent advice and recommendations to Government, the ATO and the TPB.

Independent investigation and the efficient resolution of taxpayer complaints and disputes builds confidence and trust in the integrity of the tax system. The community's perception of the fairness and integrity of the tax administration system is an important factor influencing voluntary compliance behaviours in taxpayers and tax practitioners alike. This is fundamental to the health of Australia's self-assessment system of taxation. Voluntary compliance ultimately determines the efficiency and effectiveness of the tax administration system itself – including tax revenues raised, the timeliness of tax lodgements and the resources necessary to administer the system.

Table 1: Overview of how the IGTO helps to improve taxation administration

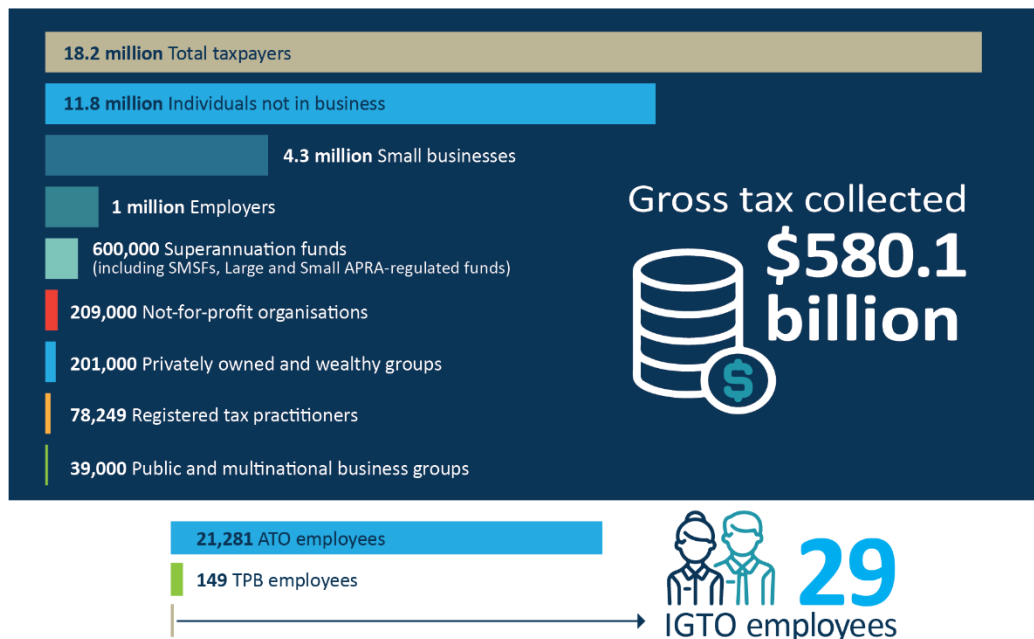
IGTO is here to ...	How does this help?
Help the community resolve their taxation complaints and disputes	<p>Independent investigation and assurance:</p> <ul style="list-style-type: none"> ▪ improves the efficient resolution of disputes ▪ provides access to tax expertise and assistance for the most vulnerable and those with limited financial resources (especially small businesses) ▪ reduces red tape and the cost of compliance ▪ assists to ensure only genuinely disputed issues are raised before the Tribunals and Courts – minimising legal costs and delay ▪ improves community perceptions of the fairness of the tax system.
Help to improve the taxation administration system for the benefit of all taxpayers, tax practitioners and other entities	<p>Independent review investigations identify areas for improved tax administration and enhance community trust and engagement in the tax system.</p>
Help build confidence in the fairness of the tax system	<p>Independent oversight, investigation and assurance improves:</p> <ul style="list-style-type: none"> ▪ the accountability in the system ▪ administrative actions, decisions and systems relating to tax administration.
Help with advice to the Minister, the Government and the Parliament and its Committees on tax administration issues and opportunities to improve the tax administration systems, laws and actions or decisions made by Tax Officials	<p>Independent perspectives enhance accountability, trust and impartiality in the tax system and bring new insights for Ministerial consideration and for Parliamentary committees with oversight responsibilities.</p>

The IGTO's independent Dispute Investigation Service provides social value to the community, namely:

- visible and equitable access to independent review of tax administration actions and decisions by capable and empathetic staff
- a useful mechanism for capturing insights for tax system improvement.

It also assists to improve the effectiveness of the ATO and TPB's complaint management systems. Independent research indicates that there is significant social return (up to 424.67%¹) from investing in complaints management for the public sector and that Ombudsmen, such as the Taxation Ombudsman are essential to this outcome. Figure 1 below provides some context for these considerations – the IGTO is a micro agency but has important national responsibilities for the Australian tax system.

Figure 1: Scale of the tax system in Australia



Source: ATO and TPB Annual Reports 2020–2021

1 Sourdin, T, Carlson, J, Watts, M, Armstrong, C, Carlyle Ford, T, *Return on Investment of Effective Complaints Management: Public Sector Organisations* (June 2020); page 60.

Our key focus in FY22

The IGTO continued to provide a free, independent, and impartial Dispute Investigation Service to all taxpayers and tax practitioners, whether directly or through their representatives. Our key priority was to support taxpayers and the community during the transition out of the pandemic, especially those in financial difficulties with impending deadlines – such as JobKeeper disputes given the legislative deadlines for payments of 31 March 2022.²

Our key priority was to support taxpayers and the community during the transition out of the pandemic

Approximately 45% of the more resource-intensive dispute investigations progressed during FY22 involved taxpayers expecting payments from the ATO. The significant representation of disputes involving ATO payments is a trend that has continued since the pandemic began. The main reason is that the ATO had redirected resources away from audits and collecting debt so that it could deliver the Government's priority economic support measures during this time. Indeed, disputes about JobKeeper, early access to super and Boosting cash flow (BCF) were the most prevalent type of payment dispute that the IGTO investigated in FY22.

A further 18% of the dispute investigations progressed during FY22 concerned the ATO's processing of taxpayer lodgements, particularly taxpayer amendment requests. Within this group of disputes, the IGTO assisted military veterans who were seeking to amend income tax assessments to obtain substantial tax refunds following a Federal Court decision that changed the way their invalidity pensions were taxed.³ The IGTO assisted military veterans with a range of issues, including the timeliness of the ATO's amendment process and related ATO communications as well as uncertainty over the amounts withheld from their invalidity pensions moving forward. These investigations will have flow-on affects to other military veterans, who are not included in the IGTO's complaint statistics. The IGTO is still investigating the broader issues associated with this group of disputes.

The IGTO assisted military veterans seeking to amend assessments and, in some cases, obtain substantial tax refunds following a Federal Court decision

Superannuation disputes were also significant in the mix of our FY22 investigations (37%). Most of these investigations concerned employee notifications of unpaid superannuation

² *Coronavirus Economic Response Package (Payments and Benefits) Rules 2020*, rule 19.

³ *Commissioner of Taxation v Douglas [2020] FCAFC 220*.

contributions and the release of superannuation, for example, under the First Home Super Saver Scheme or applications for compassionate release.

Also, the number of disputes about ATO debt collection activities that required more resource-intensive dispute investigation started to increase in FY22, as a result of the ATO resuming debt collection activities that it had paused during FY20 and FY21 due to the pandemic priorities.

For more information on our Dispute Investigation Service, see the Key Outcomes section below.

Protecting our staff and the community

The transition to a post COVID-19 world, has been disruptive and uncertain for all businesses (large, small and micro), presenting unique challenges to manage – both personal well-being and service continuity. Some of the IGTGTO's key challenges included:

- Returning to the office (at least for part of the week).
- Annual leave plans interrupted by COVID-19 illness and the related lockdowns.
- Managing staff leave and allowing sufficient time for personal leave.
- Managing career recalibrations and re-training.
- Staff recruitment in a low unemployment economy.

We continued to serve the community despite these challenges, restrictions and interruptions, by successfully maintaining our transition to a remote work environment to continue services.

In implementing remote working arrangements, we sought to ensure that we continue to provide a high-quality service to taxpayers and tax practitioners with our available resources and in the given circumstances.

Our business operations had to change to accommodate this changed environment. We also updated our website and voice messaging to ensure complainants had all the information necessary for their dispute to be progressed as efficiently as possible.

Our information and communication technology (ICT) platform and work practices were further adapted in FY22. These ICT changes supported service delivery and better protected the community and our staff.

We supported our staff working from the office or remotely as required – including in compliance with Government 'social distancing' and 'stay at home' requirements. New arrangements were provided to ensure staff stayed 'connected' where working remotely. In implementing remote working arrangements, we have sought to ensure that we continue to provide a high-quality service to taxpayers and tax practitioners. We also strive to provide the highest quality of service with our available resources and in the circumstances.

The IGTO Team is here to help

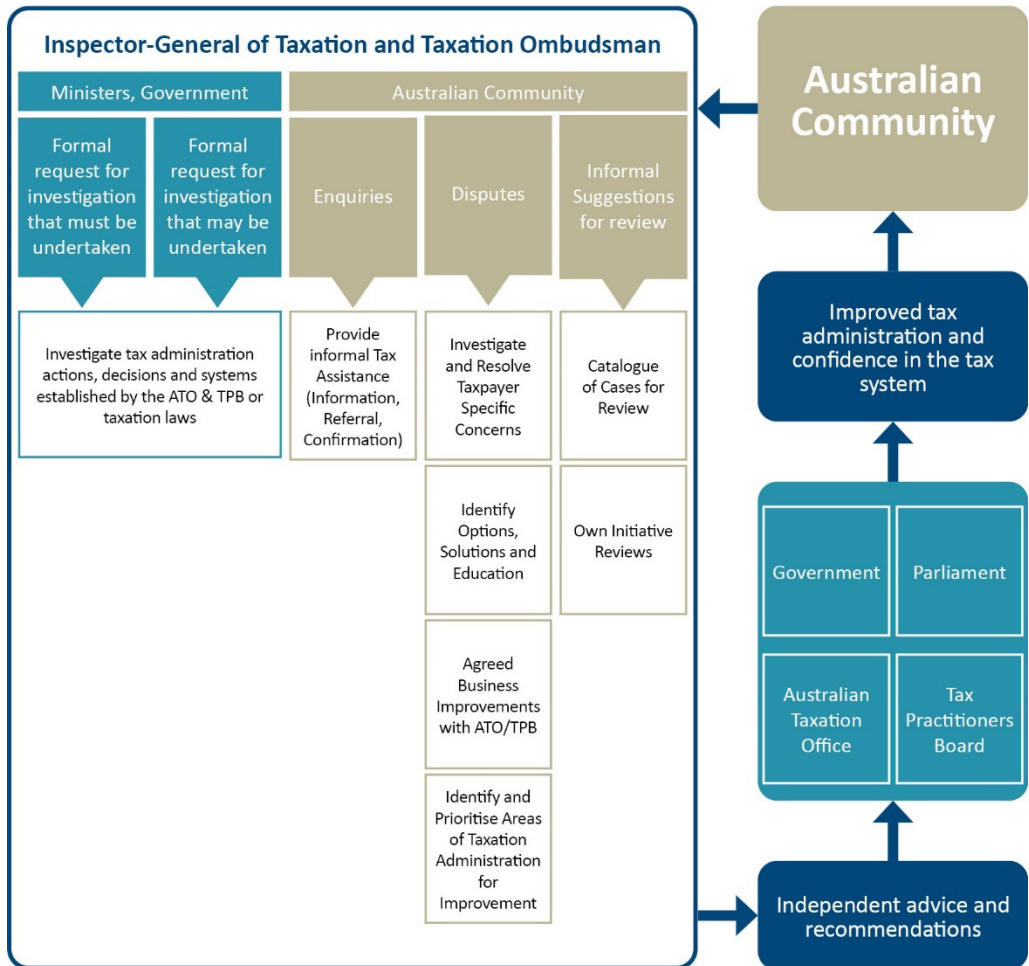
I would like to thank the IGTO team for their sustained teamwork, professionalism and commitment in assisting the community – especially in these challenging times. Importantly, the IGTO team is willing and wants to assist the community through their:

- Professionalism – applying experience, knowledge and understanding of the tax system.
- Independence – relying upon facts, evidence and logic consistent with our legislative powers and separate agency status.
- Responsiveness – willingness to actively listen to all parties in dispute, complainants and the ATO or TPB, in a respectful, patient and calm manner.

This Annual Report provides some insight into the important role that the IGTO performs in the Australian community.

An overview of our functions is presented in Figure 2.

Figure 2: Overview of the function of the Inspector-General of Taxation and Taxation Ombudsman



Key Outcomes in FY22

The IGTO's dual investigation roles are complementary. Dispute investigations can provide examples to inform review investigations and the outcomes of dispute investigations can be improved through the implementation of recommendations made as a result of review investigations. Both roles are designed to improve the administration of the taxation system – individually and collectively.

An investigation into the effectiveness of ATO communications of taxpayers' rights to complain, review and appeal

This review investigation examined the effectiveness of the ATO's communications to taxpayers and their representatives of taxpayers' rights to review, complain and appeal ATO decisions and actions. The investigation commenced in June 2020 and the final report was published in October 2021. Effective communication of taxpayer rights is important⁴ because it:

- Aids in voluntary compliance – and as the Organisation for Economic Co-operation and Development (OECD) notes ...

The promotion of voluntary compliance should be a primary concern of revenue authorities. The ways by which revenue authorities interact with taxpayers and employees impact on the public perception of the tax system and the degree of voluntary compliance.

- Provides assurance to taxpayers that they have been treated fairly.
- Provides assurance to the Commissioner of Taxation (**Commissioner**) that ATO decisions are correct and based on facts and law.
- Clarifies the processes and thus minimises unnecessary disputation.
- Reduces red tape and the costs of compliance by establishing agreed facts and issues.
- Safeguards against inconsistent outcomes and therefore improves fairness.

The IGTO engaged Orima Research Pty Ltd to conduct a voluntary and independent survey to gauge taxpayers' and tax professionals' views. The purpose of the survey was to understand perceptions and then to select relevant ATO communications and business lines within the ATO for further investigation. **96% of survey respondents** said effective communication of taxpayers' rights is important or very important. This result was repeated during polling conducted by the IGTO during on-line webinars of more than **500 accountants and tax professionals**.

4 Various surveys conducted by the IGTO have confirmed that this is of importance to practitioners.

The IGTO investigation included:

- a survey of Taxpayers and Tax Practitioners
- a review of ATO internal instructions and training modules for staff
- end-to-end process walkthroughs led by the ATO
- a review of more than 120 ATO template correspondence and decisions made by the ATO in the 2019 and 2020 financial years.

Overall, and for each client group, the investigation found that the ATO regularly communicates taxpayer's formal rights to object. However, the IGTO investigation found that informal rights to complain and appeal are communicated less effectively. These investigation results were consistent with the survey responses.

Although the IGTO found that ATO Executive guidance and the *Taxpayers' Charter* supports the communication of taxpayer rights to complain, review and appeal decisions made, the practical implementation of governance arrangements of these could be improved. The IGTO made 6 recommendations and the ATO agreed with all of these. The recommendations include:

Recommendation 1

The IGTO recommends that the ATO plays a pro-active role in informing taxpayers of their rights to review, complain and appeal decisions and develop strategies to discharge this role, including by:

- a. updating the *Taxpayers' Charter* to include an express right to be informed of taxpayer rights to review, complain and appeal decisions and all relevant channels to do so
- b. requiring (encourages or instructs) its Officers to communicate clearly and completely (i.e. comprehensively) information to taxpayers of their rights to review, complain and appeal the relevant administrative decisions.

Recommendation 2

Consistent with Recommendation 1 and the premise or principle that the ATO will proactively inform taxpayers of their rights to question and challenge the ATO's actions and decisions, the IGTO recommends that the ATO:

- a. ensure all ATO Officers whose responsibilities include making decisions about taxpayers' tax affairs are aware of their obligations in this respect when engaging with taxpayers and tax practitioners
 - b. support its Officers to understand the range of available channels to question or challenge ATO decisions and actions, including by requiring all ATO Officers to undertake relevant training courses on these matters that are refreshed on a regular basis.
-

In June 2022, the ATO commenced external consultation on improvements to the *Taxpayers' Charter* and expects to complete its consultation in December 2022. It has also updated internal training courses to educate ATO Officers on their responsibilities regarding taxpayer rights. The *Taxpayers' Charter* sets out important commitments to ensure fair and consistent taxation administration and decisions. Enhanced education and communication of these taxpayer rights to ATO Officers and the community should result in improved taxation administration.

Taxation complaints received and dispute investigations progressed

The IGTO adopts the definition of complaint and dispute as outlined in the Australian Standard – Guidelines for complaint management in organisations.⁵

In FY22, we received 1,314 complaints and closed 90% (1,186) within the same period. In addition to the complaints that we had on hand at the start of FY22, we progressed a total of 1,568 complaints during FY22 as set out in Table 2. 757 complaints were or are expected to be resolved without the need to commence an investigation. For 110 complaints, it is yet to be determined whether the IGTO will investigate. The remainder were or are being investigated as a dispute. This represents an average number of 124 cases progressed per APS-level investigator in FY22 (excluding those on extended leave).

Table 2: FY22 Complaints Progressed

	Complaints - Total	Complex Dispute Investigations*	Complex Dispute Investigations %
Opening – carried forward from prior year	254	123	48%
Received	1,314	117	9%
Progressed during the year	1,568	240	15%
Closed	(1,187)	(117)	10%
Closing – carried forward	381	123	32%

* Category 4 are Complex Disputes requiring deeper inquiry and investigation. Category 5 are Highly Complex Disputes where the IGTO engages directly with ATO senior management.

Some of the complaints recorded in the closing balances are yet to be determined (110 or 29%). We have 123 ongoing complex disputes as at 30 June 2022 and closed 117 complex disputes during FY22.

5 The Australian Standard AS 10002:2022 defines
A Complaint as – an expression of dissatisfaction made to or about an organization, 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 and
A Dispute as – unresolved complaint escalated internally or externally, or both.

The majority of complaints received (70%) were from self-represented individuals. The remaining came from self-represented businesses (16%), individuals represented by another party, for example a tax practitioner, lawyer, family member or friend (8%) and represented businesses (6%).

The split of complaints received during the year between the ATO and TPB was as follows:

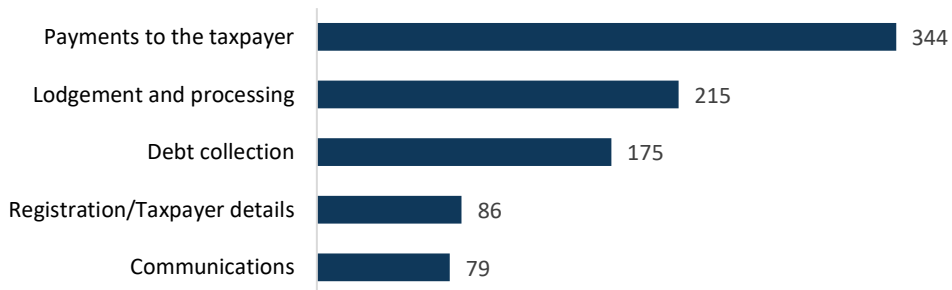
Table 3: FY22 Complaints received, by Agency

Name of Agency	Number of complaints received	Percentage of Total complaints received
ATO	1,199	91.2%
TPB	22	1.7%
Other	93	7.1%
Total	1,314	100.0%

The majority of complaints received in FY22 related to the ATO (91.2%). Complaints received in the category titled ‘Other’ primarily relate to complaints that are not within the IGT’s jurisdiction. In such instances, we seek to refer complainants on to the most suitable agency or organisation who can assist.

The top 5 ATO and TPB issues of complaint closed in FY22 accounted for 70% (899) of total issues (1,280). Figure 3 provides further details of the top 5 issues raised.

Figure 3: Top 5 ATO/TPB complaint issues in FY22



Part 1 – Inspector-General of Taxation and Taxation Ombudsman Report

During FY22, the IGTO considers it delivered the following value in the resolution of complaints and dispute investigations:

- improved the taxpayers' or advisers' experience in the tax system
- independent assurance and assistance
- procedural fairness – for example, the ATO or TPB expedited the resolution of the complainant's issue
- the ATO or TPB reconsidered its action or decision or processes
- distributive fairness outcomes – the ATO or TPB changed its original action, decision, policy, procedure or systems
- informational fairness – the complainant received a better explanation of what had occurred as part of their resolution
- interpersonal fairness – an apology was provided by the ATO or TPB and feedback was provided to the ATO or TPB as part of their resolution.

Agreed Business Improvements

Opportunities to make systemic improvements to the tax system may be identified during our dispute investigations without the need to conduct a review investigation. Where our dispute investigations generate an Agreed Business Improvement (**ABI**) with the ATO, we monitor these for progress.

In FY22, the ATO implemented 7 ABIs and accepted 10 new ABIs which we proposed. Also, in FY22, the TPB implemented 4 ABIs and accepted 3 new ABIs. Further information on ABIs is set out in Performance Measure 3.2 in Part 2 of this annual report.

Other public reporting and submissions

Complementing our office's Dispute Investigation Service are:

- review and other own-motion investigations of systemic issues
- written submissions to inquiries undertaken by, and attendance at public hearings before, Parliamentary Committees
- written submissions to inquiries undertaken by, and engagement with, Federal and State government departments and agencies.

Review and other own-motion investigations

The IGTO commenced three new review investigations in December 2021. Each of these investigations is on-going as at year end. A brief summary of each is set out below.

The Australian Taxation Office's Administration and Management of Objections

Objections are a critical feature of Australia's tax dispute resolution landscape as they provide taxpayers with a statutory right to challenge ATO decisions and views. Taxpayers lodge objections because they are dissatisfied with a decision that the ATO has made about them or their affairs. Generally, these taxpayers expect their objection to be properly considered and to be finalised in a timely and impartial manner, independent of the original decision maker.

The investigation will focus mainly on the timeliness in issuing objection decisions, the independence of objection decision makers and the objection decision making process, as well as the interaction between objections processes and other initiatives aimed at minimising or narrowing disputes.

The Exercise of the General Powers of Administration

The Commissioner of Taxation is personally vested with powers of general administration under various taxation laws – commonly referred to as the General Powers of Administration (**GPA**). Any administrative decision made by the Commissioner (or a delegate, or duly authorised officer) that is not a decision made in exercise of an express legislative power is potentially an exercise of the GPA. In this sense, the scope and breadth of the GPA is extremely broad but also potentially undefined and accordingly uncertain.

Decisions made and actions taken under the GPA are generally not reviewable by the Courts. The exercise of some GPA is specifically covered by an ATO policy or process (e.g. Code of Settlements and compromise of tax debts) and others are covered by specific Practice Statements (i.e. 'PSLA General Administration'). However, the ATO ceased issuing this type of practice statement in 2014.

The IGTO's investigation does not propose to examine every type of decision that may be made under the GPA, but will draw from case studies in our Dispute Investigation Service as well as stakeholder submissions to identify and investigate particular areas raised as examples of the exercise of the GPA that should be investigated. In particular, the IGTO is interested to understand how broad-based GPA decisions (i.e., those affecting large groups of taxpayers) are identified and determined.

