



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

Quarterly Reporting Pack

Quarter 4 FY23



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Inspector-General of Taxation
Taxation Ombudsman

20th anniversary
2003–2023

Celebrating 20 years of service to the Australian community.

Taxation and superannuation systems impact ALL Australians and ALL Australians benefit from a tax system that is administered with integrity

The IGTO has been supporting the integrity of the taxation system for 20 years – as Inspector-General of Taxation since 2003 and as the Taxation Ombudsman since 2015

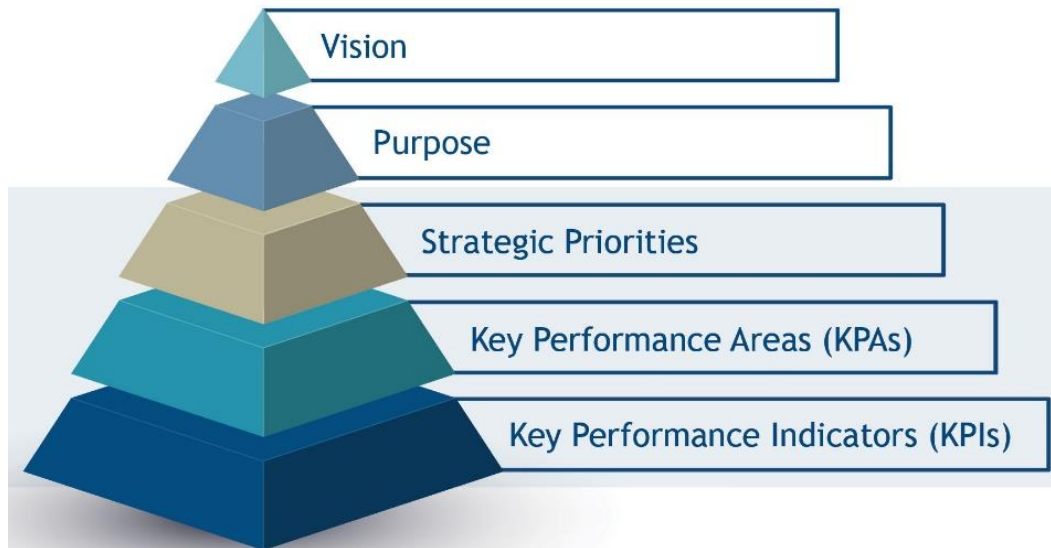
The IGTO Quarterly Reporting Pack provides progressive updates against the latest IGTO Corporate Plan



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

Our performance framework

Our performance framework informs Parliament and other stakeholders of our activities, keeps us accountable and helps us focus on improving tax administration for the benefit of the Australian community.



Strategic priorities



COMMUNICATE CLEARLY,
EFFECTIVELY,
INDEPENDENTLY AND
WITH INTEGRITY



APPROACHABLE,
CONTACTABLE AND
RESPONSIVE



IMPROVE SKILLS,
EXPERTISE AND
RESILIENCE



PROVIDE INDEPENDENT
THOUGHT LEADERSHIP
AND EXPERTISE



ENGAGE WITH TAX
ADMINISTRATION
STAKEHOLDERS

Key performance areas

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

KPA 1

Provide an independent, efficient and effective tax dispute investigation service for taxpayers

KPA 1 – Q1-Q4 at a glance



1,526 complaints received (up 16%)



Increase is likely due to the resumption of ATO compliance activity, which is still returning to their pre-pandemic levels - including the resumption of debt collection