A key objective of the review investigation is to consider if good administrative decision-making practice is observed across a range of decision scenarios.

The Exercise of the Commissioner's Remedial Powers

The Commissioner of Taxation has a statutory discretion to modify the operation of certain provisions in the tax law where those provisions are not operating as intended – the Commissioner's Remedial Powers (**CRP**). The CRP is only able to be exercised where certain conditions have been met.

Part 1 – Inspector-General of Taxation and Taxation Ombudsman Report

Through the IGTO's Dispute Investigation Service, it has been observed that there appears to be a lack of clarity about how issues are raised for CRP consideration and whether the processes underlying consideration of these matters are sufficiently robust to take into account relevant factors and expert stakeholder views.

There are limited avenues to challenge the Commissioner's exercise of discretion under the CRP.

Parliamentary committees and other inquiries

The IGTO's tax expertise, Dispute Investigation Service and review investigation experience allows us to bring specialist insights and perspectives to Parliamentary Committees, their Inquiries and other bodies. The IGTO's contribution, engagement and consultations, including written submissions in FY22, are listed below and are also available on our website.

- Submission to the House of Representatives Standing Committee on Tax and Revenue with its *Inquiry into Housing Affordability and Supply in Australia*.
- Feedback and comments in response to Standards Australia's consultation to update AS 10002 – Guidelines for Complaint Management in Organisations.

These submissions vary in length and topic and are aimed at assisting Parliament and Federal government agencies and other bodies in their investigations or inquiries to improve the tax administration system. The ultimate impacts and benefits of these submissions will depend on the nature of recommendations made by the Committee, whether they are adopted and implemented by the Government and then passed by the Australian Parliament.

Progress on immediate priorities

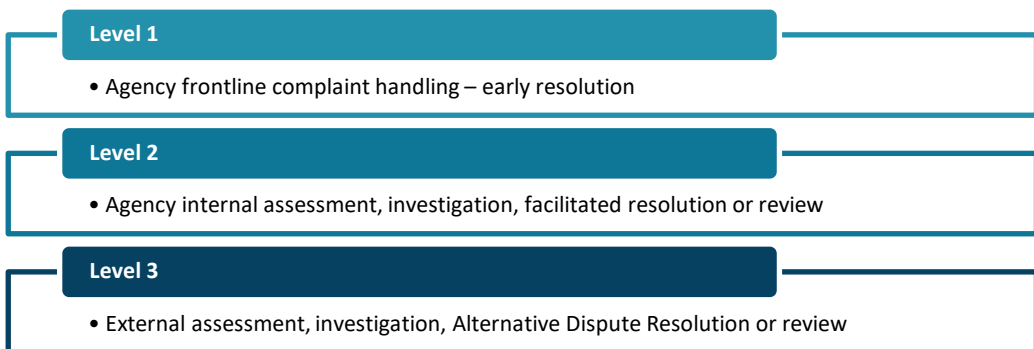
The immediate priorities identified in the FY21 Annual Report largely remain relevant in FY22. The updated immediate priorities are as below:

1. Improve the effectiveness and efficiency of resolving taxation disputes generally, for the community. This includes exploring opportunities to improve our productivity and timeliness of outcomes through effective supporting case management systems, processes and protocols.
2. Refocus our capability and capacity to better leverage improvements to the tax administration system within our resourcing constraints and recalibrate community and stakeholder expectations.
3. Improve community awareness of our services and explore opportunities for more seamless connections with other agencies and bodies who assist taxpayers manage their tax affairs.
4. Develop a principled framework for articulating the community's expectations for improved tax administration – to assist in identifying, communicating and understanding the tax administration issues that my office can prioritise and to address and recommend improvements that can be made.

Improving the effectiveness and efficiency of resolving taxation complaints for the community

The IGTO is committed to independently assure and investigate the taxation actions and decisions in complaints and disputes that are raised with us by the community. Best practice dictates that an effective complaint management system incorporates three levels of complaint management.⁶

Figure 4: Three level model of complaint handling



Ombudsmen provide an independent external investigation service and as such are Level 3 dispute resolution bodies under the Australian complaints management standard⁷.

We understand that complainants that approach us have previously been unsuccessful in resolving their complaint directly with the ATO or TPB and may be frustrated, fatigued or confused about their experience and why they have been unsuccessful before lodging their complaint with us.

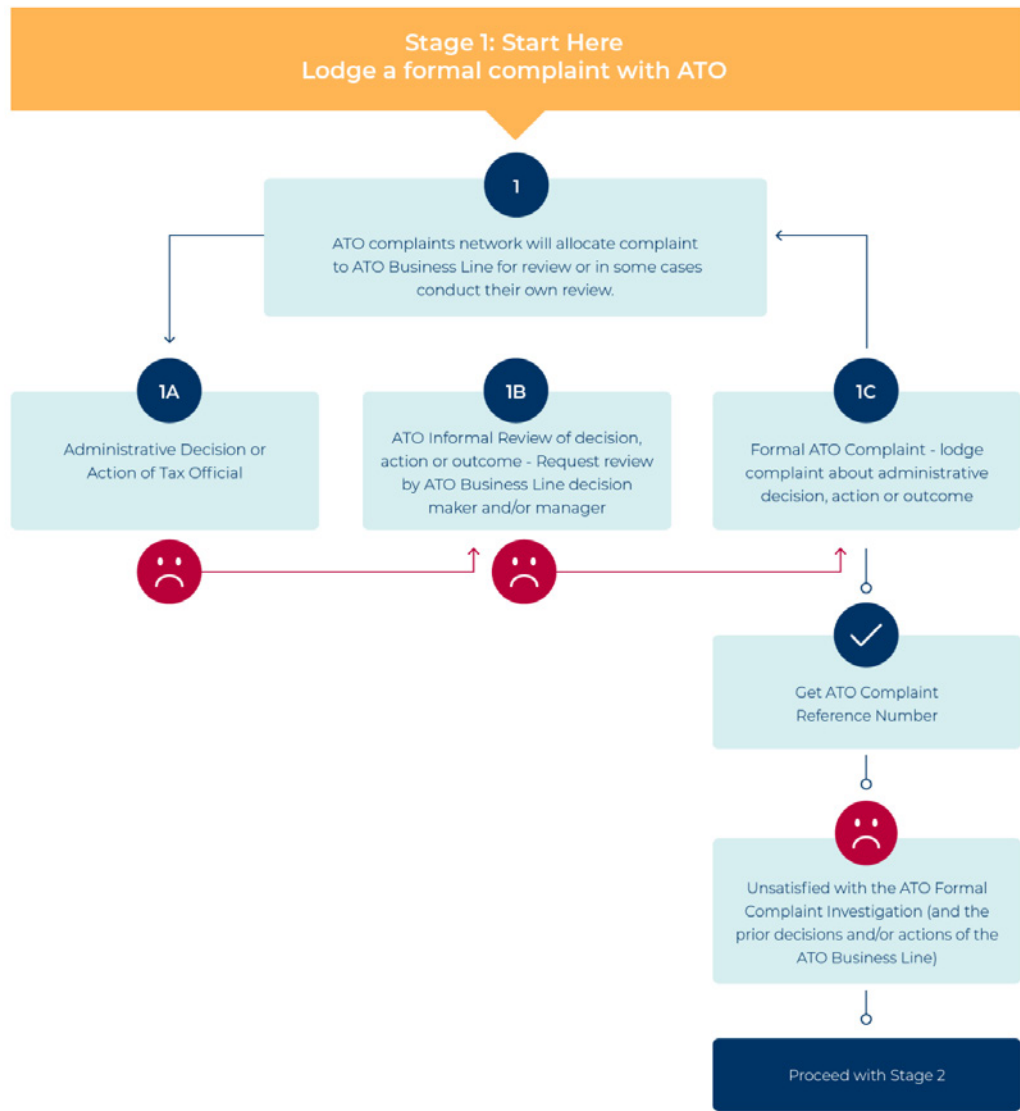
Improving the administration of the taxation system also includes improving the management of complaints generally in the taxation administration system. We therefore seek to raise taxpayer awareness about the formal complaint investigation options available within the ATO and TPB to resolve taxation complaints.

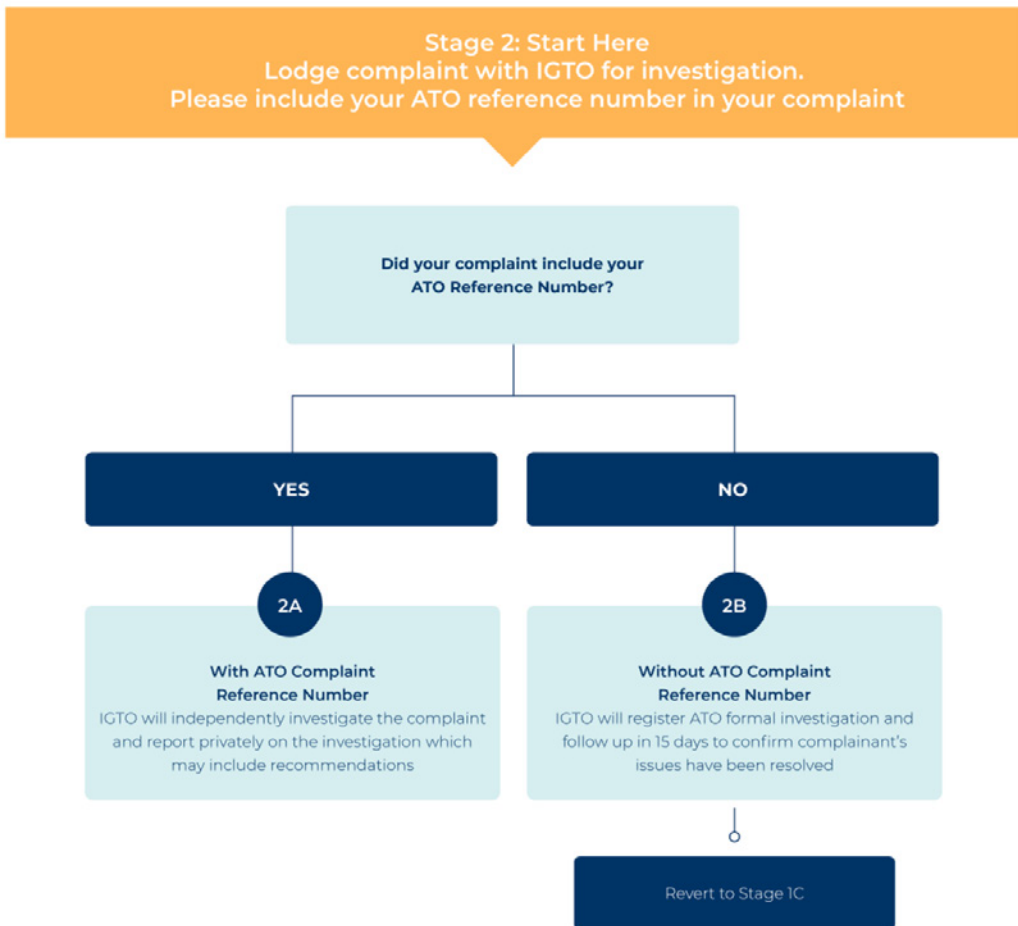
The IGTO, ATO and TPB are independent agencies. Each agency has its own formal complaints management processes. The IGTO encourages all taxpayers and practitioners, if they have not done so, to reach out to the ATO and the TPB in the first instance to try and resolve any concerns or complaints. This is summarised in Figure 5 below and has been a feature of our online complaints form and messaging.

⁶ AS10002:2022 – Guidelines for complaint management in organizations – Appendix H – Three level model of complaint handling.

⁷ AS10002:2022 – Guidelines for complaint management in organizations.

Figure 5: Overview of taxation complaint resolution options





Capability, capacity and constraints

The Senate Economics Legislation Committee released a report dated 17 June 2020 – *Performance of the Inspector-General of Taxation* (the **SELC Report**) which included several recommendations in relation to the IGTO's capability, capacity and constraints for Government's consideration. A full list of the SELC recommendations is included as Appendix 1.

In the interim, the IGTO is seeking to identify what further efficiencies can be realised without a significant change in the standard of service that is offered to the community. The IGTO has appointed a Strategic Planning and Projects Director and is exploring systems capability and solutions to improve our management of a range of functions including dispute investigations, complaint reporting, document management and stakeholder management. The IGTO Executive has agreed a 65% core function protocol for all dispute investigation staff to assist with workforce management and to set performance expectations. The IGTO has completed a workforce planning model, to assist in managing the optimal utilisation and allocation of our

Part 1 – Inspector-General of Taxation and Taxation Ombudsman Report

resources, consistent with our purpose, statutory obligations and identified priorities. This model also assists us to predict the likely impact and consequences of various potential scenarios (and actual developments) to better assist us in managing our workforce to best meet community expectations.

Distinguishing features and capability

The IGTO, like other ombudsman services, is vested with strong statutory information gathering powers. We also have direct access to some front-line ATO systems. These are distinguishing features of our office and critical to our ability to provide independent assurance. However, the IGTO does not have open access to all records, data, and systems held and maintained by the ATO and the TPB. The manner and sufficiency of our access to ATO and TPB records and information, including through systems access, is critical to the delivery of a timely and independent Dispute Investigation Service.

This need was acknowledged by Recommendation 3 of the SELC Report.

Recommendation 3 – The SELC recommends the Australian Government review the IGTO's current access to the ATO and TPB's systems, data, and records and considers improving access, where necessary, to further enable it to perform its legislative functions.

Capability

We employ professional tax specialists (solicitors, accountants, taxation experts) to investigate the tax disputes raised with our office. Our team possesses not only the applicable tax technical skills and experience, but also relevant people skills – actively listening with patience, respect and empathy. This is a skillset that allows our officers to engage and build trust with different types of complainants, from tax professionals to those more vulnerable and at risk of not meeting their obligations. At times complainants may be upset, frustrated, angry or simply fatigued by the time they discover or approach our office – which means our team needs to be both approachable and resilient.

In instances where our office is unable to assist complainants due to jurisdictional constraints, we seek to explain this limitation and to refer taxpayers on to the most suitable agency or organisation who can assist. Our staff also receive training to assist with the identification of behavioural signs which suggest a particular taxpayer may need extra support. Throughout FY22 the IGTO team was assisted by our specialist human resource capability – monitoring for health and wellbeing, professional development, and helping to support the resilience of the IGTO team, particularly during these uncertain times.

Capacity and constraints

An ongoing challenge for the office has been our resource management. The IGTO has a statutory obligation to investigate ATO and TPB actions which are the subject of complaint and has limited discretion to decline to investigate. Prior to the COVID-19 pandemic, the number of taxation complaints lodged with the IGTO was increasing year on year – by 29% over the FY15 and FY20 period (inclusive) – noting that we received the Taxation Ombudsman function in May 2015.

The number and type of complaints that we receive about ATO actions and decisions are generally linked to ATO levels of activity and the effectiveness of the ATO's attempts to resolve complaints at first instance. However, taxation complaints are nonetheless difficult to predict with certainty for a range of reasons. For example, the volume of complaints and the mix of simple versus more complex issues can impact on the time and effort needed to appropriately investigate the issues in dispute. Also, the more complex disputes require more time to identify and obtain relevant evidence to distil the issues and determine appropriate outcomes – all of which requires an investment of significant senior management time to resolve. This can impact on our investigation times and delivery of outcomes.

During FY22, there was not only a material reduction in the volume of complaints lodged with the IGTO but a significant increase in the complexity of issues they raised and the steps needed to investigate the disputes compared to prior years. This included disputes relating to new areas of taxation administration and law (notably access to the COVID-19 pandemic-related economic stimulus measures).

Generally, we experience a peak in taxation complaints lodged with us during the period July to mid-November, which coincides with income tax lodgements ('tax time'). This peak also coincides with a peak in mandatory corporate compliance requirements – including the preparation of the Agency's budget, annual report, financial statement preparation and auditing, and corporate plan. Due to the micro size of the agency, all IGTO employees are involved in meeting these corporate compliance requirements. This can reduce the time available to be spent on dispute and review investigations.

The IGTO's capacity to progress review investigations is further restrained because of the IGTO's limited statutory discretion to decline investigation into ATO or TPB actions when they are the subject of a complaint lodged with us.

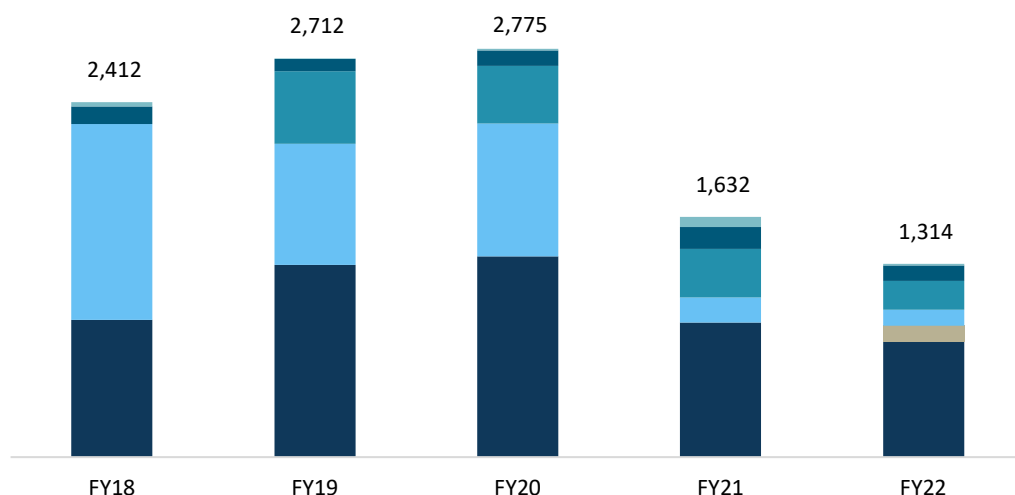
This constraint was acknowledged by Recommendation 1 of the SELC Report.

Recommendation 1 – The SELC recommends the Australian Government assess whether the IGTO is adequately resourced, both now and into the foreseeable future, to effectively discharge its dual role as the Inspector-General of Taxation and the Taxation Ombudsman.

An overview of complaints received for the past 5 years is set out below. More information about the various case categories is included in Figure 6. The 5-year trend of data demonstrates:

- a resumption of Categories 4 and 5 cases (i.e. Complex and Highly complex dispute investigations) to the pre-pandemic (pre-FY21) levels
- a continuous downward trend for the other categories of cases (i.e. Complaints resolved without investigation and Dispute investigations where the ATO has no record of prior formal complaint)
- an increase in the number of cases held in the queue awaiting allocation to an IGTO investigator.

Figure 6: Overall trend in complexity of complaints received from FY18 to FY22



Case category	FY18 [#]	FY19	FY20	FY21	FY22
Complaints resolved without investigation	932	1,308	1,366	914	783
Determining Treatment*					110
Dispute investigations where ATO has no record of prior formal complaint (3, 3.1) [#]	1,331	822	903	170	110
Dispute investigations (3.2-3.3)		492	392	330	194
Complex dispute investigations (4)	122	84	106	149	106
Highly complex dispute investigations (5)	27	6	8	69	11

* As at 21 September 2022, there are 110 complaints received in FY22 that the IGTO are still determining treatment for. These will likely become dispute investigations.

After FY18 and commencing from FY19, the IGTO added new categories to distinguish between dispute investigations where the ATO had no record of a formal complaint having been lodged with it previously (3.1) and investigations where the ATO did have such a record (3.2, 3.3).

The reduction in the number of complaints, especially complaints which are resolved without an investigation and dispute investigations where the ATO has no record of prior formal complaint is likely due to a combination of factors, including:

- The ATO stay on debt collection activity during the COVID-19 pandemic.

In March 2020, the ATO debt collection areas refocused resources away from tax debt collection towards the Government's COVID-19 support measures being delivered through the tax system. ATO debt collection actions have historically been the most common issue raised in taxation complaints lodged with our office, accounting for approximately 25% of all complaints lodged with us. With the COVID-19 pandemic, complaints about ATO debt collection had reduced significantly.

- The IGTO introduction of a triage and queue system due to a high demand for its services.

In this system, the IGTO reviews the complaints lodged with us and prioritises those which demonstrate exceptional circumstances. All other taxation complaints are placed in a queue to be allocated to an IGTO investigator for consideration on a 'first in, first out' basis. Callers are advised that the wait time may be several months. All complaints that have been placed in a queue to be allocated are temporarily categorised as Category 0 cases. As at 21 September 2022, there were 380 (with 110 of these being received in FY22) cases ranked as Category 0 – that is, they are yet to be allocated or classified. This explains, in part, the lower number of Category 3 to 5 disputes received in FY22 compared to previous financial years.

- The IGTO call centre's operation as a call back service.

Our recorded call service is operating on a call-back basis due to the on-going need for IGTO staff to work from home. This means that members of the public may only leave a voicemail message to request a call back. The IGTO acknowledges that this may also be a contributing factor to the lower number of complaints received. For example, callers with simple enquiries, such as those wanting assurance about ATO information or advice, or those who are dissatisfied with an ATO action but had not yet lodged a formal complaint with the ATO, may not wish to leave a message and wait (up to several months) for a response.

- The IGTO's guidance, website links and encouragement to empower complainants to resolve their complaints directly with the ATO.

The IGTO is continuing to actively encourage complainants to seek to resolve their taxation complaints directly with the ATO in the first instance and also providing detailed guidance and website links on how they may lodge a formal complaint with the ATO. This has resulted in a significant reduction in Category 3.1 dispute investigations which has allowed the IGTO to direct more of its effort to investigating and resolving more complex disputes.

Part 1 – Inspector-General of Taxation and Taxation Ombudsman Report

- Increasing resolution timeframes and increasing good outcomes for complainants in dispute.

Dispute investigations are taking longer to finalise, as IGTO officers pursue better outcomes in appropriate cases. This is reflected in the increasing portion of outcomes in dispute investigations which results in ATO change or reconsideration of its decision, and/or ATO change with beneficial impact for other taxpayers.

Prior to the COVID-19 restrictions commencing (February 2020), the total number of complaints received by the IGTO in FY20 was higher than the same period in FY19. Since February 2020, complaints received have been declining (compared to the same period in prior years). However, the ATO has resumed its debt compliance and recovery work, and it is anticipated that there will be a corresponding increase in complaints lodged with the IGTO from FY23 upon resumption.

Another challenge for the IGTO is the limited protections available under the *Inspector-General of Taxation Act 2003 (IGT Act)* for tax officials who disclose information to us. For example, we have no power to investigate disclosures made under the *Public Interest Disclosure Act 2013 (PID Act)*, that is, ‘whistleblower’-style disclosures made by tax officers (as public servants). The Commonwealth Ombudsman has the power to investigate such disclosures and appropriate whistleblower protections are provided by Part 2, Division 1 of the PID Act in these circumstances. The IGT Act does not provide the same level of protections for Tax Officials as the protections available under the PID Act. The IGT Act also does not provide protection equivalent to other whistleblower regimes, for example the commonwealth private-sector tax whistleblower legislative regime which provides protections for disclosures made about taxpayer non-compliance with the tax laws.

To encourage voluntary disclosures (including from ATO and TPB officers) to our office, additional protections including protection against, and compensation for, reprisal action would need to be introduced to the IGT Act. Ideally, these protections should be consistent with protections available under other whistleblower regimes, including the PID Act.

This constraint was acknowledged by Recommendations 6 and 7 of the SELC Report.

Recommendation 6 – The SELC recommends the Australian Government consider strengthening protections available to individuals who disclose information to the IGTO, regardless of whether the disclosure is in relation to a complaint investigation or systemic review.

Recommendation 7 – The SELC also recommends the rights of tax officials who are interviewed during investigations undertaken by the IGTO be clarified, and that protections afforded to them be strengthened. This includes providing officials the legal right to choose whether or not they have other persons present when providing information.

Building Community Awareness

Building community awareness of our office – especially our roles and functions – is a key immediate priority.

This need was acknowledged by Recommendation 5 of the SELC Report.

Recommendation 5 – The SELC recommends the Australian Government better publicise the IGTO's ombudsman function through the development of a marketing campaign. Such a campaign should, amongst other things, clarify how the IGTO's role interacts with other ombudsmen, such as the Small Business and Family Enterprise Ombudsman.

We have continued to engage regularly with stakeholders, despite the lockdowns and other limitations arising from the COVID-19 pandemic. This includes industry and professional presentations and webinars, attending tax discussion groups, University and Tax Clinic presentations, developing our website content and its organisation, messaging through our electronic newsletter – IGoT News – and other social media. We acknowledge that we need to continue to raise community awareness of our services.

The IGTO also attended and presented at a number of forums, conferences and symposiums both domestically and internationally (at least virtually) and engaged with stakeholders during these and other events.

Our project to refresh the IGTO website is ongoing. We aim to improve access to relevant information through our website, including what we do, our public reports and submissions and our guidance on how to lodge a taxation complaint. Further progress is expected in FY23.

A principled framework for articulating the community's expectations for improved tax administration

The IGTO's principled framework continues to guide our purpose and assist us to identify which tax system improvements our service and investigations are assisting. A copy of the framework is included in Appendix 2. The IGTO welcomes ongoing comments and feedback from the community – taxpayers, tax practitioners and industry and professional bodies.

Overview of the Agency

An overview of our story so far is depicted in Figure 7.

Figure 7: Our story so far



Role and functions of the IGTO

The IGT was established as an independent, Commonwealth statutory position in 2003 – following community consultations and recommendations of the Board of Taxation. An annual \$2 million budgetary allocation was provided so that the Inspector-General could establish an agency to assist in the performance of the IGT’s functions. In 2015, the Taxation Ombudsman role was added to the Inspector-General’s pre-existing role. This reform received bipartisan support. The dual roles of the IGTO complement each other and have common objectives – investigation and reporting to improve taxation administration:

- The **Taxation Ombudsman** provides independent assistance and assurance directly to taxpayers and tax professionals, and investigates taxation disputes (or unresolved complaints) about the administrative actions and decisions of the ATO or TPB, as well as systems relating to tax administration, as they relate to their specific circumstances – **complaints** and **dispute investigations**, respectively.
- The **Taxation Ombudsman**, also investigates and reports on issues that have broader community impact or are commonly observed in a number of disputes where they are in the public interest – this includes **own-initiative investigations**.
- The **Inspector-General of Taxation** consults with the community to investigate actions, systems and taxation administration laws to provide independent advice and recommendations to Government, the ATO and the TPB – **review investigations**.

Our role is to improve tax administration for the benefit of the community. 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 the ATO’s own policies, procedures and guidelines and publicly communicated commitments – including those set out in the *Taxpayers’ Charter* – and are also consistent with community expectations of fairness.

Our objective is to:

- provide a specialised Dispute Investigation Service to the Australian community
- conduct review investigations into priority areas of tax administration for improvement, as informed by our Dispute Investigation Service and in consultation with the community
- provide independent advice and recommendations to the Minister, the Government, Parliament, the ATO and the TPB through public reporting.

Our purpose

Our purpose is to:

1. Improve the administration of Australia’s taxation laws for the benefit of the community.
2. Provide independent advice (to the Minister, the Government and Parliament).
3. Provide assurance to the community through dispute, 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.

IGTO’s Accountable Authority

Karen Payne was appointed as the IGT by the Governor-General commencing on 6 May 2019 for a term of 5 years ending 5 May 2024. Details of the IGTO accountable authority during the FY22 reporting period is outlined in Table 4 below.

Table 4: Details of Accountable Authority during the reporting period

Name	Position Title/Position held	Period as the Accountable Authority in FY22
Karen Payne	Inspector-General of Taxation	1 July 2021 to 30 June 2022

Ms Payne leads the investigation services of the IGTO, both of which are directed at improving the tax administration system for all taxpayers, namely:

- Dispute Investigation Service for taxpayers and advisers
- review investigation and public reporting function.

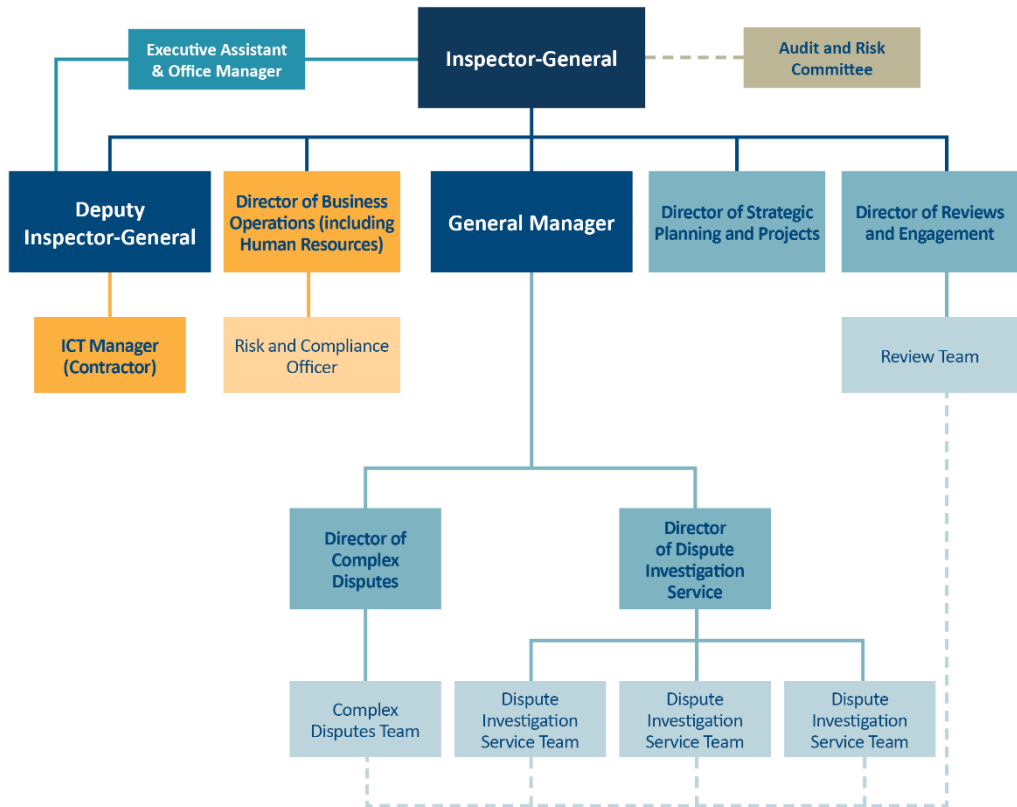
Before joining the IGTO, Ms Payne was a Member of the Board of Taxation as well as its inaugural Chief Executive Officer. She was formerly a partner with Minter Ellison, specialising in corporate and international tax for mergers and acquisitions, and capital raising for the financial services, mining, energy, and utilities sectors. Her career includes a broad range of experience (legal, accounting, audit, education and tax return preparation) across a diverse range of taxpayers (including individuals, trusts, companies and partnerships) and market segments (small business, multinationals, public, private and listed property, equity, infrastructure and managed investment trusts).

Ms Payne is a solicitor admitted in New South Wales and is a:

- Fellow of Chartered Accountants Australia and New Zealand
- Chartered Tax Adviser with The Tax Institute
- Member of Australian Institute of Company Directors.

Organisational Structure

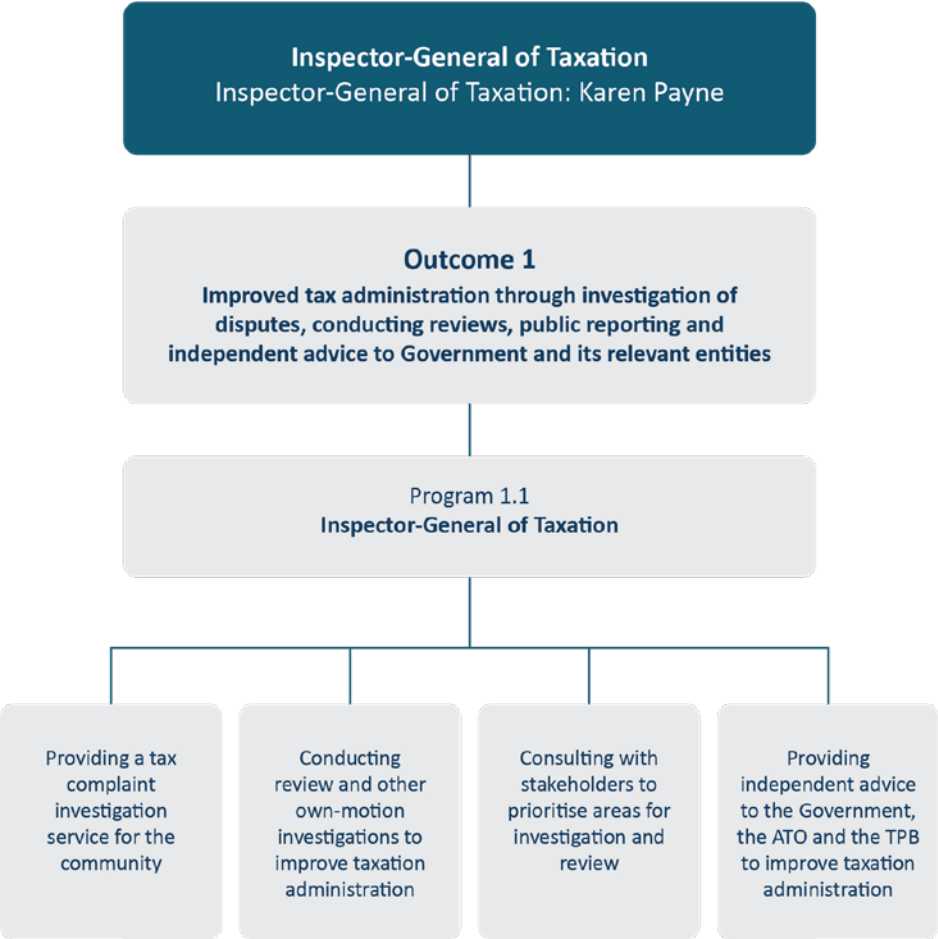
Figure 8: Our organisational structure



It is noted that the role of the ICT Manager is a contracted position.

Outcome and Program Structure

Figure 9: Outcome and program structure



PART 2

Performance Report

Annual Performance Statements

Financial Performance Report

Part 2 – Performance Report

The IGTO's performance report for FY22 is divided into the following sections:

- the annual performance statements
- the financial performance report.

The IGTO's commitment to performance measurement and analysis is ongoing and crucial to the services provided to and expected by the community. Careful consideration and monitoring of deliverables and performance measures underpin the IGTO's annual corporate planning and day-to-day delivery of its services to taxpayers and the community more broadly.

Annual Performance Statements

These statements measure and assess the IGTO's performance in fulfilling its purpose and key deliverables.

The purpose of the IGTO is to improve tax administration by realising the following deliverables:

1. effective investigation of tax administration actions of complaints
2. identify and prioritise areas of tax administration for improvement
3. conduct review and other own-motion investigations and make recommendations for improvement to the Minister, Government, the ATO and the TPB.

These deliverables are monitored and assessed by reference to various performance measures set out in the IGTO's Corporate Plan 2022–25 (for the four financial years commencing FY22).

Section 41 of the IGT Act also sets out a number of items that must be included in the IGTO annual report. These requirements are set out in square brackets within the relevant performance measures, with the exception of paragraph 41(2)(d), which is reported under its own subheading.

The results for each performance measure are set out under the relevant key performance area below.

KEY PERFORMANCE AREA 1 – PROVIDE AN INDEPENDENT, EFFICIENT AND EFFECTIVE TAX COMPLAINT INVESTIGATION SERVICE FOR TAXPAYERS

A key function of the IGT0 is providing an independent, efficient and effective tax complaint investigation service for the community.

Our updated terminology

We have updated some of our terminology to better align with the Australian Standard⁸ and to better describe the underlying activities and shifts in our work mix:

- ‘Complaints’ are lodged with the IGT0 about actions or decisions of the ATO or TPB that relate to administrative matters under the tax laws.
- A complaint may be one where the complainant:
 - did not attempt to resolve it with the ATO or TPB first – a ‘Complaint’
 - thought they had raised a complaint with the ATO or TPB first – a ‘Dispute where the ATO has no record of prior formal complaint’
 - did attempt to resolve it with the ATO or TPB, however, it remains unresolved – an ‘unresolved complaint’ or ‘dispute’.⁹
- To best meet community expectations with the IGT0’s existing resources, the IGT0 now encourages complainants to resolve complaints directly with the ATO or TPB first and provides information, including website links to support the complainants in doing so – this approach is in accordance with the Commonwealth Ombudsman’s Better practice guide to complaint handling and associated facts sheets.
- Accordingly, almost all investigations commenced by the IGT0 now are investigations into actions of unresolved complaint or ‘dispute’.¹⁰ These may include cases in which the complainant attempted to resolve their complaint with the ATO first, but which the ATO has no record of a formal complaint having been lodged.
- As a result, the IGT0 has updated its description of case work to reflect this – i.e cases that are finalised with respect to:
 - a ‘complaint’ are recorded as a ‘complaints resolved without investigation’ (i.e. Categories 0–2)
 - a ‘dispute’ is recorded as a ‘dispute investigation’ (i.e. categories 3–5).

⁸ Australian Standard AS 10002:2022 – Guidelines for complain management in organisations.

⁹ ‘Disputes’ are “unresolved complaints escalated internally or externally, or both”: AS 10002:2022.

¹⁰ ‘Disputes’ are “unresolved complaints escalated internally or externally, or both”: AS 10002:2022.

Part 2 – Performance Report

- In line with the above changes, our tax complaint investigation service will now be referred to as our 'Dispute Investigation Service'.

How we manage complaints and disputes

The IGTO is approached by individuals, small businesses, other taxpayers and tax professionals through a range of different channels including an online webform, telephone, email, post and facsimile. With the ongoing impacts of the COVID-19 pandemic, we continue to encourage complainants to make use of our online webform as the most effective channel to lodge a complaint, especially because it is in writing.

The increased complexity and duration of investigations, amongst other factors, has meant that we are unable to allocate taxation complaints to IGTO investigators as soon as they are lodged. To more effectively manage expectations, we have continued our queue system for taxation complaints and updated our first contact messaging to alert complainants to the process and likely timeframes before their case may be allocated to an investigator for consideration. We also continue to triage complaints on receipt and prioritise those which demonstrate urgent or exceptional circumstances.

Our complaints queue has continued to expand over FY22. This has resulted in the average time of 70 days before complaints lodged in FY22 were allocated.

Once a complaint is taken from the queue, it is allocated to a dedicated investigator to manage. Our Dispute Investigation Service team consists of tax specialists with strong communication skills and requisite professional qualifications and experience to support complainants. The specific action taken in relation to each complaint depends upon its history, the nature of the issues raised, and the outcomes sought. Generally, there are two types of outcomes sought by a complainant.

- Firstly, complainants may seek information or independent advice and assurance in relation to ATO or TPB actions or decisions. In many of these cases, our investigators are able to provide appropriate information, advice and assurance without needing to commence an investigation.
- Secondly, complainants may seek a review of ATO or TPB actions or decisions relating to the tax administration system. Where complainants have not previously raised their concerns with the ATO or TPB directly, we encourage them to do so and provide information to support them. If the complainant remains dissatisfied or seeks independent investigation of the actions or decisions, we will commence a **dispute investigation** that requires ATO or TPB involvement.

Regardless of the channel through which complainants approach us, all complaints lodged with the IGTO are recorded and categorised (Categories range from '0' to '5') for case management and reporting purposes. A summary of our case categories can be found on our website and in Appendix 3. The following summary explanation is provided 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 represent independent assistance and assurance services – **complaints resolved without investigation.**
- Categories 3, 4 and 5 represent cases where an investigation into the actions of unresolved complaint is commenced – **dispute investigations.**

Number of times when the Inspector-General has made a requirement of a person under section 9 of the Ombudsman Act

The IGTO has considerable powers to access and obtain information from the ATO and TPB by issuing formal notices. This information would otherwise not be available to taxpayers and tax practitioners due to tax law secrecy provisions.

Notices issued under section 9 of the *Ombudsman Act 1976* (**Ombudsman Act**) may be issued to former and current ATO officers to require them to attend an interview with IGTO officers when the IGTO has reason to believe that they are capable of furnishing information relevant to an investigation. The issuing of the notices affords the ATO officers protection from any penalties that may otherwise apply under relevant tax secrecy and confidentiality provisions.

In FY22, the IGTO issued **zero** notices under section 9 of the Ombudsman Act.

Performance measures

The IGTO's performance in providing an effective Dispute Investigation Service was assessed against the following performance measures:

- 1.1 Number of complaints received
- 1.2 Number of investigations commenced and finalised in the FY
- 1.3 Percentage of investigations on hand and received that were finalised in the FY
- 1.4 Complainant survey results
- 1.5 Percentage of complaints lodged via our dedicated webform or email.

Each of these performance measures is further discussed below.

Part 2 – Performance Report

Performance measure 1.1

Performance measure	Complaints received
Source	Corporate Plan 2022 – 2025, p 50, [Section 41 of the IGT Act]
Result	1,314 complaints

Analysis	<p>In FY22, the IGTO received 1,314 complaints – a 19.4% decrease from the 1,630 complaints received in FY21. Of the complaints received during this financial year, 1,199 related to the ATO (91.2%), 22 related to the TPB (1.7%) and 93 related to other matters (4.7%) – such as complaints about actions outside the IGTO’s jurisdiction which we referred to other agencies or bodies. The reduction in overall complaint receipts is attributable to:</p> <ul style="list-style-type: none">▪ IGTO communication and other engagement strategies to ensure complainants first try to resolve their concerns directly with the ATO or TPB▪ environmental factors such as the end of COVID-19 support programs and the ATO’s continued suppression of debt collection activities. <p>During FY22, the IGTO continued implementing communication and engagement strategies to focus our limited resources towards dispute investigations and assisting the Australian community to correctly access economic and financial support measures during the COVID-19 pandemic. Although there was a decrease in complaints received, there was an increase in the complexity of dispute cases (see Performance Measure 1.3).</p> <p>Our complaint receipts are also a function of ATO activities, and historically, ATO debt collection was the most prevalent issue raised in complaints, with 24% of total complaints received by the IGTO relating to debt collection. During FY22 however, the ATO continued to suppress debt collection activities, with only 13% of complaints in FY22 relating to debt collection. This has also contributed to the lower overall complaint receipts in FY22.</p>
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Performance measure 1.2

Performance measure	The number of dispute investigations commenced and finalised in the FY
Source	Corporate Plan 2022–2025, p 50, [Section 41 of the IGT Act]
Result	ATO/TPB dispute investigations commenced: 421 ATO/TPB dispute investigations finalised: 418
Analysis	<p>In FY21, 693 dispute investigations were commenced, with 690 finalised.</p> <p>While there has been a reduction in the number of dispute investigations commenced and finalised in FY22 compared to FY21, we have a large number of open and ongoing complex cases, which are resource intensive and take significant time to investigate.</p>

Part 2 – Performance Report

Performance measure 1.3

Performance measure	Percentage of dispute investigations on hand and received that were finalised in the FY
Source	Corporate Plan 2022–2025, p 50, [Section 41 of the IGT Act]
Result	75%

Analysis

Agency	Investigations commenced			Investigations finalised or carried forward	
	Carried forward from FY21	Commenced in FY22	Total handled in FY22	Total finalised in FY22	Total carried forward in FY23
ATO	137	414	551	410	141
TPB	2	7	9	8	1
Total	139	421	560	418	142

In FY22, 421 dispute investigations were commenced by our office. Approximately 98% of investigations commenced related to the ATO and 2% to the TPB.

In FY22, we finalised a total of 418 dispute investigations, which is 75% of the dispute investigations on hand at the beginning of FY22 and received during FY22 – a lower proportional result compared to the 83% finalised in FY21. This is attributable to our ongoing complex dispute investigations which require longer timeframes to finalise, with certain investigations still ongoing as at the end of FY22.

Also, cases are becoming more complex as evidenced by an increase in the average duration and number of interactions per case. IGT officers also pursued better outcomes in appropriate investigations which naturally took longer to finalise. The proportion of good outcomes for taxpayers in the more complex dispute investigations has increased.

We have also released public reports on systemic issues that were identified during dispute investigations, including a report on the investigation into the ATO's administration of JobKeeper enrolment deferral decisions.

Performance measure 1.4

Performance measure	Complainant survey results			
Source	Corporate Plan 2022–2025, p 50			
Result	Independent survey of complainants			
	Views of IGTO's Dispute Investigation Service	Proportion satisfied	Proportion dissatisfied	Proportion neither satisfied or dissatisfied
	Overall satisfaction with the IGTO's Dispute Investigation Service	69%	20%	11%
	Overall satisfaction with the outcome of a complaint*	51%	40%	8%
	Professionalism of IGTO staff#	86%	8%	7%
*No outcome requested – 1%				
# Total adds up to more than 100% due to rounding				

Analysis

Independent survey of complainants

The IGTO is committed to providing and maintaining a high standard of service in its interactions with the community and values feedback received from complainants. We engage ORIMA Research Pty Ltd to conduct independent surveys to evaluate the performance of the IGTO's Dispute Investigation Service. Approximately 61.8% of complainants who were contacted by ORIMA Research Pty Ltd provided feedback which is considered a high response rate.

The feedback received from the survey demonstrates similar levels of satisfaction compared to our FY21 result. In FY22, 69% of survey respondents reported overall satisfaction with our Dispute Investigation Service (compared to 70% in the previous year), 51% reported overall satisfaction with the outcome of their complaint (compared to 57% in the previous year) and 86% reported satisfaction with the professionalism of our staff (equal to 86% in the previous year).