858 dispute investigations commenced and **836** finalised

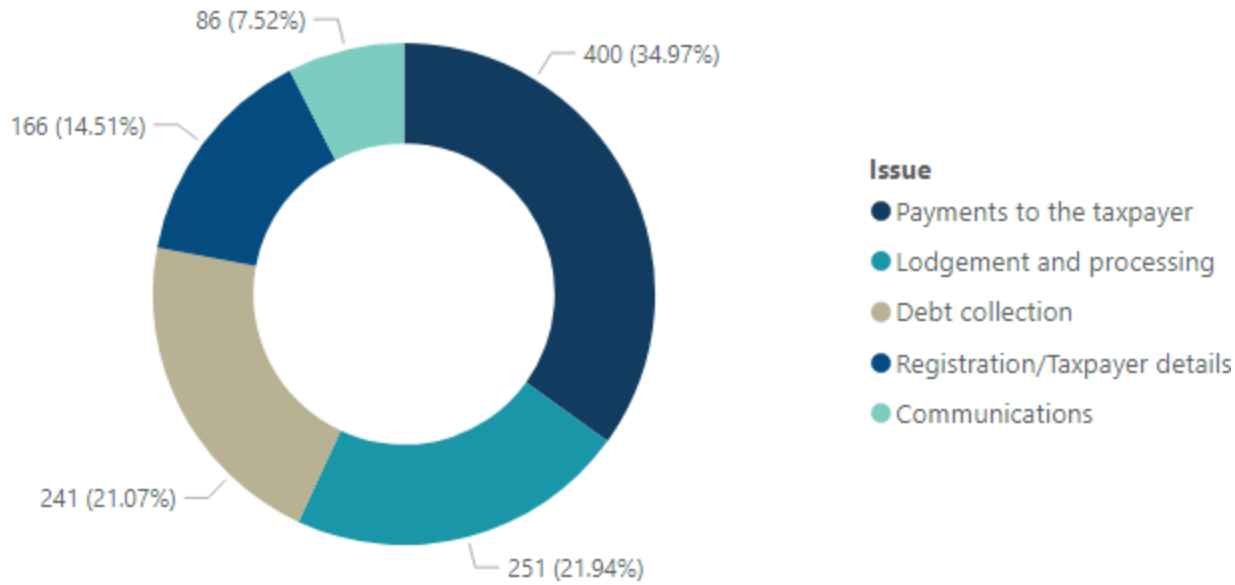


80% satisfaction with professionalism, **59%** satisfaction with service, **39%** satisfaction with outcome