Of those who were not satisfied with their outcome, 39% of respondents nonetheless indicated that they would use our Dispute Investigation Service again, compared to 51% in FY21, which is a noticeable decline. Analysis of the survey responses indicates that respondents raised concerns about the ease of contacting the IGTO and the time taken to respond to their complaint. This may be due to the ongoing use of the triage and queue system as a means of addressing the high demand for the IGTO's services. The IGTO is aware of these issues and the survey feedback provides opportunities for us to further improve our performance to meet the service expectations of the community.

Part 2 – Performance Report

Performance measure	Complainant survey results
	<p>In-house client satisfaction survey</p> <p>No in-house client satisfaction survey was conducted in FY22. Due to the ongoing impacts of the COVID-19 pandemic, the IGTO continued to allow staff to work remotely and, accordingly, a decision was made to pause the operation of the inbound telephone call centre. However, callers to the IGTO inbound line are able to leave a voice message which IGTO officers monitor and follow up. The COVID-19 pandemic also had the effect of significantly increasing the workload of IGTO investigators due to the changed nature of disputes and added complexity of their investigation.</p>

Positive feedback received from complainants

Below are examples of positive feedback IGTO officers have received which demonstrate the effectiveness and level of satisfaction of our Dispute Investigation Services.

Overall satisfaction of the IGTO’s Dispute Investigation Service

Excerpt of survey response received from an individual taxpayer in January 2022

The service provided was excellent, I cannot see any way it could be improved. I want to thank all the staff who helped me through the process and explained the decisions made.

Excerpt of survey response received from an individual taxpayer in November 2021

...very happy from start to end of how my complaint was handled.

Excerpt of survey response received from an individual taxpayer in April 2021

I'm satisfied with the organization of the IGTO. Perfect services.

Excerpt of survey response feedback received from an individual taxpayer in May 2021

...When things started becoming difficult with ATO, I had to request the IGTO's contact details. I wish it was part of the ATO's process. Especially when dealing with an upset client, this information should be readily available as part of process.

Overall satisfaction with the outcome of dispute investigations

Excerpt of survey response received from an individual taxpayer in February 2022

I was very happy with IGTO response. Less so with the ATO response. Several issues were left undone or avoided, however, the money due to be returned was returned. I couldn't be bothered with the ATO any further. Their complaints officer was only interested in closing the complaint and promised several actions which were then not done.

I also believe that there will be many aged people that are disadvantaged by the system that they've started to cover those that only have imputation credits to claim & will be automatically paid. My mother missed out for 2 years under this system & it was only going to IGTO that she received her due refunds.

Excerpt of feedback received from an individual taxpayer in December 2021

We have today received a positive result from the ATO for [complainant name].

I would really like to thank you and IGTO for your assistance with this. I had never approached IGTO before and have been super impressed with your approach and the assistance given.

Part 2 – Performance Report

Excerpt of feedback received from an individual taxpayer in February 2022

Hi [IGTO officer],

I received my tax refund today. Thank you very much. We were going through great financial crisis. You saved my day. God bless you

Excerpt of survey response received from an individual taxpayer in May 2021

We applied to the ATO [for the Cash Flow Boost payment], having been previously unsuccessful, but based on the changes, thought we were now eligible. But the ATO again rejected our application for the Cash Flow Boost. We don't think the ATO was fully aware of the changes when we were refused the second time.

For other businesses that are unaware of the change in precedent from the Nov/Dec 2020 court case (which the ATO was not even aware of in February when we queried it) perhaps the IGTO could encourage the ATO to actively revisit prior rejected applications.

That suggestion notwithstanding, the IGTO is a great resource to ensure the ATO administer the law fairly across all taxpayers, and we would like to thank them for their valuable support.

Excerpt of survey response received from an individual taxpayer in April 2021

I actually can't fault the IGTO at all. Had it not been for the amazing work by [IGTO officer] I have no doubt that my financial position would not only be further compromised, but completely decimated. I cannot thank [IGTO officer] enough for everything he has done for us and we will be forever grateful to him.

Positive feedback received notwithstanding dissatisfaction with outcome

Excerpt of feedback received from an individual taxpayer in July 2021

[IGTO officer], thank you for your ongoing assistance regarding this matter. I really appreciate how much you are trying to help me. You are about the only person that has shown be some compassion about my situation.

Positive feedback regarding professionalism of IGTO staff

Excerpt of feedback received from an individual taxpayer in September 2021

[IGTO officer] displayed extreme high level of professionalism and respect. I did not expect to receive such high level of service from a government official. The communication was concise, prompt and timely. [IGTO officer] has definitely made a huge impact in the outcome of this case, but regardless of the outcome, I absolutely appreciated [IGTO officer's] efforts and dedication. This is the standard we would like to see in all future dealings with government bodies.

Excerpt of feedback received from an individual taxpayer in November 2021

Hi [IGTO officer]

Wow. Thank you so much. This is incredible help. Knowing you are helping me has taken a lot of stress off me and knowing someone is in my corner is amazing.

Thank you so much for getting this moving so fast.

I really appreciate it and I am sincerely grateful to you personally and the Ombudsman office.

Have a great day.

Part 2 – Performance Report

Excerpt of survey response received from an individual taxpayer in March 2022

I was treated with the utmost compassion around my complaint with [IGTO Officer]. She was amazing to deal with and handled my case professionally.

Excerpt of survey response received from an individual taxpayer in November 2021

Hi [IGTO officer],

Thank you very much for your assistance in this matter.

Your professionalism has been outstanding and most appreciated.

I have advised [client name] that he must stick to the agreement which he is happy to do after all previous attempts to resolve this have failed since 2017.

As discussed, this complaint can now be closed.

Excerpt of feedback received from an individual taxpayer in May 2022

Hi [IGTO Officer],

My late husband’s tax refund cheque arrived in this afternoon’s mail!

Thank-you for your role in what had been for me “a seemingly endless pursuit”, on a matter of principle, of the issuing of [Client name] tax refund.

Excerpt of feedback received from an individual taxpayer in May 2022

Dear [IGTO Officer],

I am very grateful for your assistance in regard to this matter. You have been conscientious and sympathetic in dealing with my concerns. Thank you for doing your job so well.

Effective Dispute Investigation Service – Case studies

In addition to the evidence for the performance measures above, the following case studies demonstrate the effectiveness of our dispute investigations in assisting complainants and their representatives directly, and more broadly.

Case study 1 – ATO reverses decision on deferred JobKeeper enrolment

A legally blind complainant who operates a small business made late application for JobKeeper and requested that the ATO provide an enrolment deferral and back payments. The complainant approached the IGTO with a concern that the ATO had rejected their application for deferral of enrolment into the JobKeeper scheme without appropriately considering their situation.

The complainant explained that he did not enrol for JobKeeper on time as he thought he was ineligible. He had clicked on a banner on myGov labelled ‘Government support for Coronavirus’ which took him to a Centrelink eligibility tool for the JobSeeker payment, not Jobkeeper. Due to his disability, he was unaware that this happened. There was no reference to JobSeeker or JobKeeper in the Centrelink messaging. The eligibility tool stated that the complainant was already receiving the disability support pension and that they didn’t need to do anything further.

Several months later, the complainant’s mortgage broker advised the complainant that he was eligible for the JobKeeper payment as an eligible business recipient. Accordingly, the complainant submitted an application for enrolment into the JobKeeper program and a deferral request to the ATO for the earlier periods.

The ATO accepted that the complainant met the eligibility criteria to receive the payment and began paying him the JobKeeper payment, however, it refused to accept his deferral request on the grounds there were no evidence of ‘exceptional circumstances’ that prevented the complainant from lodging the relevant forms on time. It refused to backpay the JobKeeper payment.

The ATO rejected the complainant’s deferral application on two further occasions (informal review, and complaint) on the basis that there were no ‘exceptional circumstances’ as the complainant’s circumstances did not fall within one of four ATO-specified circumstances. There was no indication that other facts and circumstances were considered by the ATO.

The IGTO published a public report in September 2021 that identified a practice of ATO officers failing to apply the correct test in considering deferral applications, including the correct “fair and reasonable” test for considering deferred registration.

Consideration of this test was required by the Commissioner’s instructions to ATO staff in *Practice Statement Law Administration 2011/15 Lodgment obligations, due dates and deferrals*. The Practice Statement confirms that it would generally be fair and reasonable to grant a deferral where there are exceptional circumstances present. However, it does not limit a deferral to exceptional circumstances.

Part 2 – Performance Report

Rather, ATO decision-makers had to consider all the relevant facts and circumstances, balancing consistent and fair administration of taxation laws with the entity's individual circumstances.

The ATO agreed to reconsider its decision again and apply the “fair and reasonable” test. The ATO did so, and this fourth ATO decision denied the complainant's deferral application. Part of the ATO's reasoning was that the complainant had not provided any evidence that he had attempted to apply for the JobKeeper payment in early 2019.

The IGTO called the complainant to verify specific aspects of his recount of events which took place in early 2020. The IGTO then contacted Services Australia, through the Commonwealth Ombudsman, and within hours had obtained screenshots and myGov access log data that confirmed the complainant's version of events.

The IGTO forwarded this information onto the ATO along with some additional information about the complainant's disability and asked the ATO to reconsider its decision. The ATO agreed to do. In this fifth ATO decision, the ATO overturned its previous decisions and allowed the retrospective registration from the beginning of the JobKeeper program.

The complainant then received back payment of the Jobkeeper support for the earlier periods which they became entitled to upon deferred enrolment.

Case study 2 – Concern about ATO advice on excise

A business sought to acquire excise-paid spirit in containers of more than 2 litres (i.e. bulk containers) to repackage them into smaller containers for retail sale. The ATO advised the business that they could only acquire excise-paid spirit in containers of 2 litres or less for repackaging. Alternatively, the business may acquire excise-unpaid ('underbond') spirit in bulk containers for repackaging if they had an excise storage licence. The ATO officer suggested, however, that the licence would unlikely be granted as it would cause an unnecessary delay to the payment of excise.

The business sought assistance from the IGTO as they were concerned that the ATO's advice to them was incorrect. If the ATO's advice was correct, the business was concerned that similar businesses only had two options:

1. acquire excise-paid spirit in many small containers of 2 litres or less – this would create inefficiencies and produce large and unnecessary amounts of waste
2. acquire spirit underbond, provided that an excise storage licence is granted by the ATO – this would impose disproportionate regulatory burden on small businesses.

As a result of the IGTO's investigation:

- the IGTO provided independent assurance to the business that the ATO's advice (other than the granting of storage licence) was in line with section 58 of the *Excise Act 1901*
- the ATO issued a written apology to the business because the previous ATO advice about not granting a storage licence to the business was not appropriate and did not consider the business' operations
- the ATO made available an officer from the ATO Excise Centre to assist the business with applying for a storage licence.

Case study 3 – ATO reconsideration on superannuation contribution

In the Federal Budget (11 May 2021), the Government announced that it would reduce the eligibility age (from 65 to 60 on 1 July 2022) for downsizer contributions into superannuation – a one-off, post-tax superannuation contribution for each member of a couple following the sale of their main residence that at least one of them has owned for more than 10 years. Downsizer contributions are required to be made within 90 days of receiving the proceeds of sale.

The complainant contacted the ATO to discuss whether she would be able to obtain an extension of 35 days following the 90-day period of receiving the proceeds of sale of her property as her settlement date was more than 90 days before 1 July 2022. The complainant explained that the ATO advised that she would not have any difficulties obtaining an extension. The complainant then proceeded to sell her property.

However, when the complainant later contacted the ATO to request the necessary extension, the ATO advised her that she was not eligible for an extension. The complainant explained that she is financially disadvantaged as a result of acting on incorrect information she had received from the ATO. The ATO declined to reconsider as there was insufficient evidence that the complainant had received the advice she claimed.

The complainant approached the IGTO with her dispute and the IGTO commenced an investigation.

The ATO advised the IGTO that it had conducted a search of its systems but was not able to locate the telephone recording where the initial advice had been given. During the IGTO's investigation, the IGTO instructed the ATO on how to conduct a more fulsome search of its systems. As a result, the ATO located the telephone call recording and acknowledged that the recording confirmed that it had provided incorrect advice to the complainant.

Part 2 – Performance Report

The complainant subsequently advised that she was able to defer settlement of her property so that she would be able to make a downsizer contribution in the first week of 1 July 2022 (i.e., within 90 days of settlement).

The IGTO advised the ATO of the new settlement date and requested the ATO confirm whether the complainant would be eligible to make a downsizer contribution. The ATO advised that the settlement date of the sale of the property is required to be on or after 1 July 2022. In the complainant's circumstances, she would not be eligible to make a downsizer contribution as her settlement date is prior to 1 July 2022.

As part of our investigation, the IGTO drew the ATO's attention to information on its website which did not indicate any requirement that the settlement date be on or after 1 July 2022.

As a result, the ATO agreed to reconsider its position and subsequently confirmed that the complainant would be eligible to make a downsizer contribution.

That is, the taxpayer was allowed to make the downsizer contribution, as passed by Parliament.

Case study 4 – ATO exercises discretion to pay JobKeeper to a business owner affected by COVID-19 flight cancellations

The ATO had declined the complainant's JobKeeper payments for the period between April 2020 and October 2020 without appropriately considering his circumstances, including some which were outside of his control.

The ATO advised the complainant he was not eligible for JobKeeper payments during the period he was outside of Australia as he was not able to show that he had been actively engaged in business during that period. The ATO had advised the complainant that he needed to be working in Australia and that he needed to evidence a decline of 30% to his business income before he would be considered eligible for JobKeeper payments (for the period April 2020 to October 2020).

The Complainant explained to the ATO that there was a 100% loss of business income as he was stuck overseas which was outside of his control (he had purchased tickets for several flights to return to Australia, all of which had all been cancelled due to COVID-19). The ATO declined to reconsider its decision.

The complainant approached the IGTO with his dispute and the IGTO commenced an investigation.

The IGTO obtained documents from the complainant which supported his version of events and asked the ATO to review its original decision on the complainant's JobKeeper eligibility, taking into the account those documents. The ATO agreed to do so.

Following its review, the ATO concluded that on balance, the complainant can be considered to have been actively engaged in business activities for JobKeeper purposes during the period that he was overseas and was unable to return to Australia. The ATO exercised its discretion and the complainant received the JobKeeper payment.

Case study 5 – ATO reverses decision to apply GST on the purchase of property

A complainant approached the IGTO with concern that they were required to pay Goods and Services Tax (**GST**) to the ATO when they purchased a property, despite the fact that the sale of property should have been GST-free.

Since new laws were introduced in July 2018, purchasers of either new residential premises or potential residential land have been required to pay GST directly to the ATO on purchases, where the vendor is registered for GST or required to be registered for GST.

The complainant had purchased vacant (potential residential) land from a mortgagee in possession (a bank that had repossessed the property from the debtor) in 2020. The bank selling the property had previously sent the debtor a questionnaire asking if they were registered for GST, but because the debtor did not respond, the bank took the view that the GST-status of the sale was unconfirmed and GST should apply on the sale of the property.

The complainant initially approached ATO complaints on several occasions but was unable to achieve an outcome that resulted in a refund of GST. The complainant then approached the IGTO with their dispute and the IGTO commenced an investigation.

As part of the investigation, the IGTO sought for the ATO to confirm whether the property should have been GST-free and to refund the complainant if GST was not meant to be applied.

The ATO explained that because the transaction had finalised, the complainant was required to contact the bank to get them to change the taxable status of the sale of the property. As a result of the complainant contacting the bank, the bank attempted to contact the debtor once more, and on this occasion successfully obtained confirmation the debtor was not registered for GST nor were they required to be registered for GST. The bank provided this information to the ATO.

As a result, the ATO refunded approximately \$30,000 to the bank, which was then passed onto the complainant as a refund of the GST paid on purchase of the property.

Case study 6 – Difficulty interacting with the ATO regarding deceased estate tax return

The complainant, who was the executor for his late mother's estate, approached the ATO for advice to access his late mother's franking credits. The ATO advised the taxpayer that he needed to obtain a grant of probate. However, the complainant did not understand why probate was necessary, given that he considered the franking credits sought to be of low value and he otherwise had not needed to obtain a grant of probate.

Following the IGTO's investigation, the ATO reviewed the circumstances of the complainant's case and provided updated advice that it was open to him to lodge a tax return for his late mother to claim the franking credits. The ATO advised that whilst it was unable to provide updates on the progress of any return lodged or details of the return itself in the absence of a grant of probate, it was nonetheless able to receive lodgement of the return and to process it accordingly.

The IGTO also provided the complainant with the direct contact details for an ATO officer should he be seeking further information in relation to the processing of deceased estate tax returns. The taxpayer thanked the IGTO officer and expressed their appreciation for the IGTO's assistance.

Case study 7 – ATO reverses decision on deferred JobKeeper enrolment

The complainant is an 81-year-old taxpayer who operated a travel agency with his wife. The complainant had not enrolled for JobKeeper until July 2020 as he had initially been unaware that JobKeeper payments were available to support businesses without employees.

But for his late enrolment, the complainant had satisfied all other eligibility criteria for JobKeeper.

When he approached the ATO for an extension of time to enrol (and to backdate relevant JobKeeper payments), the ATO refused his request on the basis that the business had not been affected by 'exceptional circumstances' to warrant the grant of extension of time. As a result, the ATO would only commence making JobKeeper payments to the complainant from July 2020 onwards.

Following our investigation, the IGTO found that the ATO had applied a narrow test when deciding whether or not to grant an extension of time. The IGTO observed that the relevant test, as set out in the ATO's practice statement PSLA 2011/15 (the PSLA), was whether it would be 'fair and reasonable' to grant an extension of time having regard to the factors listed in paragraphs 45 and 46 of the PSLA and not the subset of 'exceptional circumstances' listed in paragraphs 47 and 48 of the PSLA.

As a result of the IGTO investigation, the ATO reconsidered the complainant's case and reversed its initial decision and allowed the backdating of JobKeeper payments to the complainant. The IGTO noticed a pattern in similar complaint cases managed by our office and published a report setting out our findings in detail. The full IGTO report containing the ATO's formal response is available on our website.

Case study 8 – ATO reverses decision on Boosting Cash Flow

The taxpayers had, for 10 years, managed a successful restaurant. In October 2019, the taxpayers incorporated a company and registered for an Australian Business Number (**ABN**) and purchased the restaurant from the former owners with ownership to commence on 31 January 2020. In December 2019, the company executed a lease for the restaurant's premises to commence when it took over the business. The restaurant's operations continued seamlessly, and the company registered to report GST on a quarterly basis as had always been done.

In 2020, the company applied for access to Boosting Cash Flow (BCF) payments to support it through the COVID-19 pandemic. The ATO initially rejected the company's eligibility to BCF on the grounds that the company could not have lodged a GST return for the quarter ended 31 December 2019 as its business commenced operation after 1 January 2020.

The IGTO commenced an investigation and, as a result of which, the ATO agreed to undertake an internal review of the matter. The internal review found that in November 2019, the company had opened a bank account for the new business, which constituted a taxable supply for consideration for the purposes of the BCF. Accordingly, the Commissioner's discretion was exercised in this case to allow the company later time to provide notice of a taxable supply, resulting in the company obtaining access to BCF.

Part 2 – Performance Report

Performance measure 1.5

Performance measure	Percentage of complaints lodged via dedicated webform or email
Source	Corporate Plan 2022–2025, p 50
Result	65%
Analysis	In FY22 the IGTO received 65% of complaints via our online webform or by email (the latter being available for returning complainants) – an increase compared to the 61% result in FY21.

KEY PERFORMANCE AREA 2 – IDENTIFY AND INVESTIGATE PRIORITY AREAS FOR IMPROVED TAX ADMINISTRATION

The themes that emerge from dispute investigations, international trends, as well as discussions in stakeholder forums assist the IGTO to identify tax administration issues of greatest community concern or significance in achieving a fairer, more efficient and transparent tax administration system. Prior to the establishment of the IGTO's Dispute Investigation Service, public consultation was the primary means of identifying tax administration issues of community concern and prioritising topics for review investigations. However, in recent years, the themes emerging from the Dispute Investigation Service are increasingly informing the program for review investigations. We also continue to consult the community and analyse data raised through complaints on a periodic basis with a view to identifying trends and issues that arise.

Performance measure 2.1

Performance measure	IGTO Review investigations commenced
Source	Corporate Plan 2022–2025, p 51, [Section 41 of the IGT Act]
Result	3
Analysis	<p>The IGTO commenced three review investigations in FY22:</p> <ul style="list-style-type: none">▪ <i>The Australian Taxation Office's Administration and Management of Objections</i>▪ <i>The Exercise of the General Powers of Administration</i>▪ <i>The Exercise of the Commissioner's Remedial Powers.</i> <p>All three review investigations were commenced on 9 December 2021 with the release of their respective terms of reference.</p> <p>As at 30 June 2022, these investigations were ongoing.</p>

Performance measure 2.2

Performance measure	Number of IGTO Review investigation reports published each year
Source	Corporate Plan 2022–2025, p 51, [Section 41 of the IGT Act]
Result	1
Analysis	<p>The IGTO published one review investigation report in FY22:</p> <ul style="list-style-type: none"> ▪ <i>Investigation into the effectiveness of ATO communications of taxpayers' rights to complain, review and appeal</i> (published on 14 October 2021). <p>In addition to the review investigation report, the IGTO also published a report on the underlying issues that were observed in a number of dispute investigations, <i>Investigation into the ATO's administration of JobKeeper enrolment deferral decisions</i> (published on 16 September 2021). Such reports provide insight into how independent investigation of disputes improves the tax administration system for the benefit of all taxpayers, tax practitioners and other entities.</p>

Performance measure 2.3

Performance measure	Refresh IGTO register of potential review investigation topics through consultation with stakeholders and analysis of complaint trends
Source	Corporate Plan 2022–2025, p 51
Result	2
Analysis	<p>The IGTO undertakes research and consultation every six months to refresh our register of potential review investigation topics.</p> <p>The first refresh commenced in December 2021 with an update published on our website in January 2022. Nine new topics were added to the list following this refresh.</p> <p>The second refresh commenced in May 2022 and, as at 30 June 2022, the topics identified are under consideration prior to publication.</p> <p>There are currently 50 topics on the register.</p> <p>From FY23 onwards, updates to the Register will be undertaken on an as needs basis where new topics are identified for potential investigation. This will enable the IGTO to communicate the identification of these details to the community in a more timely manner.</p>

KEY PERFORMANCE AREA 3 – PROVIDE ADVICE THAT IS INDEPENDENT, TIMELY AND RELEVANT TO THE ADMINISTRATION OF TAXATION LAWS IN AUSTRALIA

The conduct of each review investigation is bespoke depending on the topic. However, review investigations generally involve a consideration of submissions made by stakeholders as well as investigation of ATO or TPB systems. Detailed research and analysis are also required, including international comparisons with comparable jurisdictions, to identify best practice for areas requiring improvement and to determine and develop the best course of action. Each review investigation involves ongoing engagement and consultation with the ATO or TPB throughout the review cycle, both at operational and senior management levels.