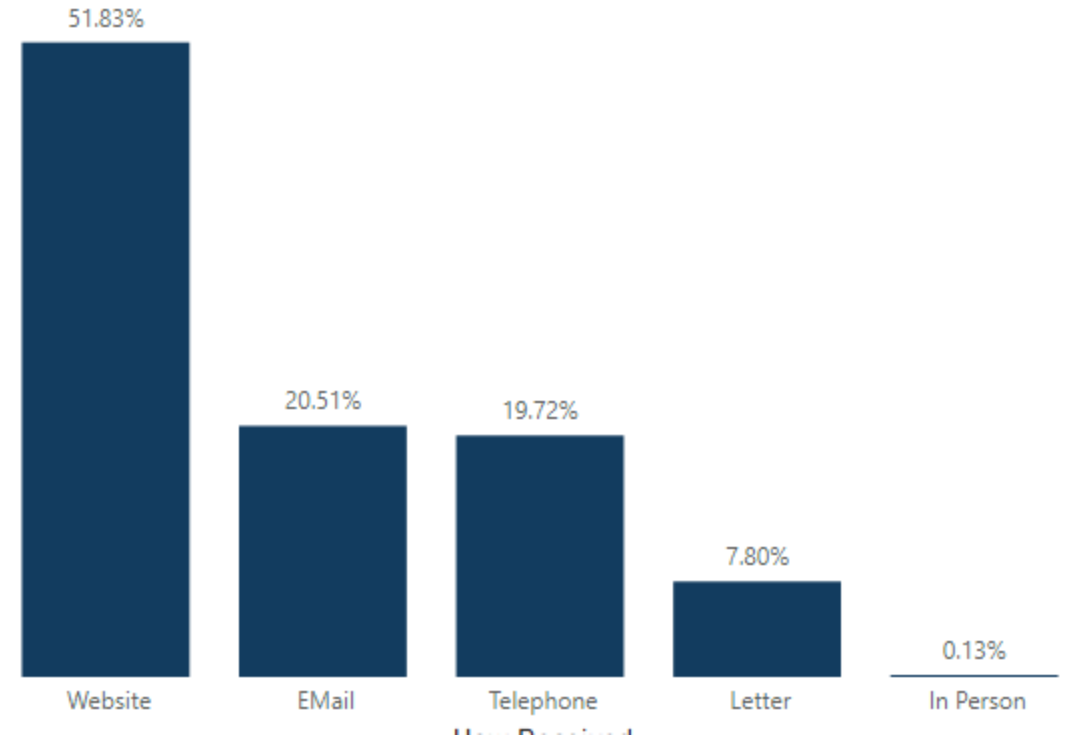


72% of complaints lodged via dedicated complaints webform or email

Top 5 issues finalised in FY23 Q1-Q4



How people contacted us FY23 Q1-Q4



Dispute case study – Data-matching audits

Sean* is a tax agent. The ATO used data-matching to automatically amend his client's tax returns and deem him a non-resident for tax purposes because his client was on a working holiday visa. While the ATO corrected its decision, this took Sean time and resources, and he complained to the IGTO that such data-matching amendments should not be occurring automatically.

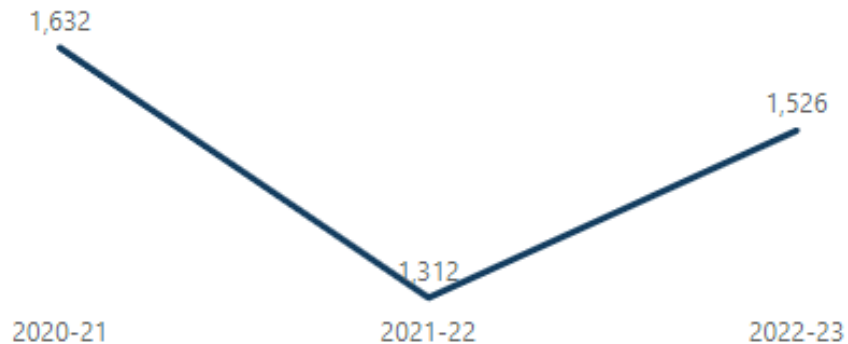
The IGTO investigated and observed that this data-matching amendment process did not align with the high court decision in [Addy v Commissioner of Taxation](#) that some working holiday makers from a non-discrimination article (NDA) country (e.g. UK, Germany, Japan) can be considered Australian residents for tax purposes.

The ATO initially responded that the existing processes were appropriate, but later agreed that the processes needed to be updated. The ATO has now updated the processes so that it no longer automatically amends the residency of tax returns lodged by working holiday makers from NDA countries.

See more case studies on our new web page: [What We Did To Help](#)

*Names and identifying details have been changed to protect the privacy of the taxpayer.

Total Complaints Q1-Q4



- Complaints received in FY23 are more than FY22, but still lower than earlier years
- Complex dispute investigation case numbers remain consistent with FY22

Improving our systems and processes

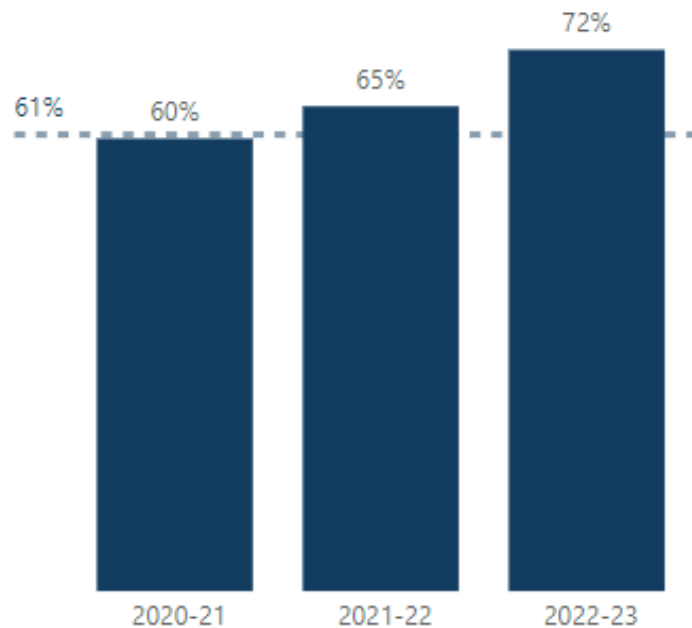
We are improving our case management systems and processes with the ATO to ensure complainants access the relevant complaint investigation agency as early as possible

We are triaging cases received to identify those where the ATO has no formal record of the complaint (and transferring them to the ATO for resolution in the first instance) and those which the IGTO should investigate

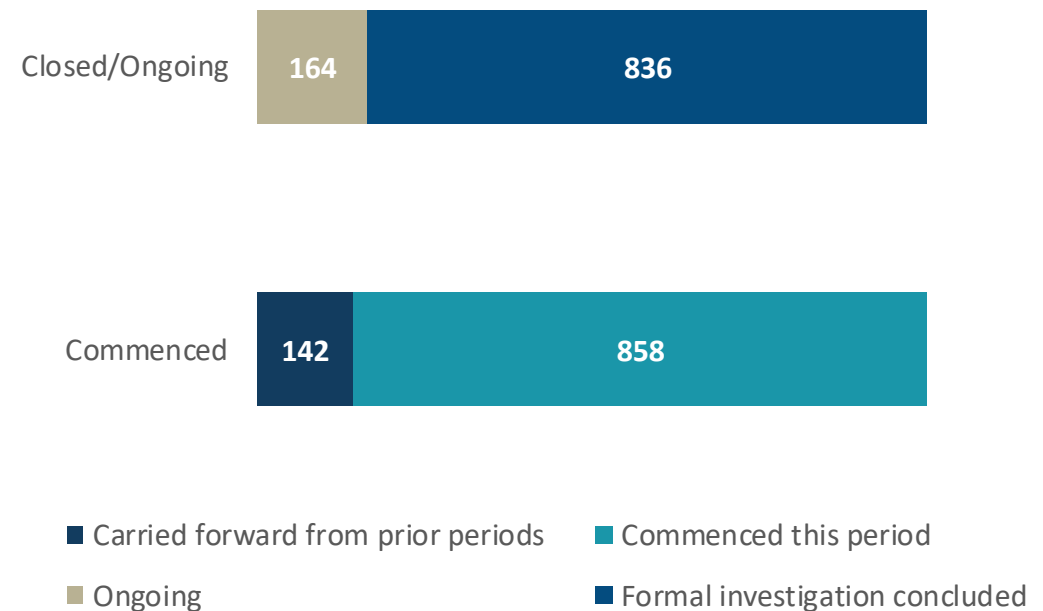
We are upgrading our case management system to improve our interactions with the ATO and support a more efficient dispute investigation process and service