Performance measure 3.1

Performance measure	Percentage of Review investigation recommendations accepted (Agreed, Agreed in Part, Agreed in Principle) by the ATO or TPB
Source	Corporate Plan 2022–2025, p 51
Result	100%
Analysis	<p>The IGTO’s report into the <i>effectiveness of ATO communications of taxpayers’ rights to complain, review and appeal</i> made six (6) recommendations comprising eleven (11) parts to the ATO.</p> <p>The ATO agreed in full with ten (10) out of eleven (11) parts and agreed in principle with the remaining part.</p> <p>In June 2022, the ATO commenced external consultation on improvements to the <i>Taxpayers’ Charter</i> and expects to complete its consultation in December 2022.</p>

Performance measure 3.2

Performance measure	Number of Agreed Business Improvements from investigations accepted and implemented by the ATO or TPB
Source	Corporate Plan 2022–2025, p 51
Result	ATO accepted 10; implemented 7. TPB accepted 3; implemented 4.

Analysis	<p>Agreed Business Improvements (ABIs) are improvements to the broader administration of the tax and superannuation systems that were surfaced throughout the course of an IGTO dispute investigation, which the ATO agrees to implement.</p> <p>Overall, the number of ABIs accepted and implemented by the ATO and TPB in FY22 is higher than in FY21 (total of 10 ABIs accepted and 10 ABIs implemented in FY21, all relating to the ATO).</p> <p>As an example, in FY22, an IGTO dispute investigation found that there were improvements that the TPB could make to its procedures to ensure procedural fairness is afforded to tax practitioners which the TPB investigates. The TPB accepted the IGTO’s findings and two areas of improvement in relation to its investigative process, namely amending its procedures to:</p> <ul style="list-style-type: none"> ▪ reflect the important role played by the TPB’s ‘please explain’ letters issued at the commencement of an investigation and require TPB officers to document and explain occurrences where a ‘please explain’ letter is not issued. These letters are important as they explain to the practitioner early in the investigation what concerns the TPB will be investigating, as well as their supporting evidence ▪ incorporate the full range of circumstances in which an investigation period can be extended past the 6-month legislative timeframe, and to clearly identify that investigation timeframes to be extended past the 4-month mark. Under the previous procedures, it was unclear whether TPB officers could process a request for an extension of time more than 4 months after an investigation had commenced.
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Part 2 – Performance Report

Performance measure 3.3

Performance measure	Meetings or Briefings with the Minister, Government, the Australian Parliament and its Committees
Source	Corporate Plan 2022–2025, p 51
Result	5
Analysis	Although the ongoing effects of the COVID-19 pandemic limited the number of interactions, the IGTO continued to engage with, and support, the Minister, Government, the Parliament and its Committees in FY22. Where possible the IGTO met with and provided briefings on various aspects of tax administration that were identified through our stakeholder engagements and dispute investigations to assist the Minister, Government and Parliament in their work.

Performance measure 3.4

Performance measure	Percentage of responses to Government, Treasury or Parliamentary inquiries that relate to taxation administration where IGTO requested to contribute
Source	Corporate Plan 2022–2025, p 51
Result	100%
Analysis	<p>The IGTO responds to all requests from the Government, Parliament and Treasury to contribute to inquiries that relate to taxation administration.</p> <ul style="list-style-type: none">▪ In FY22, the IGTO contributed a submission to the House of Representatives Standing Committee on Tax and Revenue's <i>Inquiry into Housing Affordability and Supply in Australia</i>. The submission provided insight drawn from our dispute investigations in relation to the First Home Super Saver Scheme.

KEY PERFORMANCE AREA 4 – CO-OPERATE AND COLLABORATE
WITH RELEVANT AGENCIES AND STAKEHOLDERS – BOTH
DOMESTICALLY AND INTERNATIONALLY

The IGTO undertakes extensive consultation with a range of stakeholders to identify and prioritise areas for improvement to the administration of the tax system.

The IGTO receives submissions and input from taxpayers, tax professionals and their representative bodies, as well as government agencies, such as the ATO, TPB, Australian National Audit Office (ANAO), Commonwealth Ombudsman and the Treasury. Input is also sought from the Minister as well as parliamentary committees.

Performance measure 4.1

Performance measure	Meetings or Briefings with the ATO and/or the TPB on IGTO review investigations or the Dispute Investigation Service
Source	Corporate Plan 2022–2025, p 52
Result	142
Analysis	<p>The IGTO engages with the ATO and the TPB regularly in relation to the Dispute Investigation Service and review investigations. These engagements are in addition to those that are undertaken in relation to specific dispute investigations.</p> <p>The purpose of the meetings and briefings is to discuss the operation of the Dispute Investigation Service to ensure that it is operating effectively and efficiently and, where possible, to forecast emerging issues that may require IGTO attention. Additionally, it provides an opportunity for the ATO to brief the IGTO on matters that may have an impact on the system overall and complaint numbers.</p> <p>Similarly, regular meetings in relation to review investigations seek to ensure that reviews are progressing efficiently, and any blockers are addressed as they emerge.</p> <p>In FY22, operational meetings in relation to dispute and review investigations occurred weekly and fortnightly, respectively. A cohort of senior officers from the IGTO and the ATO also meet fortnightly to discuss issues affecting each agency and areas for improvement.</p>

Part 2 – Performance Report

Performance measure 4.2

Performance measure	Number of memberships maintained in relevant domestic and international organisations – including legal, accounting, taxation and ombudsman organisations
Source	Corporate Plan 2022–2025, p 52
Result	All relevant memberships maintained
Analysis	<p>The IGTO and our team are members of various professional bodies and organisations including:</p> <ul style="list-style-type: none">▪ Australian and New Zealand Ombudsman Association▪ Australian Institute of Administrative Law▪ Australian Institute of Company Directors▪ Chartered Accountants Australia and New Zealand▪ Certified Practicing Accountants Australia▪ Institute of Public Accountants▪ International Ombudsman Institute▪ Law Society of New South Wales▪ Society of Consumer Affairs Professionals▪ The Tax Institute

Performance measure 4.3

Performance measure	Number of domestic and international conferences and forums, stakeholder discussion groups or workshops attended by IGTO
Source	Corporate Plan 2022–2025, p 52
Result	61 domestic conferences/forums 1 international conference/forum
Analysis	<p>Although the COVID-19 pandemic continued to create some constraints on the IGTO's ability to engage with our stakeholders, opportunities were taken to engage with stakeholders virtually through video conferencing and webinars where possible. In the latter part of FY22, as restrictions eased, the IGTO was able to resume some face-to-face engagements with stakeholders through conferences and forums. These engagements also provided the IGTO with insight into how the COVID-19 pandemic was impacting our stakeholders and their clients and provided an opportunity for the IGTO to communicate the availability of our investigation services to assist the community.</p>

Performance measure 4.4

Performance measure	Mentions of the IGTO by key stakeholders following key announcements
Source	Corporate Plan 2022–2025, p 52
Result	444 media items in addition to mentions by a range of key professional bodies
Analysis	<p>In FY22, there were 444 media items relating to or mentioning the IGTO across print, online, television, radio and social media. The highest levels of media activity occurred immediately following the release of the IGTO's <i>Investigation into the effectiveness of ATO communications of taxpayers' rights to complain, review and appeal</i> (14 October 2021) and the announcement of new review investigations commenced (9 December 2021).</p> <p>The cumulative potential audience reach of all media items in FY22 was 19.5 million. This figure is an estimate based upon the audience reach of the channels through which media items relating to the IGTO appeared. The highest potential audience reach is attributable to online media items which accounted for 68.7% of the potential audience reach.</p> <p>Media in relation to the IGTO reached all States and Territories in Australia, with the exception of Tasmania. This has been identified as a focus area for the IGTO to ensure that all taxpayers in Australia are aware of the IGTO office and the services and assistance that we may offer.</p>

KEY PERFORMANCE AREA 5 – FOSTER A DIVERSE, ENGAGED AND RESILIENT TEAM

The IGTO team members are essential to the services we provide the community. The IGTO is committed to providing a workplace environment in which team members are supported, engaged and inspired to provide a professional service with a commitment to delivering community outcomes. Our strategy is centred around employing and retaining qualified and experienced tax specialists who have the relevant people skills and the ability to provide a professional, effective and independent service to the community. This enables the IGTO to achieve its purpose of improving tax administration and providing independent advice and assurance to stakeholders on the operation of Australia’s tax administration laws.

Performance measure 5.1

Performance measure	Monitor results from internal and external staff engagement and capability surveys
Source	Corporate Plan 2022–2025, p 52
Result	<p>The 2022 APSC Employee Census was undertaken in June 2022. 79% of our staff reported satisfaction levels with their job.</p> <p>The IGTO staff survey was undertaken in July 2022. 63% our staff reported <u>high</u> satisfaction levels with their employment at IGTO. 74% of staff reported that the Agency adequately supports them in undertaking their role.</p>
Analysis	<p>Satisfaction levels of our staff with their employment at our office, and their sentiment that the Agency adequately supports them in undertaking their role has decreased since 2021. These results reflect the challenging operational environment experienced over FY22, particularly with the extended COVID-19 lockdown in Sydney, and the sometimes-stressful nature of dispute investigations.</p> <p>The IGTO is committed to providing a workplace environment in which our team is supported, engaged and inspired to provide both service and outcomes for the community. We will continue to improve the ways in which we support our staff with improved capability and flexibility to work remotely, in a hybrid environment, as we emerge from COVID-19 restrictions.</p> <p>We have a range of initiatives to support and reward our staff. This includes providing specialist learning and development opportunities as well as an improved rewards and recognition program through the commissioning of an ICT platform for reward and recognition.</p>

Performance measure 5.2

Performance measure	Number of hours in undertaking Learning & Development (L&D)/training including those that contribute to the continuing professional development (CPD) requirement for the various professional associations
Source	Corporate Plan 2022–2025, p 52
Result	<p>Eligible IGTO staff (27) each participated on average 81 hours of L&D and CPD in FY22.</p> <p>The IGTO also supported dispute investigation staff members with obtaining a Certificate IV in Government Investigations in FY22.</p>
Analysis	<p>Our strong support for team development and capability enhancement is demonstrated by the average hours of training for each staff member as well as the nature of that training and resulting qualifications. The IGTO leveraged in-house training opportunities provided to selected team members by ensuring these team members presented to the broader IGTO team at the completion of their training. The training attended includes:</p> <ul style="list-style-type: none"> ▪ Certificate IV in Government Investigations ▪ Management and leadership skills ▪ Tax Institute Conference ▪ Certified Practicing Accountants Tax Practitioners Conference ▪ NSW Ombudsman training on Complaints Handling ▪ Personal drive and growth ▪ Weekly tax technical updates ▪ Privacy Act and Privacy Principles ▪ Tailored IGTO induction training

Part 2 – Performance Report

Performance measure 5.3

Performance measure	Monitor diversity in the agency – including the percentage of female and culturally and linguistically diverse (CALD) staff across all levels
Source	Corporate Plan 2022–2025, p 52
Result	Female staff – 38% Born overseas – 55% CALD – 62%
Analysis	<p>Our agency is small and specialised, having national responsibility and operating out of a single Sydney-office location with 29 staff. The percentage of CALD staff in our agency is high (62%) when compared to the APS-wide average (16.2%) [source: APSC State of the Service 2021, p. 73]. Although over one third of our agency is staffed by women (38%), it is below the APS-wide average of 60.2% [source: State of the Service report 2021, p 57]. As a small agency, movements in staff can affect these proportions substantially.</p> <p>Notwithstanding workforce recruitment constraints, these percentages reflect a strong commitment to workplace diversity. Such constraints include those arising from our single office location in Sydney, our requirement for specialised taxation law and policy skills and experience, and strong competition with private sector and other agencies for candidates in this limited pool.</p> <p>Moving forward, the IGTO will develop a Diversity and Inclusion Strategy that is representative of the broader Australian demographic and incorporate diversity based on gender, ethnicity, disability, indigenous heritage, sexual preference and age.</p>

Statutory Statement

I, Karen Payne, as the Accountable Authority of the IGTO, have prepared the above FY22 annual performance statement of the IGTO for the purpose of paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the agency in FY22 and complies with subsection 39(2) of the PGPA Act.

Financial Performance Report

The IGTO's FY22 financial statements are presented in Part 5 of this report. The IGTO received an unmodified audit report on the FY22 financial statements from the ANAO on 19 September 2022. We ended FY22 with an attributable surplus of \$90,852 (after adjusting for depreciation and changes in asset revaluation) compared to surplus of \$151,689 in FY21. The IGTO has sufficient cash and reserves to fund its liabilities as and when they fall due. A summary of our total resources is included in Appendix 4. A summary of our expenses for outcomes is included in Appendix 5.

PART 3

Management and Accountability

Corporate Governance

Audit and Risk Committee

External Scrutiny

Asset Management

Procurement

Part 3 – Management and Accountability

Corporate Governance

Governance framework

As a public office holder, the IGTO reports and is accountable to the Minister for discharging her statutory role. As the Accountable Authority (**AA**) of the agency, she is responsible for the operation and performance of her office pursuant to the requirements of the PGPA Act.

The IGTO has issued instruments of delegation in respect of certain functions and responsibilities. A suite of Accountable Authority Instructions (**AAIs**), policies, procedures, plans and guidelines offer guidance to IGTO officers in their exercise of powers under the instruments of delegation.

Our office's Executive consists of the IGTO, the Deputy IGTO, the General Manager and the EL2 Directors. The Executive oversees the Agency's policies and operations. Committees are also established to support administrative and operational requirements, including for the purposes of research, analysis and recommendation.

Corporate governance practices

Previously, due to our small office environment, our corporate governance and administrative practices were generally designed to adopt or align with the policies and procedures of the Department of Treasury, where applicable. This approach provided synergistic benefits and risk management due to the Treasury shared services arrangements provided to the IGTO under a memorandum of understanding (**MOU**) arrangement with the Treasury. The IGTO now maintains a reduced service offering as it now largely manages its own ICT cloud-based systems and Human Resources (**HR**) function (including payroll supported by an external service provider). The MOU continues to cover financial services, security vetting services and limited ad hoc HR services.

The historical adoption of Treasury policies and guidelines was undertaken to increase efficiency and reduce operational risk as well as covering any potential gaps where our office did not have existing policies. We have also progressively adopted more tailored and specific policies and guidelines in areas where this is more appropriate for our small office. Our culture of innovation and continuous improvement ensures that review processes of this kind are an ongoing commitment.

Corporate planning and reporting

Our Corporate Plan is an integral part of our performance framework and directly links to the Portfolio Budget Statements, the Risk Management Policy and Framework, and the Annual Performance Statements (as set out in Part 2 of this annual report). We monitor our performance against the performance measures outlined in our Corporate Plan regularly, through quarterly reporting to the Executive team and the public (via the IGTO website).

The Corporate Plan for the financial years 2022–2025 was informed by the FY22 Budget. The Deputy IGTO as Chief Finance Officer (**CFO**) is responsible – with input from the IGTO as AA – for executive management of the Portfolio Budget Statements and financial activities. Management and compliance reporting is also overseen by the Deputy IGTO as CFO, Chief Information Officer, Chief Security Officer and Chief Risk Officer.

Internal processes for managing risk

Specific risk management responsibilities under the PGPA Act are met through an integrated Risk Management Policy and Framework. A suite of policies, plans and procedures has also been developed and adopted which further contributes to the mitigation of risks. Some policies, processes and systems are aligned with those of Treasury – as service provider under the MOU – where possible, to increase efficiency and reduce operational risk.

The AAls, Fraud Control Plan, Business Continuity Plan and the Risk Management Policy and Framework are also periodically reviewed internally by our office and by the Audit and Risk Committee (**ARC**).

Our team's awareness of risk management policies and procedures is maintained through training programs and a risk culture, established by the IGTO as AA and supported by the Deputy IGTO as Chief Risk Officer, by addressing matters through a risk lens. The FY22 internal audit program focussed on fraud risk with a review of the Fraud Corruption Control Plan and Fraud Risk Assessment by an independent consultant. The updated Fraud Risk Assessment noted the overall fraud and corruption risk profile for the organisation as relatively low.

In the event of prolonged and/or unforeseen outages of our services, we have contingency and related strategy arrangements in place to be activated. These arrangements are set out in our Business Continuity Plan (**BCP**). The BCP is tested annually and updated for improvement following periods of activation and testing. This included the activation in July 2021 following the NSW Government Stay at Home public health order.

Internal audit

Our micro office environment has inherent limitations – such as segregation of duties and resource support – for an internal audit function. Accordingly, the internal audit activities for our office were delivered by a professional services firm in FY22. One audit report was delivered which remains in draft. The draft report was considered by the ARC at its September 2022 meeting. The draft report is focussed on the IGTO Fraud Corruption Control Plan and Fraud Risk Assessment and reports on the effectiveness of current controls. The draft report assessed the agency as a low fraud risk and endorsed the agency's risk management and related internal control framework.

Fraud prevention and control

Our office's Fraud Control Plan has been developed in accordance with the *Commonwealth Fraud Control Framework*. The Fraud Control Plan was reviewed and updated by a specialist consultant in FY22.

Our Fraud Risk Assessment forms the basis of the Fraud Control Plan and has been developed with appropriate controls, prevention, detection and investigation, and reporting standards.

We have undertaken all reasonable measures to minimise the incidence of fraud. In FY22, IGTO officers completed annual mandatory online fraud awareness training delivered by the Australian Public Service Commission.

IGTO officers may report fraud or suspected fraud confidentially through a variety of means – including in-person, in writing, via phone, or to a dedicated email inbox. These reports are dealt with or investigated by the Risk & Compliance Manager. All reasonable measures have been taken to deal appropriately with fraud relating to the entity.

No cases of fraud were identified in FY22. Fraud information data is reported annually to the Australian Institute of Criminology by responding to questionnaires issued by that agency as required.

Compliance reporting

We are required to provide details of any statements reported to the Minister under paragraph 19(1)(e) of the PGPA Act that relate to non-compliance with Finance law and action taken to remedy the non-compliance.

No such statements are required to be reported in the FY22 period.

Audit and Risk Committee

The IGTO ARC is also an important element of the agency's governance structure. The IGTO ARC is appointed by the AA pursuant to the PGPA Act. Its membership is fully independent of the Executive and governed by its own charter. The remuneration of the ARC is set by the AA in accordance with an internal policy. Each member is currently paid \$800 per meeting. Remuneration is paid upon receipt of a valid tax invoice from each member and accordingly there can be timing differences in payments made (as shown in Table 5 below). The total annual remuneration accordingly represents payments made, on a cash basis, in FY22 that relate to FY22 and prior years.

A copy of the ARC charter is available on the IGTO's website via this link:

https://www.igt.gov.au/wp-content/uploads/2021/07/008_Audit-Risk-Committee-Charter-April-2021.pdf.

The ARC provides advice and assurance by reporting to the AA. The ARC met on four occasions in FY22. The current ARC comprises Mr Michael Stallworthy as Chair, and members, Mr David Barry, Ms Fiona Erhardt and Mr Peter McGee. Further details on each member are provided in Table 5.

Table 5: Details on the Audit and Risk Committee's members

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)
Michael Stallworthy (Commenced 16 May 2006)	<p>Michael started his career in reinsurance in Lloyd's of London. During the early 1990's Michael emigrated to Australia and joined GIO of NSW Reinsurance as an international reinsurance underwriter. He was responsible for underwriting reinsurance from Europe, South Africa, South East Asia and Australia.</p> <p>Michael then worked at the Australian Reinsurance Pool Corporation for 12 years as general manager of claims and audits. Subsequent to this Michael is now involved in property building management and is responsible for the running of multiple apartment blocks.</p> <p>Michael has a Masters in Business Administration and is a Fellow of the Australia and New Zealand Insurance Institute.</p>	4 out of 4	\$3,200

Part 3 – Management and Accountability

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)
David Barry (Commenced 28 November 2012)	David has over 30 years' experience as a Risk, Compliance and Assurance Executive within ASX listed and professional services companies. David is a member of the Institute of Chartered Accountants of Australia, a Graduate of the Australian Institute of Company Directors and a fellow of the Institute of Internal Auditors.	4 out of 4	\$2,400
Fiona Erhardt (Commenced 6 September 2017)	Fiona has led finance teams at both an operational and corporate level in a big 4 accountancy firm, ASX listed companies and the not-for-profit sector.	3 out of 4	\$1,600
Peter McGee (Commenced 29 August 2011)	Peter has a management background in corporate governance, enterprise risk management, general insurance and internal audit. He has spent nine years in the government sector and ten years in senior executive roles in AMP, focusing on risk management, compliance and governance, and 21 years in various general insurance roles.	4 out of 4	\$0

External Scrutiny

External audit

Other than the annual financial statement audit, there have not been any audits of our office undertaken by the ANAO in FY22.

Reports on operations

No reports in FY22 on the operations of our office were issued by the Auditor-General (other than the report on financial statements which is reproduced later in Part 5 of this report), a Parliamentary committee or the Commonwealth Ombudsman.

Judicial, administrative tribunal or Australian Information Commissioner decisions

No judicial decisions or decisions of administrative tribunals were made that have had, or may have, a significant impact on the operations of our office.

Capability reviews

No capability reviews of the IGTO were released during FY22.

Assets Management

The management of our assets is governed by the AAls and aligns with government best practice. The assets of the IGTO include cash or cash at bank, but Treasury manages all banking facilities on behalf of the IGTO under the MOU. This is an important operational feature and control in the context of our micro agency size. The Treasury, as service provider under the MOU, also maintains an asset register on our behalf, which is subject to annual stocktake and review by our officers to ensure the register is up-to-date.

Our office maintains a capital management plan that sets out longer term asset requirements and funding sources for asset replacement and investment. This is integrated with the strategic planning and capital budget processes and has reference to our annual operating budget process.

Our fixed assets include office fit-out, purchased software, computer and telephony equipment, audio-visual equipment, infrastructure and library material.

We also have custody of assets provided by the ATO, namely computer terminals, which enable direct access to ATO systems for the purposes of dispute and review investigations. These assets form part of the ATO's asset management process.

Procurement

Our office procurement is consistent with the Commonwealth Procurement Rules (**CPR**) requirements and aligns with the Treasury's policies and processes for MOU purposes.

To maintain procurement expertise and procedural compliance with the CPR, all internal procurement documentation is available to our officers on the IGTO network.

We publish information about significant procurements that our office expects to undertake during the following year in an annual procurement plan available on the AusTender website at www.tenders.gov.au.

The IGTO supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (**SME**) and Small Enterprise participation statistics are available on the Department of Finance's website. The IGTO recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.

Our procurement practices support SMEs by treating all suppliers equitably regardless of their commercial, legal, technical and financial abilities and do not discriminate against suppliers due to their size, degree of foreign affiliation or ownership, location, or the origin of their goods and services.

The relatively small size of our office and budget as well as the services we obtain through the Treasury MOU arrangements impact SME procurement engagement. We certainly value having access to a wider range and more competitive supplier base through the engagement of SMEs in the procurement process.