Lodgement method, Investigations commenced/closed

72% of complaints lodged via the complaints webform or email Q1-Q4

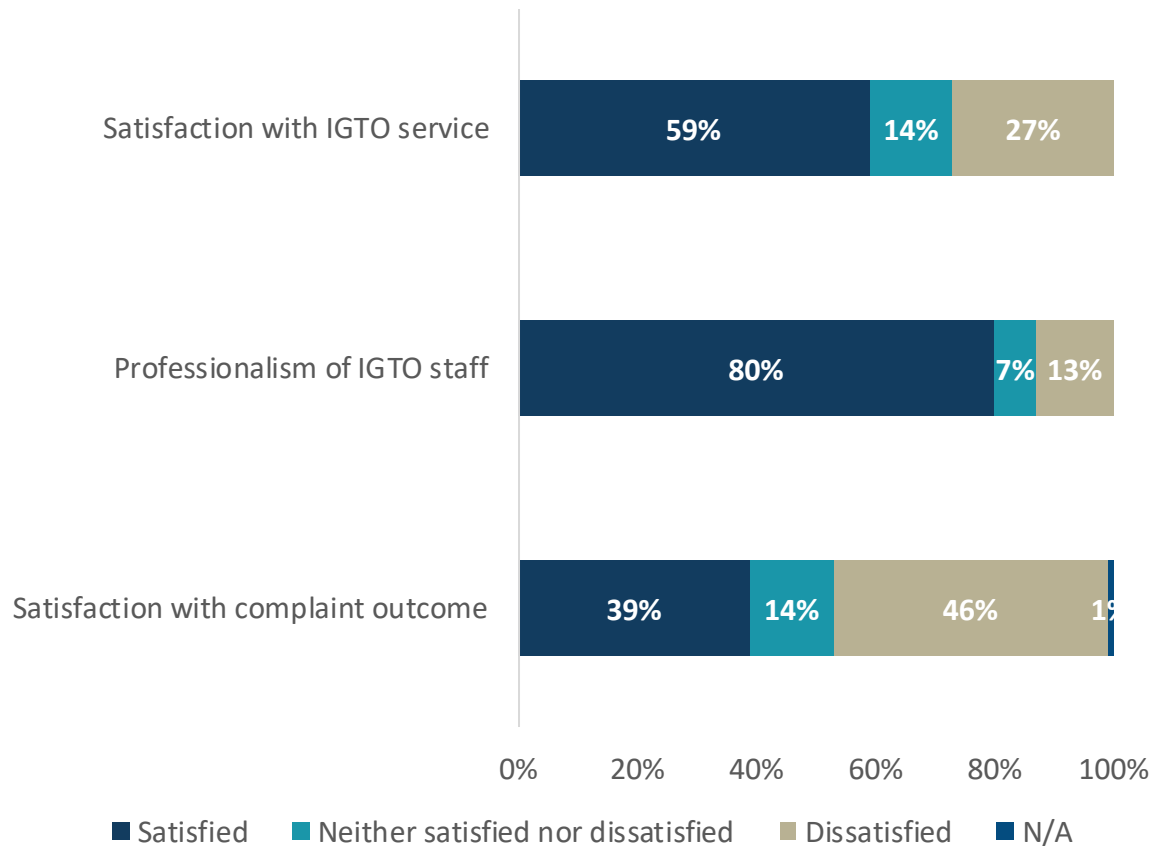


Investigations commenced and closed Q1-Q4



Complaint Survey Results

Here is our latest survey results - for the period 1 April **2022** to 31 March **2023**



- A majority of survey respondents were satisfied with our professionalism and service, even where they did not receive their preferred outcome. It is not always appropriate or within the IGTO's control to obtain a complainant's preferred outcome.
- Qualitative feedback suggests we should improve the timeliness of our service and communicating the progress on our complaint investigations to complainants.
- We have introduced (since February 2023) some new processes to reduce wait times and assist complainants access the correct complaint resolution channel (sometimes this is the ATO).
- We are also introducing a new case management system to improve our dispute investigation service, including:
 - An interactive protected portal to allow complainants to track the progress of their complaint 'real time';
 - Improved communications and management of status updates and progress reports through a 'real time' interactive protected portal;
 - Better transparency around the reasons for delays in IGTO dispute investigations;
 - Better monitoring and analysis of case investigation interactions required to progress and complete a dispute investigation;
 - Better reporting to capture reasons provided and information requests to progress and complete a dispute investigation.

Other KPAs and KPIs

ABI's are broader system improvements that arise from a dispute investigation

Case study: Suzy* received conflicting information about whether she could claim a deduction for her self-education expenses using a HECS/FEE-HELP loan. She sought assistance from the ATO but found their web-guidance on this topic confusing and the process to obtain clarification from the ATO burdensome, which involved several phone calls, a complaint and a Complex Advice Request.