Exempt contracts

Our office is required to provide details of any contract entered into during the period by the AA of the entity, or a standing offer, with a value of more than \$10,000 (inclusive of GST) that has been exempted by the AA from being published in AusTender because it would disclose exempt matters under the *Freedom of Information Act 1982*.

No such contracts were entered into in this reporting period.

Australian National Audit Office access clauses

Our office is required to provide details of any contract entered into during FY22 of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises.

No such contracts were entered into in this reporting period.

Reportable consultancy contracts

Consultants are engaged where there is a requirement for specialist expertise or independent research and assessment. Consultants are typically engaged to carry out defined reviews or evaluations, or provide independent advice, information or solutions to assist our decision making.

Prior to engaging consultants, we take into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the PGPA Act and related regulations including the CPR and relevant internal policies.

In FY22, consultants were engaged to provide specialist expertise not available within our office, including external audit assurance, advice and assistance in implementing the communication strategy. We are supported, in part, by Treasury policies and procedures for selecting and engaging consultants.

During FY22, 10 new reportable consultancy contracts were entered into involving total actual expenditure of \$138,791.50. In addition, 4 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$137,534.90.

Table 6: Expenditure on Reportable Consultancy Contracts Current Report Period (2021–22)

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	10	139
Ongoing contracts entered into during a previous reporting period ¹	4	138
Total	14	277

Table 7: Organisations Receiving a Share of Reportable Consultancy Contract Expenditure Current Report Period (2021–22)

Name of Organisation	Expenditure \$'000 (GST inc.)
Australian Government Solicitor (ABN 69 405 937 639)	55
Collier Creative Pty Ltd (ABN 76 059 535 992)	41
ORIMA Research Pty Ltd (ABN 77 076 347 914)	39
Streem Pty Ltd (ABN 12 600 621 672)	31
CPM Reviews Pty Ltd (ABN 93 151 808 374)	29

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Reportable non-consultancy contracts

During FY22, 15 new reportable non-consultancy contracts were entered into involving total actual expenditure of \$150,668.68. In addition, 16 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$1,173,689.01.

Table 8: Expenditure on Reportable Non-Consultancy Contracts Current Report Period (2021–22)

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	15	151
Ongoing contracts entered into during a previous reporting period	16	1,174
Total	31	1,325

Table 9: Organisations Receiving a Share of Reportable Non-Consultancy Contract Expenditure Current Report Period (2021–22)

Name of Organisation	Expenditure \$'000 (GST inc.)
Dexus Property Services Pty Limited (ABN 66 080 918 252)	666
Bro-IT Pty Ltd (ABN 58 642 357 140)	300
Resolve Software Group Pty Ltd (ABN 87 063 320 696)	97
DDLS Australia Pty Ltd (ABN 55 133 222 241)	51
HD IT Pty Ltd (ABN 59 339 678 158)	45

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

PART 4

Our People

Management of Human Resources

IGTO Staffing Statistics

Part 4 – Our People

Management of Human Resources

Our office promotes a collegiate environment for team members to develop through their work and participation in a broad range of agency activities and corporate obligations. The nature of the work provides for a clear sense of achievement and satisfaction in performing an important community function.

Performance Management

In early FY22, we released our own tailored Performance Development System (**PDS**) policy and guidelines. Accordingly and consistent with the policy, guidelines and the *Inspector-General of Taxation Enterprise Agreement 2018–21*, performance reviews are conducted on a six-monthly basis for all officers except at the Senior Executive Service (**SES**) and Executive Level (**EL**) who are reviewed annually.

The principles of the PDS provide a basis for:

- determining base pay
- rewarding good performance
- providing mechanisms for feedback between employees and managers
- addressing under-performance
- developing employees in their current roles.

In addition to formal performance discussions, our small office environment provides for regular and continual discussion of performance with staff. Since all staff have the opportunity to work and engage directly with the IGTO, the Deputy IGTO or the General Manager, they are provided with ongoing and contemporaneous feedback on their performance.

Organisational Structure

Our organisational structure (see Figure 8) is designed to ensure our people are not only empowered to perform their roles but also supported by experienced leaders. They have access to and can engage with the most senior members within the IGTO. Our organisational structure, processes, practices, procedures and culture enable the IGTO to effectively manage and develop our people to achieve their best performance.

Executive Team

The Executive team includes the IGTO, the Deputy IGTO, the General Manager and the EL 2 Directors.

Workforce composition

The IGTO is a statutory appointee. All other officers are employed under the *Public Service Act 1999* (**Public Service Act**) and are required to adhere to the Australian Public Service (**APS**) Code of Conduct and apply the APS Values. SES staff are employed under a determination and non-SES staff are employed under an enterprise agreement pursuant to the *Fair Work Act 2009*.

Table 10: Australian Public Service Act Employment Arrangements Current Report Period (2021–22)

	SES	Non-SES	Total
Agency Determination 24(1)	2	–	2
Inspector-General of Taxation Enterprise Agreement 2018-2021	–	26	26
Total	2	26	28

Workplace Agreements

The IGTO's remuneration is determined by the independent Remuneration Tribunal.

Non-SES officers are remunerated in accordance with the *Inspector-General of Taxation Enterprise Agreement 2018–2021* and our own PDS policies and guidelines and Remuneration guidelines. In FY22, 26 non-SES officers were engaged under the *Inspector-General of Taxation Enterprise Agreement 2018–2021*.

All IGTO SES and non-SES are employed under the Public Service Act.

The only non-salary benefits provided to employees during the FY22 period consisted of loan interest fringe benefits arising on Commonwealth debts, as disclosed in the FY22 financial statements. The IGTO is advised that interest does not accrue and therefore is not legally recoverable on these debts, but for the purposes of the *Fringe Benefits Tax Assessment Act 1986* the loan interest fringe benefit nonetheless arises.

The IGTO did not provide any performance pay during the FY22 period.

Executive remuneration

The IGTO's remuneration is determined by the independent Remuneration Tribunal.

SES remuneration is set by the AA, in accordance with their contractual terms and conditions.

Consistent with the HR delegations of the AA, the IGTO Executive Committee – which consists of the IGTO, the Deputy IGTO, the General Manager and the Business Operations Manager (an EL2 employee that is responsible for all HR matters) – sets the remuneration for all other IGTO personnel, consistent with the *Inspector-General of Taxation Enterprise Agreement 2018–2021*, including Executive Level Public Servants. The Business Operations Manager is recused from decisions of this Committee which relate to EL2 level and above.

All policies are set by the AA. All procedures and guidelines are prepared, consistent with AA delegations, by the Business Operations Manager.

These include:

- performance Development System Policy
- performance Development System Guidelines
- remuneration Guidelines.

The IGTO consults APS wide remuneration surveys in setting remuneration for SES to ensure consistency with like agencies and positions. There has been no change in the SES remuneration in FY22.

Table 11 sets out the salary range, by classification for all IGTO APS employees (including SES) – in accordance with their governing common law contracts, determinations or as provided by the *Inspector-General of Taxation Enterprise Agreement 2018–2021*. A determination under section 24(1) of the Public Service Act was issued by the AA on 20 January 2022 that provided for a 1.9% salary increment, in accordance with the Wage Price Index as at 30 June 2021 and the Public Sector Workplace Relations Policy 2020. The section 24(1) determination provided for the remuneration increment only and all other terms and conditions of employment remain in the extant *Inspector-General of Taxation Enterprise Agreement 2018–2021*. Productivity gains were identified to fund the Wage Price Index increment through a Workforce Management Protocol issued in December 2021. Table 11 reflects base salary only and excludes other components of remuneration such as superannuation or other allowances.

Table 11: Australian Public Service Act Employment salary ranges by classification level (Minimum/Maximum) Current Report Period (2021–22)

Classification Level	Minimum Salary	Maximum Salary
SES Band 3	Not Applicable	Not Applicable
SES Band 2	294,668	311,999
SES Band 1	238,732	238,732
EL 2	145,852	167,388
EL 1	119,407	136,973
APS 6	91,542	110,905
APS 5	81,153	86,349
APS 4	72,179	75,956
APS 3	64,624	68,398
APS 2	57,068	60,847
APS 1	49,511	53,765
Other	Not Applicable	Not Applicable
Minimum/Maximum range	49,511	311,999

Learning and Development

The IGTO supports our people to develop their professional skills through a comprehensive Learning & Development program that incorporates:

- financial support to undertake postgraduate studies or professional qualifications
- tax technical updates from a variety of sources
- dispute investigation skills training delivered in house and externally by subject matter experts
- privacy and freedom of information skills and awareness
- annual online mandatory awareness training provided by the Australian Public Service Commission and the Commonwealth Ombudsman in relation to elements of the PGPA Act and Public Service Act and related policies.

All our officers hold a tertiary degree or higher qualification, and we provide support for maintenance of at least one professional association membership.

Study Assistance

We use the Treasury studies assistance policy to support our people in further studies. Once an employee is approved for study, time off and financial support are available under this policy.

Wellbeing and Work Health and Safety

Our office fosters and maintains a safe and healthy working environment in accordance with the *Work Health and Safety Act 2011 (WHS Act)*.

Several initiatives were taken during the year to ensure the health, safety and welfare of the IGTO team. These included wellbeing exercises for all staff, recognising and rewarding staff for performance, the IGTO health and wellbeing committee activities for various social events, the rapid adoption of working remotely to respond to the COVID-19 pandemic, exit interviews conducted with departing employees for feedback to the Executive and monitoring unplanned leave comments to follow up with staff if there are any issues that our office could support. Work health and safety (WHS) training is part of the annual mandatory training suite all IGTO officers undertake.

During FY22, we received no accident or WHS incident reports. No notices were given under sections 90, 191, 195 or 198 of the WHS Act. No WHS investigations were undertaken during the year.

Resilience

Our office seeks to promote a collegiate environment for team members. We recognise that the nature of the Dispute Investigation Service we undertake may eventually lead to a risk of employee disengagement or health and wellbeing issues. We aim to mitigate this risk and further develop staff through their work experiences, which includes participation in a broad range of agency activities and corporate compliance and reporting obligations. The nature of the work and work environment allows staff to engage with our purpose, develop skills and have a sense of achievement and satisfaction in performing an important community function.

Promoting an ethical working environment

We embrace the APS Values and Code of Conduct. We seek to establish and maintain ethical standards and professional conduct through policies, plans and procedures and mandatory annual training.

Through regular team meetings and other internal forums, we raise and discuss key ethical and professional conduct issues with staff including appropriate use of corporate property, IT, email and social media, as well as management of issues such as conflicts of interest and receipt of gifts. In FY21, we consolidated our conflict of interest and gift registers and bolstered controls on our case management system to strengthen controls which prevent officers from accessing cases with which they have, or may be perceived to have, a potential conflict of interest.

IGTO Staffing Statistics

Tables 12 to 27 detail IGTO staffing in the current (FY22) and previous (FY21) periods.

Table 12: All Ongoing Employees Current Report Period (2021–22)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	18	–	18	9	1	10	–	–	–	28
Qld	–	–	–	–	–	–	–	–	–	–
SA	–	–	–	–	–	–	–	–	–	–
Tas	–	–	–	–	–	–	–	–	–	–
Vic	–	–	–	–	–	–	–	–	–	–
WA	–	–	–	–	–	–	–	–	–	–
ACT	–	–	–	–	–	–	–	–	–	–
NT	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–
Total	18	–	18	9	1	10	–	–	–	28

Table 13: All Non-Ongoing Employees Current Report Period (2021–22)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	–	–	–	–	–	–	–	–	–	–
Qld	–	–	–	–	–	–	–	–	–	–
SA	–	–	–	–	–	–	–	–	–	–
Tas	–	–	–	–	–	–	–	–	–	–
Vic	–	–	–	–	–	–	–	–	–	–
WA	–	–	–	–	–	–	–	–	–	–
ACT	–	–	–	–	–	–	–	–	–	–
NT	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–	–

Table 14: All Ongoing Employees Previous Report Period (2020–21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	16	–	16	10	1	11	–	–	–	27
Qld	–	–	–	–	–	–	–	–	–	–
SA	–	–	–	–	–	–	–	–	–	–
Tas	–	–	–	–	–	–	–	–	–	–
Vic	–	–	–	–	–	–	–	–	–	–
WA	–	–	–	–	–	–	–	–	–	–
ACT	–	–	–	–	–	–	–	–	–	–
NT	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–
Total	16	–	16	10	1	11	–	–	–	27

Table 15: All Non-Ongoing Employees Previous Report Period (2020–21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	–	–	–	1	–	1	–	–	–	1
Qld	–	–	–	–	–	–	–	–	–	–
SA	–	–	–	–	–	–	–	–	–	–
Tas	–	–	–	–	–	–	–	–	–	–
Vic	–	–	–	–	–	–	–	–	–	–
WA	–	–	–	–	–	–	–	–	–	–
ACT	–	–	–	–	–	–	–	–	–	–
NT	–	–	–	–	–	–	–	–	–	–
External Territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	–	–	–	–	–	–	–
Total	–	–	–	1	–	1	–	–	–	1

Table 16: Australian Public Service Act Ongoing Employees Current Report Period (2021–22)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	1	–	1	–	–	–	–	–	–	1
SES 1	1	–	1	–	–	–	–	–	–	1
EL 2	2	–	2	1	1	2	–	–	–	4
EL 1	4	–	4	1	–	1	–	–	–	5
APS 6	10	–	10	7	–	7	–	–	–	17
APS 5	–	–	–	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
TOTAL	18	–	18	9	1	10	–	–	–	28

Table 17: Australian Public Service Act Ongoing Employees Previous Report Period (2020–21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	1	–	1	–	–	–	–	–	–	1
SES 1	1	–	1	–	–	–	–	–	–	1
EL 2	2	–	2	1	1	2	–	–	–	4
EL 1	3	–	3	2	–	2	–	–	–	5
APS 6	9	–	9	7	–	7	–	–	–	16
APS 5	–	–	–	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
TOTAL	16	–	16	10	1	11	–	–	–	27

Table 18: Australian Public Service Act Non-Ongoing Employees Current Report Period (2021–22)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–	–	–	–
EL 2	–	–	–	–	–	–	–	–	–	–
EL 1	–	–	–	–	–	–	–	–	–	–
APS 6	–	–	–	–	–	–	–	–	–	–
APS 5	–	–	–	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–	–

Table 19: Australian Public Service Act Non-Ongoing Employees Previous Report Period (2020–21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–	–	–	–
EL 2	–	–	–	–	–	–	–	–	–	–
EL 1	–	–	–	–	–	–	–	–	–	–
APS 6	–	–	–	1	–	1	–	–	–	1
APS 5	–	–	–	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	1	–	1	–	–	–	1

**Table 20: Australian Public Service Act Employees by Full time and Part time Status
Current Report Period (2021–22)**

	Ongoing			Non-Ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–
SES 2	1	–	1	–	–	–	1
SES 1	1	–	1	–	–	–	1
EL 2	3	1	4	–	–	–	4
EL 1	5	–	5	–	–	–	5
APS 6	17	–	17	–	–	–	17
APS 5	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
TOTAL	27	1	28	–	–	–	28

**Table 21: Australian Public Service Act Employees by Full time and Part time Status
Previous Report Period (2020–21)**

	Ongoing			Non-Ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	–	–	–	–	–	–	–
SES 2	1	–	1	–	–	–	1
SES 1	1	–	1	–	–	–	1
EL 2	3	1	4	–	–	–	4
EL 1	5	–	5	–	–	–	5
APS 6	16	–	16	1	–	1	17
APS 5	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
TOTAL	26	1	27	1	–	1	28

**Table 22: Australian Public Service Act Employment type by location
Current Report Period (2021–22)**

	Ongoing	Non-Ongoing	Total
NSW	28	–	28
Qld	–	–	–
SA	–	–	–
Tas	–	–	–
Vic	–	–	–
WA	–	–	–
ACT	–	–	–
NT	–	–	–
External Territories	–	–	–
Overseas	–	–	–
Total	28	–	28

**Table 23: Australian Public Service Act Employment type by location
Previous Report Period (2020–21)**

	Ongoing	Non-Ongoing	Total
NSW	27	1	28
Qld	–	–	–
SA	–	–	–
Tas	–	–	–
Vic	–	–	–
WA	–	–	–
ACT	–	–	–
NT	–	–	–
External Territories	–	–	–
Overseas	–	–	–
Total	27	1	28

**Table 24: Australian Public Service Act Indigenous Employment
Current Report Period (2021–22)**

	Total
Ongoing	–
Non-Ongoing	–
Total	–

**Table 25: Australian Public Service Act Indigenous Employment
Previous Report Period (2020–21)**

	Total
Ongoing	–
Non-Ongoing	–
Total	–

Table 26: Information about remuneration for key management personnel for Current Report Period (2021–22)

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Long service leave	Other long-term benefits		
Karen Payne	Inspector-General of Taxation	\$423,013	-	-	\$23,734	\$22,845	-	-	\$469,592
Andrew McLoughlin	Deputy Inspector-General of Taxation (SES Band 2)	\$305,203	-	\$24,323	\$47,873	\$(4,321)	-	-	\$373,078
David Pengilley	General Manager (SES Band 1)	\$226,901	-	\$5,145	\$45,054	\$(1,105)	-	-	\$275,995
Kim Williams	Director of Business Operations (EL2)	\$166,496	-	\$600	\$31,872	\$(3,122)	-	-	\$195,847
Jarrod Joseph	Director of Dispute Investigation Service (EL2)	\$168,133	-	\$600	\$25,295	\$(1,946)	-	-	\$192,081
Helen Fong	Director of Complex Disputes (EL2)	\$126,312	-	\$600	\$18,341	\$(2,185)	-	-	\$143,068
Duy Dam	Director of Reviews and Engagement (EL2)	\$165,696	-	\$600	\$30,837	\$(1,534)	-	-	\$195,599

Table 27: Information about remuneration for senior executives* for Current Report Period (2021–22)

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits		Total remuneration
		Average base salary	Average bonuses	Average other allowances	Average superannuation contributions	Average service leave	Average long-term leave	Average long-term benefits	Average other long-term benefits	Average termination benefits	Average termination benefits	Average total remuneration	
\$0– \$220,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$220,001– \$245,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$245,001– \$270,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$270,001– \$295,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$295,001– \$320,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$320,001– \$345,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$345,001– \$370,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$370,001– \$395,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$395,001– \$420,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$420,001– \$445,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$445,001– \$470,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$470,001– \$495,000	–	–	–	–	–	–	–	–	–	–	–	–	–
\$495,001–	–	–	–	–	–	–	–	–	–	–	–	–	–

* Remuneration information for SES reported above in Table 26

PART 5

Financial Statements

Independent Auditor's Report

Financial Statements

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer

Opinion

In my opinion, the financial statements of the Inspector-General of Taxation (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Inspector-General of Taxation and Taxation Ombudsman and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Inspector-General of Taxation and Taxation Ombudsman is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Inspector-General of Taxation and Taxation Ombudsman is also responsible for such internal control as the Inspector-General of Taxation and Taxation Ombudsman determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Inspector-General of Taxation and Taxation Ombudsman is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Inspector-General of Taxation and Taxation Ombudsman is also responsible for disclosing, as applicable, matters

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related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Executive Director

Delegate of the Auditor-General

Canberra

19 September 2022

Part 5 – Financial Statements

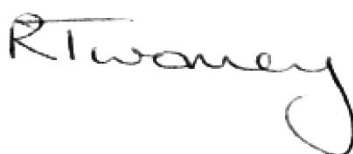
Statement by the Inspector-General of Taxation and Taxation Ombudsman and Chief Finance Officer

In our opinion, the attached financial statements for the period ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Inspector General of Taxation will be able to pay its debts as and when they fall due.



Karen Payne
Inspector-General of Taxation
and Taxation Ombudsman



Robert Twomey
Chief Finance Officer

19 September 2022

19 September 2022

Statement of Comprehensive Income
for the period ended 30 June 2022

	Notes	2022 \$	2021 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	4,598,622	4,466,290
Suppliers	1.1B	1,339,475	1,477,104
Depreciation and amortisation	2.2A	803,899	841,461
Finance costs	1.1C	6,693	11,607
Write-down and impairment of other assets	2.2A	27,339	-
Total expenses		6,776,028	6,796,462
Own-source revenue			
ANAO audit services received free of charge		58,000	58,000
Other revenue		9,284	10,688
Total own-source revenue		67,284	68,688
Net cost of services		(6,708,744)	(6,727,774)
Revenue from Government	1.2A	6,502,000	6,477,000
Surplus / (Deficit)		(206,744)	(250,774)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserve		1,942	14,984
Total comprehensive income / (loss)		(204,802)	(235,790)

This statement should be read in conjunction with the accompanying notes.

Part 5 – Financial Statements

Statement of Financial Position as at 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	20,092	19,909
Trade and other receivables	2.1B	5,802,446	5,656,844
Total financial assets		5,822,538	5,676,753
Non-financial assets¹			
Plant and equipment	2.2A	205,253	253,710
Buildings	2.2A	636,426	1,371,308
Computer software	2.2A	24,842	33,124
Other non-financial assets		118,629	114,796
Total non-financial assets		985,150	1,772,938
Total assets		6,807,688	7,449,691
LIABILITIES			
Payables			
Suppliers	2.3A	209,255	212,006
Other payables	2.3B	203,460	80,149
Total payables		412,715	292,155
Interest bearing liabilities			
Leases	2.4A	408,580	914,883
Total interest bearing liabilities		408,580	914,883
Provisions			
Employee provisions	3.1A	1,618,433	1,700,089
Other provisions	2.5A	231,324	233,126
Total provisions		1,849,757	1,933,215
Total liabilities		2,671,052	3,140,253
Net assets		4,136,636	4,309,438
EQUITY			
Contributed equity		1,384,573	1,352,573
Reserves		411,084	409,142
Retained surplus		2,340,979	2,547,723
Total equity		4,136,636	4,309,438

This statement should be read in conjunction with the accompanying notes.

1. Right-of-use assets are included in Buildings.

Statement of Changes in Equity
for the period ended 30 June 2022

	2022 \$	2021 \$
CONTRIBUTED EQUITY		
Opening balance		
Balance carried forward from previous period	1,352,573	1,321,573
Transactions with owners		
Contributions by owners		
Departmental capital budget appropriation	32,000	31,000
Total transactions with owners	32,000	31,000
Closing balance as at 30 June	1,384,573	1,352,573
RETAINED EARNINGS		
Opening balance		
Balance carried forward from previous period	2,547,723	2,798,497
Adjusted opening balance	2,547,723	2,798,497
Comprehensive income		
Surplus/(deficit) for the period	(206,744)	(250,774)
Closing balance as at 30 June	2,340,979	2,547,723
ASSET REVALUATION RESERVES		
Opening balance		
Balance carried forward from previous period	409,142	394,158
Comprehensive income		
Revaluations	-	15,528
Changes in provision for restoration	1,942	(544)
Total comprehensive income	1,942	14,984
Closing balance as at 30 June	411,084	409,142
TOTAL EQUITY		
Opening balance		
Balance carried forward from previous period	4,309,438	4,514,228
Adjusted opening balance	4,309,438	4,514,228
Comprehensive income		
Surplus/(deficit) for the period	(206,744)	(250,774)
Revaluations	-	15,528
Changes in provision for restoration	1,942	(544)
Total comprehensive income	(204,802)	(235,790)
Transactions with owners		
Contributions by owners		
Departmental capital budget appropriation	32,000	31,000
Total transactions with owners	32,000	31,000
Closing balance as at 30 June	4,136,636	4,309,438

This statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Part 5 – Financial Statements

Cash Flow Statement

for the period ended 30 June 2022

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Cash received		
Appropriations	6,529,903	6,680,380
Other cash received	4,010	-
GST received	148,420	148,531
Total cash received	6,682,333	6,828,911
Cash used		
Employees	4,547,012	4,427,220
Suppliers	1,287,611	1,492,123
Interest payments on lease liabilities	6,553	11,025
GST paid	156,252	155,845
Section 74 receipts transferred to OPA	170,802	203,535
Total cash used	6,168,230	6,289,748
Net cash from operating activities	514,103	539,163
INVESTING ACTIVITIES		
Cash used		
Purchase of plant and equipment	39,617	113,898
Purchase of computer software	-	39,200
Total cash used	39,617	153,098
Net cash used by investing activities	(39,617)	(153,098)
FINANCING ACTIVITIES		
Cash received		
Contributed equity - departmental capital budget	32,000	31,000
Total cash received	32,000	31,000
Cash used		
Principal payments of lease liabilities	506,303	438,998
Total cash used	506,303	438,998
Net cash from financing activities	(474,303)	(407,998)
Net increase in cash held	183	(21,933)
Cash and cash equivalents at the beginning of the reporting period	19,909	41,842
Cash and cash equivalents at the end of the reporting period	20,092	19,909

This statement should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements
for the period ended 30 June 2022

Overview	100
1. Departmental Financial Performance	103
1.1. Expenses	103
1.2. Income	104
2. Departmental Financial Position	105
2.1. Financial Assets	105
2.2. Non-Financial Assets.....	106
2.3. Payables	109
2.4. Interest Bearing Liabilities	109
2.5. Provisions	110
3. People and relationships.....	111
3.1. Employee Provisions.....	111
3.2. Key Management Personnel Remuneration.....	112
3.3. Related Party Disclosures	113
4. Funding.....	114
4.1. Appropriations	114
4.2. Net Cash Appropriation Arrangements.....	115
5. Managing uncertainties	116
5.1. Contingent Assets and Liabilities	116
5.2. Financial Instruments	116
6. Other Information	118
6.1. Current/non-current distinction for assets and liabilities.....	118
7. Budgetary Reports and Explanation of Major Variances.....	119
7.1. Departmental Budgetary Reports	119

Overview

The Inspector-General of Taxation [and Taxation Ombudsman] (IGT) is an independent, Commonwealth statutory agency. It is a not-for-profit entity, operating out of a single office location in Sydney. The IGT contributes to the overall integrity and transparency of the tax system, by independently investigating taxation decisions, actions, systems, and laws of the Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB).

The purpose of the IGT is to improve taxation administration and provide assurance that the taxation system is administered fairly, equitably, and transparently. Independent assurance enhances voluntary compliance as people are more willing to engage with the tax system where they trust in its integrity.

The principal activities of the IGT are:

- provide independent assistance and assurance directly to taxpayers and tax professionals and investigate taxation disputes (or unresolved complaints) about their tax affairs
- investigate and report on issues arising from complaints and dispute investigations which are in the public interest
- undertake review investigations, informed by community consultations, of actions, systems, and taxation laws (to the extent they deal with tax administration matters) to provide independent advice and recommendations to Government, the ATO and the TPB.

Basis of preparation

The financial statements are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR).*
- Australian Accounting Standards including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the IGT has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The liability for long service leave has been determined by using the same parameters as the IGT's portfolio agency, the Treasury, who in 2020-21 engaged the Australian Government Actuary to undertake a triennial actuarial assessment of its leave provisions.
- The employee provision has been determined with reference to the IGT's expected tenure of staff and future salary movements and standard parameters (future discount rates) provided by the Department of Finance.
- The fair value of property, plant and equipment has been taken to be the market value of similar properties or depreciated replacement value as determined by an independent valuer.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

Matter in relation to payments of SES employees

During 2020-21, various historical remuneration increases for Senior Executive Service (SES) were identified that appear inconsistent with the instruments under which SES officers were engaged and not in accordance with section 24(1) of the *Public Service Act 1999*.

The payments date back to 2009 and total \$603,876 (2021: \$562,894). The difference is due to further information obtained through an ongoing review.

Affected staff have or have indicated that they will make an application for waiver (for some or all of these debts). This is an extensive process that can take up to or more than 12 months to finalise.

Debts which are subject to ongoing review and considered unlikely to be recovered have not been booked as a receivable but have been included in the disclosed totals. All debts that will be pursued are included as a receivables in the IGT's audited financial statements.

The IGT considers any overpayments of salary that are not authorised by the terms of appointment are recoverable (totalling \$30,455), including debts accruing since January 2019. As of 30 June 2022, some of the recoverable debts have been repaid. The balance of amounts expected to be recovered are included as receivable in Note 2.1B.

New Accounting Standards

No accounting standard has been adopted earlier than the application date as stated in the Standard.

No new standards issued prior to the signing of the statement by the Inspector-General of Taxation and Taxation Ombudsman and Chief Finance Officer, were applicable to the current reporting period, and had a material effect on the IGT’s financial statements.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements.
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	<p>AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework.</p> <p>The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.</p>

Taxation

The IGT is exempt from all forms of taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Events after the reporting period

There are no known events occurring after the reporting period that could impact on the financial statements.

1. Departmental Financial Performance

This section analyses the financial performance of the Inspector-General of Taxation for the period ended 30 June 2022.

1.1. Expenses

	2022 \$	2021 \$
Note 1.1A: Employee benefits		
Wages and salaries	3,640,246	3,490,182
Superannuation:		
Defined contribution plans	458,987	454,313
Defined benefit plans	142,253	132,980
Leave and other entitlements	325,554	368,539
Other employee expenses	31,582	20,276
Total employee benefits	4,598,622	4,466,290

Accounting Policy

Accounting policies for employee related expenses are contained in Note 3: People and Relationships.

	2022 \$	2021 \$
Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants, contractors and secondees	485,567	446,304
Information communication technology	267,011	256,755
Property operating expenses	162,033	156,016
Service level agreement with Treasury	146,385	270,405
Audit, membership and other fees	75,917	113,895
Legal and insurance expenses	64,839	70,296
Subscriptions and periodicals	51,244	30,201
Seminars and conferences	51,229	64,210
Travel	11,933	35,138
Other	9,500	16,138
Advertising and printing	4,209	8,153
Total goods and services supplied or rendered	1,329,867	1,467,511
Goods supplied	126,885	44,561
Services rendered	1,202,982	1,422,950
Total goods and services supplied or rendered	1,329,867	1,467,511
Other suppliers		
Workers compensation expenses	9,608	9,593
Total other suppliers	9,608	9,593
Total suppliers	1,339,475	1,477,104

Part 5 – Financial Statements

	2022	2021
	\$	\$
Note 1.1C: Finance costs		
Interest on lease liabilities	6,553	11,025
Unwinding of discount	140	582
Total finance costs	6,693	11,607

The above lease disclosures should be read in conjunction with the accompanying Notes 2.2A and 2.4A.

Accounting Policy

All borrowing costs are expensed as incurred.

1.2. Income

	2022	2021
	\$	\$
Note 1.2A: Revenue from Government		
Appropriations		
Departmental appropriations	6,502,000	6,477,000
Total revenue from Government	6,502,000	6,477,000

Accounting Policy

Resources received free of charge

Resources received free of charge are recognised as other revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the IGT gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

2. Departmental Financial Position

This section analyses the Inspector-General of Taxation assets used to generate financial performance and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1. Financial Assets

	2022	2021
	\$	\$
Note 2.1A: Cash and cash equivalents		
Cash on hand or on deposit	20,092	19,909
Total cash and cash equivalents	20,092	19,909

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on hand
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

	2022	2021
	\$	\$
Note 2.1B: Trade and other receivables		
Goods and services receivables in connection with		
Related parties	-	3,770
Total goods and services receivables	-	3,770
Appropriation receivables		
From ordinary annual appropriation	5,751,226	5,608,327
Total appropriation receivables	5,751,226	5,608,327
Other receivables:		
GST receivable from the Australian Taxation Office	30,848	23,464
Employee recoveries	20,372	21,283
Total other receivables	51,220	44,747
Total trade and other receivables	5,802,446	5,656,844

Accounting Policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are classified as subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.2. Non-Financial Assets

Note 2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Plant and equipment \$	Buildings \$	Computer software \$	Total \$
As at 1 July 2021				
Gross book value	253,710	2,275,960	510,705	3,040,375
Accumulated depreciation, amortisation and impairment	-	(904,652)	(477,581)	(1,382,233)
Total as at 1 July 2021	253,710	1,371,308	33,124	1,658,142
Additions	39,617	-	-	39,617
Depreciation and amortisation expense	(80,018)	(264,400)	(8,282)	(352,700)
Depreciation on right-of-use assets	-	(451,199)	-	(451,199)
Disposals				
Write-downs	(8,056)	(19,283)	-	(27,339)
Total as at 30 June 2022	205,253	636,426	24,842	866,521
Total as at 30 June 2022 represented by:				
Gross book value	281,177	2,237,260	510,705	3,029,142
Accumulated depreciation, amortisation and impairment	(75,924)	(1,600,834)	(485,863)	(2,162,621)
Total as at 30 June 2022	205,253	636,426	24,842	866,521
Carrying amount of right-of-use assets	-	411,859	-	411,859

The IGT accommodation lease ends in May 2023, and the IGT will be moving to new premises. This may involve disposal or sale of some plant and equipment.

All revaluations are independent and are conducted in accordance with the revaluation policy stated below. On 30 June 2022, a review was undertaken by an independent valuer, who confirmed that the carrying amount of property, plant and equipment has not materially changed since the 30 June 2021 revaluation.

As at 30 June 2022, the IGT had no contractual commitments for either the acquisition of property, plant and equipment or for the acquisition of intangible assets (2021: nil).

Accounting Policy**Acquisition of assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor entity's accounts immediately prior to the restructuring.

Lease Right-of-Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received.

These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition. The IGT did not identify any indicators of impairment.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000 and computer equipment of less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Following initial recognition at cost, property plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Cost is considered an acceptable fair value proxy for assets under construction. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus or deficit. Revaluation decrements for a class of assets are recognised directly through surplus or deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the last revaluation date was eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Accounting Policy (continued)

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the IGT using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Plant and equipment	1-15 years	1-15 years
Leasehold improvements	Lease term	Lease term

Impairment

All assets were assessed for impairment as at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the IGT were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Intangibles

The IGT's intangibles comprise purchased software for internal use. These assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life, being 5 years (2021: 5 years).

All software assets were assessed for indications of impairment at 30 June 2022. No indicators of impairment were identified as at 30 June 2022 (2021: nil).

Fair value measurements – validation processes

The IGT engaged the service of the Jones Lang LaSalle Incorporated (JLL) to conduct a comprehensive valuation of all tangible non-financial assets at 30 June 2021 and has relied upon those outcomes to establish carrying amounts. As at 30 June 2022, an annual assessment was undertaken which determined that the carrying amount of the assets is not materially different from the fair value. JLL has provided written assurance to the IGT that the models developed are in compliance with AASB 13.

There has been no change in the valuation method.

2.3. Payables

	2022	2021
	\$	\$
Note 2.3A: Suppliers		
Trade creditors	209,255	212,006
Total suppliers	209,255	212,006

Settlement is usually made within 20 days.

	2022	2021
	\$	\$
Note 2.3B: Other payables		
Wages and salaries	75,571	68,712
Superannuation	13,820	11,437
Other payables	114,069	-
Total other payables	203,460	80,149

2.4. Interest Bearing Liabilities

	2022	2021
	\$	\$
Note 2.4A: Leases		
Lease liabilities	408,580	914,883
Total leases	408,580	914,883

Total cash outflow for leases for the period ended 30 June 2022 was \$512,856, \$506,303 in principal repayments and \$6,553 in interest payments (2021: \$450,023, \$438,998 in principal repayments and \$11,025 in interest payments).

	2022	2021
	\$	\$
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	410,432	471,814
Between 1 to 5 years	-	451,475
Total leases	410,432	923,289

The IGT in its capacity as a lessee has one lease agreement for Kent Street, Sydney. The lease has a remaining term of 11 months, the lease expiry date is 23 May 2023.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1C and 2.2A.

Accounting Policy

For all new contracts entered into, the IGT considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

2.5. Provisions

Note 2.5A: Other provisions

	Provision for restoration ¹
	\$
As at 1 July 2021	233,126
Revaluation of provision	(1,942)
Unwinding of discount or change in discount rate	140
Total as at 30 June 2022	231,324

1. Relates to the lease agreement for Kent Street, Sydney.
For make good, the amount of any expected reimbursement is nil and the amount of any asset that has been recognised for that expected reimbursement is nil.

3. People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

3.1. Employee Provisions

	2022 \$	2021 \$
Note 3.1A: Employee provisions		
Leave	1,618,433	1,700,089
Total employee provisions	1,618,433	1,700,089

Accounting Policy

Employee benefits

Liabilities for short-term employee benefits and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

Other employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period, minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the IGT's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The IGT recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the IGT in general are members of the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

The IGT makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the Government. The IGT accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

3.2. Key Management Personnel Remuneration

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the IGT. Since 2020–21, the IGT has increased the number of personnel reported as key management personnel, consistent with the development of internal roles and responsibilities within the agency. Key management personnel remuneration is reported in the table below:

	2022 \$	2021 \$
Short-term employee benefits	1,613,622	725,619
Post-employment benefits	223,007	67,331
Other long-term benefits	8,632	20,830
Total key executive remuneration expenses	1,845,260	813,780

The total number of key management personnel that are included in the above table is 7 (2021: 2).

The above key management personnel remuneration excludes the remuneration and other benefits of the Treasurer and other Portfolio Ministers. Their remuneration is set by the Remuneration Tribunal and is not paid by the IGT.

Refer to the discussion in the Significant Judgements and Estimates section of the Overview for details of payments made to SES officers who have been included as key management personnel.

3.3. Related Party Disclosures

Related party relationships

The IGT is an Australian Government controlled entity. Related parties to the IGT are key management personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans
- purchases of goods and services
- asset purchases, sales transfers or leases
- debts forgiven
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the IGT, it has been determined that there are no related party transactions to be separately disclosed (2021: nil).

4. Funding

This section identifies the Inspector-General of Taxation funding structure.

4.1. Appropriations

Note 4.1A: Annual appropriations ('recoverable GST exclusive')

Annual appropriations for 2022

	<i>Appropriation Act</i>	<i>PGPA Act</i>			
	Annual Appropriation \$	Section 74 \$	Total appropriation \$	Appropriation applied in 2022 (current and prior years) \$	Variance ¹ \$
Departmental					
Ordinary annual services	6,502,000	170,802	6,672,802	(6,529,720)	143,082
Capital budget ²	32,000	-	32,000	(32,000)	-
Total departmental	6,534,000	170,802	6,704,802	(6,561,720)	143,082

1. Departmental funds were not fully utilised for 2021-22.
2. Departmental Capital Budget is appropriated through Appropriations Act (No.1). It forms part of the ordinary annual services, and is not separately identified in the Appropriation Acts.

Annual appropriations for 2021

	<i>Appropriation Act</i>	<i>PGPA Act</i>			
	Annual Appropriation \$	Section 74 \$	Total appropriation \$	Appropriation applied in 2021 (current and prior years) \$	Variance \$
Departmental					
Ordinary annual services	6,477,000	203,535	6,680,535	(6,702,313)	(21,778)
Capital budget ¹	31,000	-	31,000	(31,000)	-
Total departmental	6,508,000	203,535	6,711,535	(6,733,313)	(21,778)

1. Departmental Capital Budget is appropriated through Appropriations Act (No.1). It forms part of the ordinary annual services, and is not separately identified in the Appropriation Acts.

Note 4.1B: Unspent annual appropriations

	2022 \$	2021 \$
Departmental		
Supply Act (No. 1) 2020-21	-	2,880,327
Appropriation Act (No. 1) 2020-21 ¹	-	2,747,909
Appropriation Act (No. 1) 2021-22 ¹	5,771,318	-
Total departmental	5,771,318	5,628,236

1. Cash held amounts (2022: \$20,092, 2021: \$19,909) are included in Appropriation Act (No. 1) for the relevant year.

4.2. Net Cash Appropriation Arrangements

	2022 \$	2021 \$
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(204,802)	(235,790)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) ¹	352,700	390,262
Plus: depreciation of right-of-use assets ²	451,199	451,199
Less: lease principal repayments ²	(506,303)	(438,998)
	92,794	166,673
Less: Changes in asset revaluation reserve	(1,942)	(14,984)
Net Cash Operating Surplus/(Deficit)	90,852	151,689

1. Capital budgets replace revenue appropriations for depreciation/amortisation expenses and are appropriated in the period when cash payment for capital expenditure is required.
2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

5. Managing uncertainties

This section analyses how the Inspector-General of Taxation manages financial risks within its operating environment.

5.1. Contingent Assets and Liabilities

There were no quantifiable contingent assets or liabilities in 2022 (2021: nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are recognised when settlement is greater than remote.

5.2. Financial Instruments

	2022 \$	2021 \$
Note 5.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	20,092	19,909
Trade and other receivables - goods and services	-	3,770
Trade and other receivables - other	20,372	21,283
Total financial assets at amortised cost	40,464	44,962
Total financial assets	40,464	44,962
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers payable	209,255	212,006
Other payables	114,069	-
Total financial liabilities measured at amortised cost	323,324	212,006
Total financial liabilities	323,324	212,006

There was no interest income from financial assets not at fair value through profit and loss in 2022 (2021: nil).

Accounting Policy

Financial assets

The IGT classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss
- b) financial assets at fair value through other comprehensive income
- c) financial assets measured at amortised cost.

The classification depends on both the IGT's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the IGT becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- 1. the financial asset is held in order to collect the contractual cash flows
- 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

All payables are expected to be settled within 12 months except where indicated.

6. Other Information

6.1. Current/non-current distinction for assets and liabilities

	2022 \$	2021 \$
Note 6.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	20,092	19,909
Trade and other receivables	5,802,446	5,656,844
Other non-financial assets	118,629	114,796
Total no more than 12 months	5,941,167	5,791,549
More than 12 months		
Buildings	636,426	1,371,308
Plant and equipment	205,253	253,710
Computer software	24,842	33,124
Total more than 12 months	866,521	1,658,142
Total assets	6,807,688	7,449,691
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	209,255	212,006
Other payables	203,460	80,149
Leases	408,580	465,260
Employee provisions	388,387	403,306
Other provisions	231,324	-
Total no more than 12 months	1,441,006	1,160,721
More than 12 months		
Leases	-	449,623
Employee provisions	1,230,046	1,296,783
Other provisions	-	233,126
Total more than 12 months	1,230,046	1,979,532
Total liabilities	2,671,052	3,140,253

7. Budgetary Reports and Explanation of Major Variances

7.1. Departmental Budgetary Reports

Note 7.1A: Departmental budgetary reports

Statement of Comprehensive Income for the period ended 30 June 2022

	Actual 2022 \$	Budget estimate Original ¹ 2022 \$	Variance ² 2022 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	4,598,622	4,801,000	(202,378)
Suppliers	1,339,475	1,287,000	52,475
Depreciation and amortisation	803,899	775,000	28,899
Finance costs	6,693	8,000	(1,307)
Write-down and impairment of assets	27,339	-	27,339
Total expenses	6,776,028	6,871,000	(94,972)
LESS:			
Own-source income			
Own-source revenue			
ANAO audit services received free of charge	58,000	60,000	(2,000)
Other revenue	9,284	-	9,284
Total own-source revenue	67,284	60,000	7,284
Net cost of services	(6,708,744)	(6,811,000)	102,256
 Revenue from Government	 6,502,000	 6,502,000	 -
Surplus / (Deficit) attributable to the Australian Government	(206,744)	(309,000)	102,256
 OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserves	1,942	-	1,942
Total other comprehensive income	1,942	-	1,942
 Total comprehensive income / (loss) attributable to the Australian Government	 (204,802)	 (309,000)	 104,198

1. The IGT's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Treasury's 2021-22 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2022. Explanations of major variances are provided for variances that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- \$100,000.

Part 5 – Financial Statements

Explanations of major variances	Affected line items
Variance is a combination of favourable and unfavourable outcomes against budget including - Favourable - a decrease in the discounting of the long service leave provision due to the increase in the long-term bond rate, Favourable and Unfavourable - overestimation of budgeted superannuation expense, underestimation of budgeted employee leave balances to be paid out upon transfer.	Employee benefits
Variance is a combination of favourable and unfavourable outcomes against budget including - overall Favourable impact of employee benefits, Favourable - lower than budgeted supplier expenses due to the COVID-19 pandemic disruptions, underestimation of both finance costs due to low interest rates at the time of the 2020-21 asset valuation, and revenue due to recovery of salary overpayments, Unfavourable - higher than budgeted supplier expenses relating to increased consultancy rates and new subscriptions not included in the original budget, and underestimation of depreciation expense due to timing of new asset purchases and resulting write-offs from disposal of obsolete assets.	Total comprehensive loss

Statement of Financial Position
as at 30 June 2022

	Actual	Budget estimate	
	2022	Original ¹	Variance ²
	\$	\$	2022
			\$
ASSETS			
Financial assets			
Cash and cash equivalents	20,092	42,000	(21,908)
Trade and other receivables	5,802,446	5,617,000	185,446
Total financial assets	5,822,538	5,659,000	163,538
Non-financial assets			
Buildings	636,426	670,000	(33,574)
Plant and equipment	205,253	226,000	(20,747)
Computer software	24,842	-	24,842
Other non-financial assets	118,629	54,000	64,629
Total non-financial assets	985,150	950,000	35,150
Total assets	6,807,688	6,609,000	198,688
LIABILITIES			
Payables			
Suppliers	209,255	217,000	(7,745)
Other payables	203,460	75,000	128,460
Total payables	412,715	292,000	120,715
Interest bearing liabilities			
Leases	408,580	457,000	(48,420)
Total interest bearing liabilities	408,580	457,000	(48,420)
Provisions			
Employee provisions	1,618,433	1,655,000	(36,567)
Other provisions	231,324	173,000	58,324
Total provisions	1,849,757	1,828,000	21,757
Total liabilities	2,671,052	2,577,000	94,052
Net assets	4,136,636	4,032,000	104,636
EQUITY			
Contributed equity	1,384,573	1,385,000	(427)
Reserves	411,084	453,000	(41,916)
Retained surplus	2,340,979	2,194,000	146,979
Total equity	4,136,636	4,032,000	104,636

1. The IGT's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Treasury's 2021-22 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2022. Explanations of major variances are provided for variances that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- \$100,000.