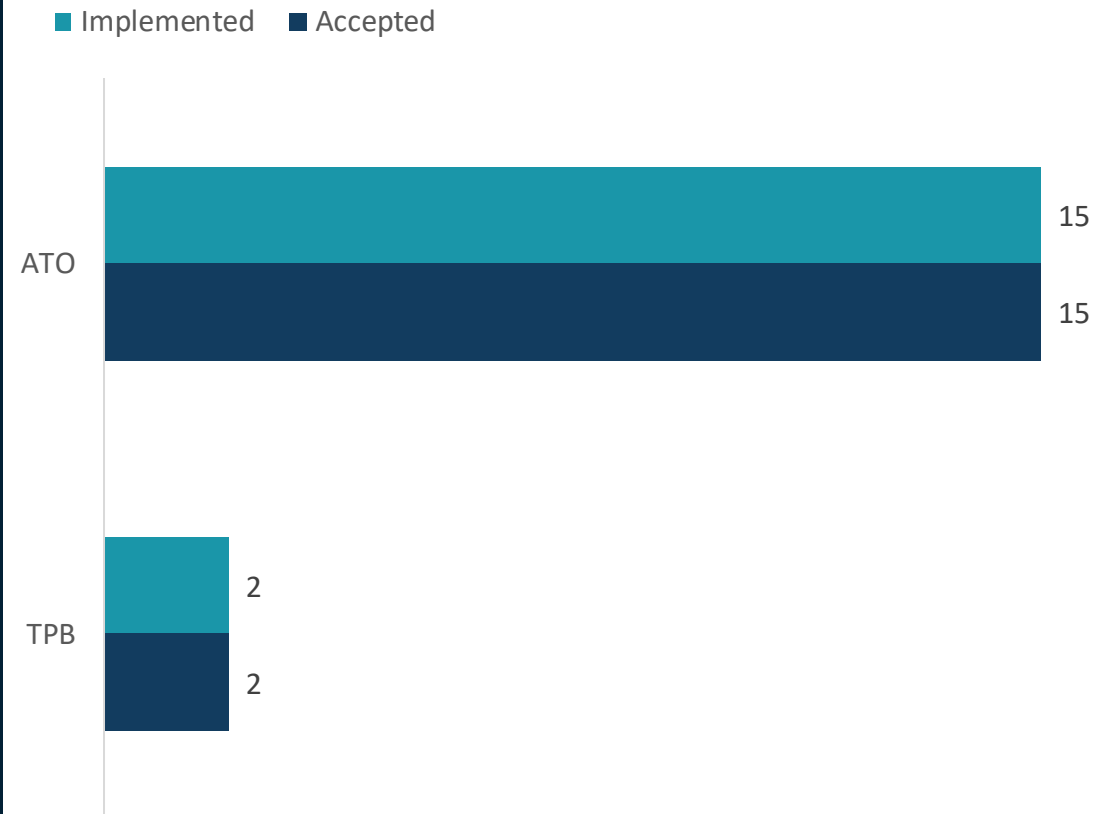
The IGTO investigated Suzy's concerns and suggested that the ATO improve its web guidance to:

- explain the timing of when a deduction may be claimed; and
- provide practical examples of self-education expenses using HECS/FEE-HELP loan that may and may not be claimed as deductions.

The ATO agreed and updated the [Self-education expenses](#) web guidance.

*Names and identifying details have been changed to protect the privacy of the taxpayer.

KPI 3.2 – Agreed Business Improvements accepted and implemented Q1-Q4



KPA 4 – Co-operate and collaborate with relevant agencies and stakeholders Q1-Q4



Recent conferences attended include:

- National Investigations Symposium
- Brisbane Law Council
- Tax Institute Australia conference
- The Tax Summit conference
- Institute of Financial Professionals Australia conference
- Curtin Tax Administration presentation
- Western Australia Tax Forum
- CA / CPA committees & discussion groups

Potential Audience Reach shows the maximum possible audience of IGTO media coverage in a period

KPA 5 – Develop and foster a diverse, engaged and resilient team

L&D Hours

1,584

Total hours of L&D
CPD for all
employees
Q1-Q4

57

Average hours of
L&D CPD per
employee
Q1-Q4

Diversity

37%

Female

50%

Born overseas

47%

English as a second
language

www.igt.gov.au

enquiries@igt.gov.au

(02) 8239 2100

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