Explanations of major variances	Affected line items
Variance driven by timing of separation payments for leave entitlements to employees upon resignation from the IGT.	Other payables

Part 5 – Financial Statements

Statement of Changes in Equity for the period ended 30 June 2022

	Actual	Budget estimate	
	2022	Original ¹	Variance ²
	\$	\$	\$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	1,352,573	1,353,000	(427)
Adjusted opening balance	1,352,573	1,353,000	(427)
Transactions with owners			
Contributions by owners			
Departmental capital budget appropriation	32,000	32,000	-
Total transactions with owners	32,000	32,000	-
Closing balance as at 30 June	1,384,573	1,385,000	(427)
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	2,547,723	2,503,000	44,723
Adjusted opening balance	2,547,723	2,503,000	44,723
Comprehensive income			
Surplus/(deficit) for the period	(206,744)	(309,000)	102,256
Closing balance as at 30 June	2,340,979	2,194,000	146,979
ASSET REVALUATION RESERVES			
Opening balance			
Balance carried forward from previous period	409,142	453,000	(43,858)
Comprehensive income			
Changes in provision for restoration	1,942	-	1,942
Total comprehensive income	1,942	-	1,942
Closing balance as at 30 June	411,084	453,000	(41,916)
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	4,309,438	4,309,000	438
Adjusted opening balance	4,309,438	4,309,000	438
Comprehensive income			
Surplus/(deficit) for the period	(206,744)	(309,000)	102,256
Other comprehensive income			
Changes in provision for restoration	1,942	-	1,942
Total comprehensive income	(204,802)	(309,000)	104,198
Transactions with owners			
Contributions by owners			
Departmental capital budget appropriation	32,000	32,000	-
Total transactions with owners	32,000	32,000	-
Closing balance as at 30 June	4,136,636	4,032,000	104,636

1. The IGT's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Treasury's 2021-22 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2022. Explanations of major variances are provided for variances that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- \$100,000.

Cash Flow Statement
for the period ended 30 June 2022

	Actual	Budget estimate	
	2022	Original ¹	Variance ²
	\$	\$	\$
OPERATING ACTIVITIES			
Cash received			
Appropriations	6,529,903	6,502,000	27,903
Other cash received	4,010	-	4,010
Net GST received	148,420	-	148,420
Total cash received	6,682,333	6,502,000	180,333
Cash used			
Employees	4,547,012	4,801,000	(253,988)
Suppliers	1,287,611	1,227,000	60,611
Interest payments on lease liabilities	6,553	8,000	(1,447)
GST paid	156,252	-	156,252
Section 74 receipts transferred to OPA	170,802	-	170,802
Total cash used	6,168,230	6,036,000	132,230
Net cash from (used by) operating activities	514,103	466,000	48,103
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment	39,617	32,000	7,617
Total cash used	39,617	32,000	7,617
Net cash from (used by) investing activities	(39,617)	(32,000)	(7,617)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	32,000	32,000	-
Total cash received	32,000	32,000	-
Cash used			
Principal payments of lease liabilities	506,303	466,000	40,303
Total cash used	506,303	466,000	40,303
Net cash from (used by) financing activities	(474,303)	(434,000)	(40,303)
Net increase (decrease) in cash held	183	-	183
Cash at the beginning of the reporting period	19,909	42,000	(22,091)
Cash at the end of the reporting period	20,092	42,000	(21,908)

1. The IGT's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the Treasury's 2021-22 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2022. Explanations of major variances are provided for variances that are greater than +/- 10 per cent of the original budget for a line item and greater than +/- \$100,000.

PART 6

Other Mandatory Information and Appendices

Other Mandatory Information
Appendices

Part 6 – Other Mandatory Information and Appendices

Advertising and market research

Our office did not conduct advertising campaigns during FY22 and no market research or campaign advertising costs were incurred.

Grants

No discretionary grant programs are administered by our Office.

Disability reporting

Australia's Disability Strategy 2021-2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published and available at <https://www.disabilitygateway.gov.au/ads>.

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at <http://apsc.gov.au>.

Freedom of Information

Agencies subject to the *Freedom of Information Act 1982* (**FOI Act**) are required to publish information to the public as part of the Information Publication Scheme (**IPS**). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

Our IPS plan can be found at <https://www.igt.gov.au/about-us/our-responsibilities/information-publication-scheme/>.

Ecologically sustainable development and environmental performance

Our office has measures in place to improve its overall environmental performance and comply with the principles of ecologically sustainable development. We have an environmental policy to assist with managing the performance of our office-based activities. The owner of the leased office premises has active energy, waste management and water conservation strategies.

We encourage recycling by providing waste bins, segregating waste into paper and cardboard products as well as plastic, takeaway cups, and glass products. We also recycle toner printer cartridges.

Our office has a smart lighting system and water taps with energy saving functionality. Our ICT systems use a cloud-only technology provider that uses renewable energy sources and is carbon neutral. The office has printers with relatively low energy consumption and a 'Follow-Me' printing system to minimise paper wastage. We use 100% recycled paper that is certified carbon neutral and sustainable forest management certified.

We are in the process of finding a new office location for lease and the environmental performance of potential office locations is part of our key selection criteria.

We report to Government annually on our office's energy performance in accordance with the *Energy Efficiency in Government Operations Policy*. Our office's annual energy performance for FY22 will be reported to Government by 31 December 2022.

Appendices

Appendix 1 – List of recommendations made by the Senate Economics Legislation Committee in its Inquiry into the performance of the Inspector-General of Taxation

Recommendation 1

The committee recommends the Australian Government assess whether the IGTO is adequately resourced, both now and into the foreseeable future, to effectively discharge its dual role as the Inspector-General of Taxation and the Taxation Ombudsman.

Recommendation 2

The committee recommends the Australian Government consider whether the IGTO's current portfolio arrangements are appropriate, and whether alternative arrangements could improve actual, or perceived, independence.

Recommendation 3

The committee recommends the Australian Government review the IGTO's current access to the ATO and Tax Practitioners Board's systems, data, and records and considers improving access, where necessary, to further enable it to perform its legislative functions.

Recommendation 4

The committee recommends the Australian Government consider whether the IGTO should have a formal role to independently advise the minister on the administrative aspects of new tax laws and amendments to existing tax laws.

Recommendation 5

The committee recommends the Australian Government better publicise the IGTO's ombudsman function through the development of a marketing campaign. Such a campaign should, amongst other things, clarify how the IGTO's role interacts with other ombudsmen, such as the Small Business and Family Enterprise Ombudsman.

Recommendation 6

The committee recommends the Australian Government consider strengthening protections available to individuals who disclose information to the IGTO, regardless of whether the disclosure is in relation to a complaint investigation or systemic review.

Recommendation 7

The committee recommends the rights of tax officials who are interviewed during investigations undertaken by the IGTO be clarified, and that protections afforded to them be strengthened. This includes providing officials the legal right to choose whether or not they have other persons present when providing information.

Recommendation 8

The committee recommends the Australian Government ensure that non-binding recommendations made by the IGTO, in respect of a complaint, be formally responded to within a reasonable time frame and, where a recommendation is not accepted, rationale for the non-acceptance be provided.

Recommendation 9

The committee recommends the Australian Government clarify which entities are responsible for investigating and prosecuting offences under the IGT Act, such as those created under section 39.

Recommendation 10

The committee recommends the Australian Government review the IGT Act and its interactions with the Ombudsman Act, with the objective of improving the IGT Act's clarity. Such a review would also include an assessment of the necessity of the exclusion in subsection 7(2) of the IGT Act regarding rules and quantification.

Recommendation 11

The committee recommends the Australian Government consider the benefits of introducing more formal arrangements between the IGTO and Australian Tax Clinics, as well as improving the model for inter-agency collaboration to permit joint investigations.

Recommendation 12

The committee recommends an independent review of the PID Act be undertaken in 2021, which includes consideration of establishing a single whistleblower authority.

Recommendation 13

The committee recommends the IGTO be made an 'investigative agency' under the PID Act.

Recommendation 14

The committee recommends the IGTO be made an 'eligible recipient' under the TAA 1953.

Recommendation 15

The committee recommends the Australian Government resolve the inconsistencies between the TAA 1953 and the IGT Act regarding taxation officers who make unauthorised disclosures to the IGTO.

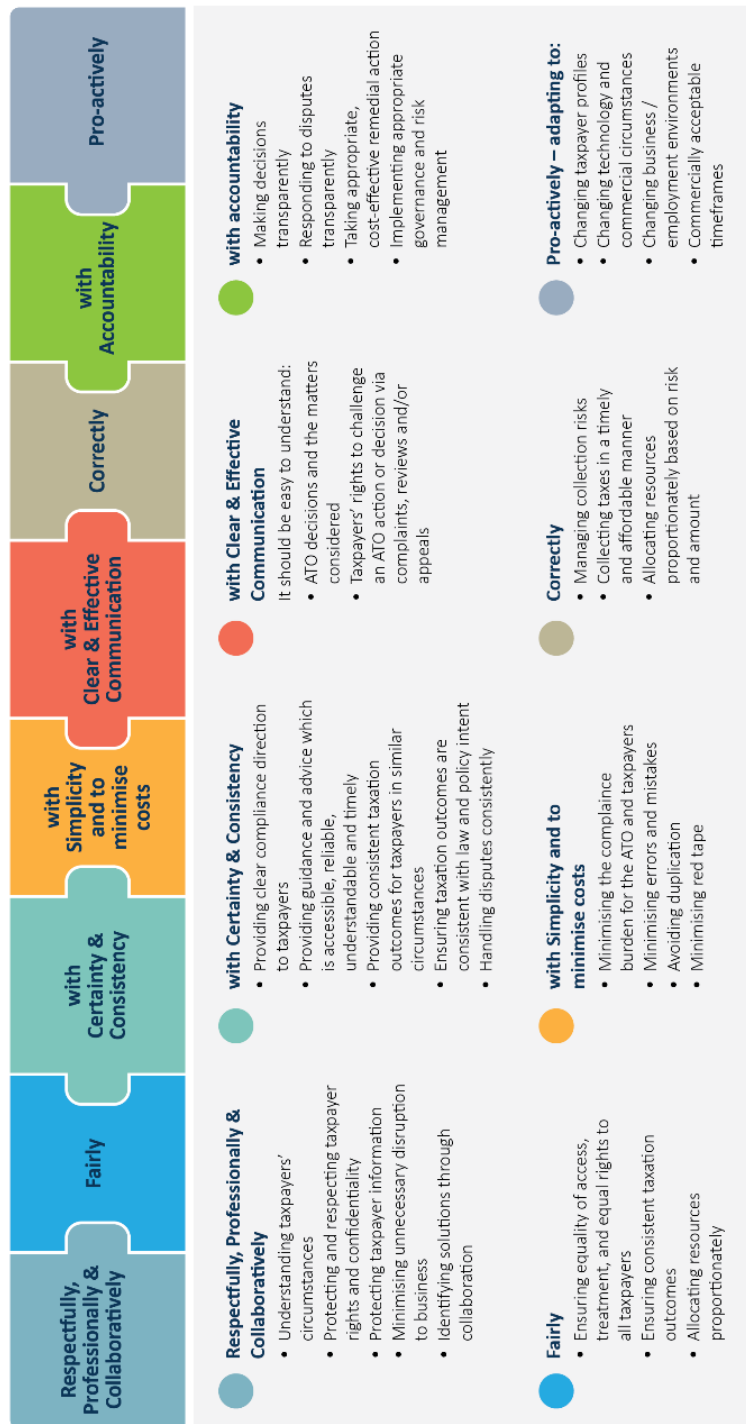
Recommendation 16

The committee recommends the Australian Government remove the requirement for the Tax Commissioner to authorise disclosures by tax officers if an IGTO review has either commenced or is being contemplated.

Appendix 2 – Features of good tax administration



Tax administration laws should be administered...



Appendix 3 – Case categories for IGTO case management

The IGTO adopts the definition of a complaint and dispute as per the Australian Standard AS 10002:2022.

Complaint – 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.

Dispute – unresolved complaint escalated internally or externally, or both.

Complaints resolved without investigation	
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)
Dispute investigations	
Category 3.1	ATO has no record of a prior formal 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 dispute. IGTO also checks the ATO's handling of the dispute 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 dispute 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/TPB senior management, and provides ATO/TPB senior management with early warning of emerging risks and the opportunity to address sensitive issues

Appendix 4 – Agency resource statement

Inspector-General of Taxation resource statement for FY22

	Actual available appropriation for 2021–22 \$'000 (a)	Payments made 2021–22 \$'000 (b)	Balance remaining 2021–22 \$'000 (a)–(b)
Departmental			
Annual appropriations – ordinary annual services ¹	12,333	6,562	5,771
Total resourcing and payments for the IGT	12,333	6,562	5,771

1 *Appropriation Act (No. 1) 2021–22 and Appropriation Act (No. 3) 2021–22.* This may also include prior-year departmental appropriation and section 74 relevant agency receipts.

Departmental capital budgets are not separately identified in Appropriation Bill (No.1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

Appendix 5 – Expenses for outcomes

Expenses for Inspector-General of Taxation Outcomes for FY22

Outcome 1: Improved tax administration through investigation of complaints, conducting reviews, public reporting and independent advice to Government and its relevant entities.	Budget* 2021–22 \$'000 (a)	Actual expenses 2021–22 \$'000 (b)	Variation 2021–22 \$'000 (a)–(b)
Program 1.1: Inspector-General of Taxation			
Departmental expenses			
Departmental appropriation	6,502	5,887	615
s74 External Revenue ¹	60	–	60
Expenses not requiring appropriation in the Budget year ²	309	889	(580)
Total expenses for Outcome 1	6,871	6,776	95
	2020–21	2021–22	
Average staffing level (number)³	35	35	

* Full-year budget, including any subsequent adjustment made to the 2021–22 budget at Additional Estimates.

1 Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act*.

2 Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

3 Refer to Tables 12, 13, 16, 18 and 20 for staffing levels as at 30 June 2022.

PART 7

Reference Materials

Glossary

Shortened Terms

List of Requirements

Index

Part 7 – Reference Materials

Glossary

Activities	The actions/functions performed by agencies to deliver government policies.
Appropriation	An amount of public money that Parliament authorises for spending (that is, funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
APS employee	A person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the <i>Public Service Act 1999</i> .
Complaint	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.
Consolidated Revenue Fund	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Corporate governance	<p>The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.</p> <p>The PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. It is the primary piece of Commonwealth resource management legislation. The PGPA Act applies to all Commonwealth entities and Commonwealth companies.</p>
Corporate plan	The primary planning document of a Commonwealth entity that sets out the objectives and strategies the entity intends to pursue in achieving its purposes over at least four reporting periods.
Dispute	Unresolved complaint escalated internally or externally, or both.
Dispute Investigation Service	The service offered by the IGTO to address complaints and disputes raised by the community about the administrative actions and decisions of the ATO or TPB, as well as systems relating to tax administration
Financial results	The results shown in the financial statements of an entity.
Grant	An arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth and covered by the Commonwealth Grants Rules and Guidelines.

IGTO website	The IGTO website can be found at: www.igt.gov.au .
Materiality	Takes into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.
Non-ongoing APS employee	A person engaged as an APS employee under paragraphs 22(2)(b) or 22(2)(c) of the <i>Public Service Act 1999</i> .
Ongoing APS employee	A person engaged as an ongoing APS employee under paragraph 22(2)(a) of the <i>Public Service Act 1999</i> .
Operations	The functions, services and processes performed in pursuing the objectives or discharging the functions of the office.
Outcomes	The results, impacts or consequence of actions by the Commonwealth on the Australian community.
Portfolio Budget Statements	The Budget related papers detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Programmes	An activity or groups of activities that deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
Responsible Minister	The minister who is responsible for matters described under the Administrative Arrangements Order (AAO). Each Commonwealth entity and company has a responsible minister, which one depends on the matters that the entity or company deals with, or otherwise prescribed by the rules.

Shortened terms

Acronym	Description or Term
AA	Accountable Authority
AAIs	Accountable Authority Instructions
AASB	Australian Accounting Standards Board
AAT	Administrative Appeals Tribunal
ABI	Agreed Business Improvement
ABN	Australian Business Number
ACLEI	Australian Commission for Law Enforcement Integrity
AIC	Australian Information Commissioner
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ASBFEO	Australian Small Business and Family Enterprise Ombudsman
AS 10002:2022	Australian Standard 10002:2022 Guidelines for complaint management in organisations (ISO 10002:2018, NEQ)
AS/NZS ISO 31000:2018	Australian/New Zealand Risk Management Standard which adopts the 2018 International Risk Management Standard ISO 31000:2018 in full
ATO	Australian Taxation Office
BAS	Business Activity Statement
BCF	Boosting Cash Flow
BCP	Business Continuity Plan
CALD	Culturally and linguistically diverse
CFO	Chief Finance Officer
Commissioner	Commissioner of Taxation
CPD	Continuing professional development
CPR	Commonwealth Procurement Rules
CRP	Commissioner's Remedial Power
EL	Executive Level
Finance law	The PGPA Act, PGPA Rule, any other instrument made under the PGPA Act or an Appropriation Act
FOI Act	<i>Freedom of Information Act 1982</i>

Acronym	Description or Term
FRR	<i>Public Governance, Performance and Accountability (Financial Reporting) Rule 2015</i>
FY18	Financial year ending on 30 June 2018
FY19	Financial year ending on 30 June 2019
FY20	Financial year ending on 30 June 2020
FY21	Financial year ending on 30 June 2021
FY22	Financial year ending on 30 June 2022
FY23	Financial year ending on 30 June 2023
GPA	General Powers of Administration
GST	Goods and Services Tax
HR	Human resources
ICT	Information and communications technology
IGT	Inspector-General of Taxation
IGTO	Inspector-General of Taxation and Taxation Ombudsman
IGT Act	<i>Inspector-General of Taxation Act 2003</i>
IPS	Information Publication Scheme
ISO	International Organisation for Standardisation
JK	JobKeeper
KPA	Key performance area
KPI	Key performance indicator
LOA	Letter of administration (for a deceased estate)
MOU	Memorandum of Understanding
OECD	Organisation for Economic Co-operation and Development
Ombudsman Act	<i>Ombudsman Act 1976</i>
OPA	Official Public Account
PBS	Portfolio Budget Statements
PDS	Performance Development System
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PID Act	<i>Public Interest Disclosure Act 2013</i>
Public Service Act	<i>Public Service Act 1999</i>
SELC	Senate Economics Legislation Committee

Part 7 – Reference Materials

Acronym	Description or Term
SELC Report	Senate Economics Legislation Committee report on the <i>Performance of the Inspector-General of Taxation</i> (2020)
SES	Senior Executive Service
SME	Small and Medium Enterprise
TAA	<i>Taxation Administration Act 1953</i>
Taxation law	<ul style="list-style-type: none"> (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 <i>Tax Agent Services Act 2009</i> or regulations made under that Act.
TPB	Tax Practitioners Board
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>

List of Requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	iii	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	iv-vi	Table of contents (print only)	Mandatory
17AJ(b)	149	Alphabetical index (print only)	Mandatory
17AJ(c)	138-140	Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	141-148	List of requirements	Mandatory
17AJ(e)	ii	Details of contact officer	Mandatory
17AJ(f)	ii	Entity's website address	Mandatory
17AJ(g)	ii	Electronic address of report	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	2-25	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	26	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	29	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	30	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	28	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	28	Name of the accountable authority or each member of the accountable authority.	Mandatory

Part 7 – Reference Materials

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(1)(aa)(ii)	28	Position title of the accountable authority or each member of the accountable authority.	Mandatory
17AE(1)(aa)(iii)	28	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory
17AD(c)	Report on the Performance of the entity		
	Annual performance Statements		
17AD(c)(i); 16F	32-63	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	63	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	133	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory.
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	68	Information on compliance with section 10 (fraud systems).	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(2)(b)(i)	iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	66-67	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	68	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, mandatory
Audit Committee			
17AG(2A)(a)	69	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	69-70	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	69-70	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	69-70	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	69-70	The remuneration of each member of the entity's audit committee.	Mandatory
External Scrutiny			
17AG(3)	70	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory

Part 7 – Reference Materials

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(3)(a)	71	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	70	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	71	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
Management of Human Resources			
17AG(4)(a)	76, 79-80	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	81-87	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location.	Mandatory
17AG(4)(b)	81-87	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> • statistics on staffing classification level • statistics on full-time employees • statistics on part-time employees • statistics on gender • statistics on staff location • statistics on employees who identify as Indigenous. 	Mandatory
17AG(4)(c)	77	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(c)(i)	77	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	78-79	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	77	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	77	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
Assets Management			
17AG(5)	71	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
Purchasing			
17AG(6)	72	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	73	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	73	A statement that "During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified	Mandatory

Part 7 – Reference Materials

PGPA Rule Reference	Part of Report	Description	Requirement
		number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.	
17AG(7)(c)	73	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	73	A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.”	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	74	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	74	A statement that ‘Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.’	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	73-74	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
Australian National Audit Office Access Clauses			
17AG(8)	72	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
Exempt contracts			
17AG(9)	72	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
Small business			
17AG(10)(a)	72	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory
17AG(10)(b)	72	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	72	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	If applicable, Mandatory

Part 7 – Reference Materials

PGPA Rule Reference	Part of Report	Description	Requirement
Financial Statements			
17AD(e)	92-123	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
Executive Remuneration			
17AD(da)	78-79, 88-89	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.	Mandatory
17AD(f) Other Mandatory Information			
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory
17AH(1)(a)(ii)	126	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory
17AH(1)(c)	126	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	127	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	80, 127	Information required by other legislation.	Mandatory

Index

A

Accountability, 66
Accountable authority, 28, 66
Advertising and market research, 126
Asset management, 71
Audit and Risk Committee, 69

C

Complaint investigations, 12, 17, 33
Consultancies, 73
Corporate governance, 66
Corporate planning and reporting, 32, 67

D

Disability reporting, 126
Dispute investigations, 3, 6, 10, 27
 Case studies, 45

E

Ecologically sustainable development and
 environmental performance, 127
External scrutiny, 70

F

Freedom of information, 127

J

JobKeeper and Boosting Cash Flow Assistance,
 6

L

Learning and development, 79

M

Management of human resources, 76, 80

P

Performance management, 76
Procurement, 72

R

Review investigations, 15, 54
 Administration of objections, 15
 Effectiveness of ATO communications of
 taxpayers' rights, 10
 Exercise of Commissioner's remedial powers,
 15
 Exercise of general powers of
 administration, 15
Risk management, 67

S

Senate Economics Legislation Committee
 Report, 21, 24, 25
Staffing Statistics, 81

