



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

IGTO

CORPORATE
PLAN
2020–23



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

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27 August 2019

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

Dear Minister

CORPORATE PLAN FOR THE FINANCIAL YEAR ENDING 30 JUNE 2020

I am pleased to present you with the Corporate Plan for the Inspector-General of Taxation and Taxation Ombudsman (IGTO) for 2020 and beyond. This plan commences on 1 July 2019 and spans four (4) reporting periods ending 30 June 2023.

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

The Corporate Plan is the principal planning document for IGTO and outlines the actions and priorities to successfully deliver on our purpose and strategic priorities during this time as well as the key performance measures that we will monitor for these purposes.

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

Yours sincerely

Karen Payne
Inspector-General of Taxation and Taxation Ombudsman

Copy to:

Senator the Hon Mathias Cormann Minister for Finance
The Treasurer the Hon Josh Frydenberg MP
Senator the Hon Jane Hume Assistant Minister for Superannuation, Financial Services and Financial Technology

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EXECUTIVE SUMMARY

1

Executive Summary

The Inspector-General of Taxation and Taxation Ombudsman (IGTO) Agency is an independent statutory agency to investigate taxation complaints, tax administration actions and systems so that we can provide assurance to the community that taxation laws are administered consistent with community expectations. We also improve the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities.

We have a clear purpose and statutory function¹ which forms the foundation of our Corporate Plan. The IGTO Agency:

- investigates complaints about actions taken by a tax official that relate to administrative matters under a taxation law;
- investigates and reviews actions taken by a tax official where they relate to administrative matters under a taxation law;
- investigates systems established by the Australian Taxation Office (ATO), or Tax Practitioners Board (TPB), to administer taxation laws, including systems for dealing or communicating with the public generally or with particular people or organisations in relation to administrative matters under those laws;
- investigates actions that are the subject of a complaint transferred to the IGTO by the Commonwealth Ombudsman; and
- reports on those investigations.

Our purpose and function is also instructive in determining how we operate and how we hold ourselves accountable to the community. When we investigate **complaints as the Taxation Ombudsman**, the investigation is conducted in private and recommendations are also private. This is consistent with taxpayers' right to privacy.² When we review, investigate and make recommendations – not in response to a complaint – that is, **as Inspector-General of Taxation** – the investigation and recommendations are essentially public investigations and importantly are to improve the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities. Confidential submissions remain at all times confidential. These investigations may be own-initiated or as directed by the Minister or as requested by the Minister, the Parliament, the ATO or TPB.

To achieve our purpose and deliver our services to the community, we have identified five (5) strategic priorities. These priorities are supported by the key performance areas and indicators we use to measure our success. Our operating environment, capabilities, and management of risk also influence whether we are successful in achieving our purpose and are included in our Corporate Plan. *Figure 1.1* is our plan on a page, which provides an overview of how the components of our plan fit together.

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

Figure 1.1 – The IGTO plan on a page



INTRODUCTION

2

Introduction

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

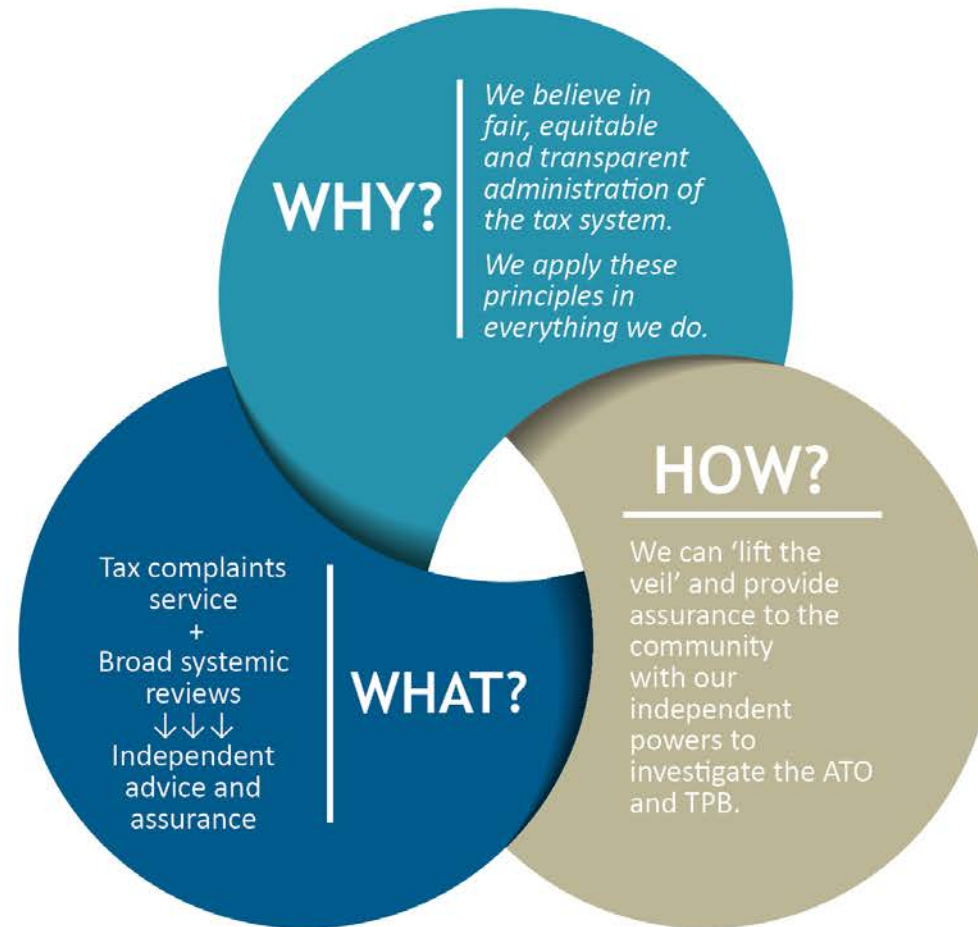
Our vision

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

We apply these principles in everything we do.

Figure 2.1 shows how our vision statement is operationalised via our services to the community.

Figure 2.1 – The IGTO’s Why, How and What



Background to the IGTO

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

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

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

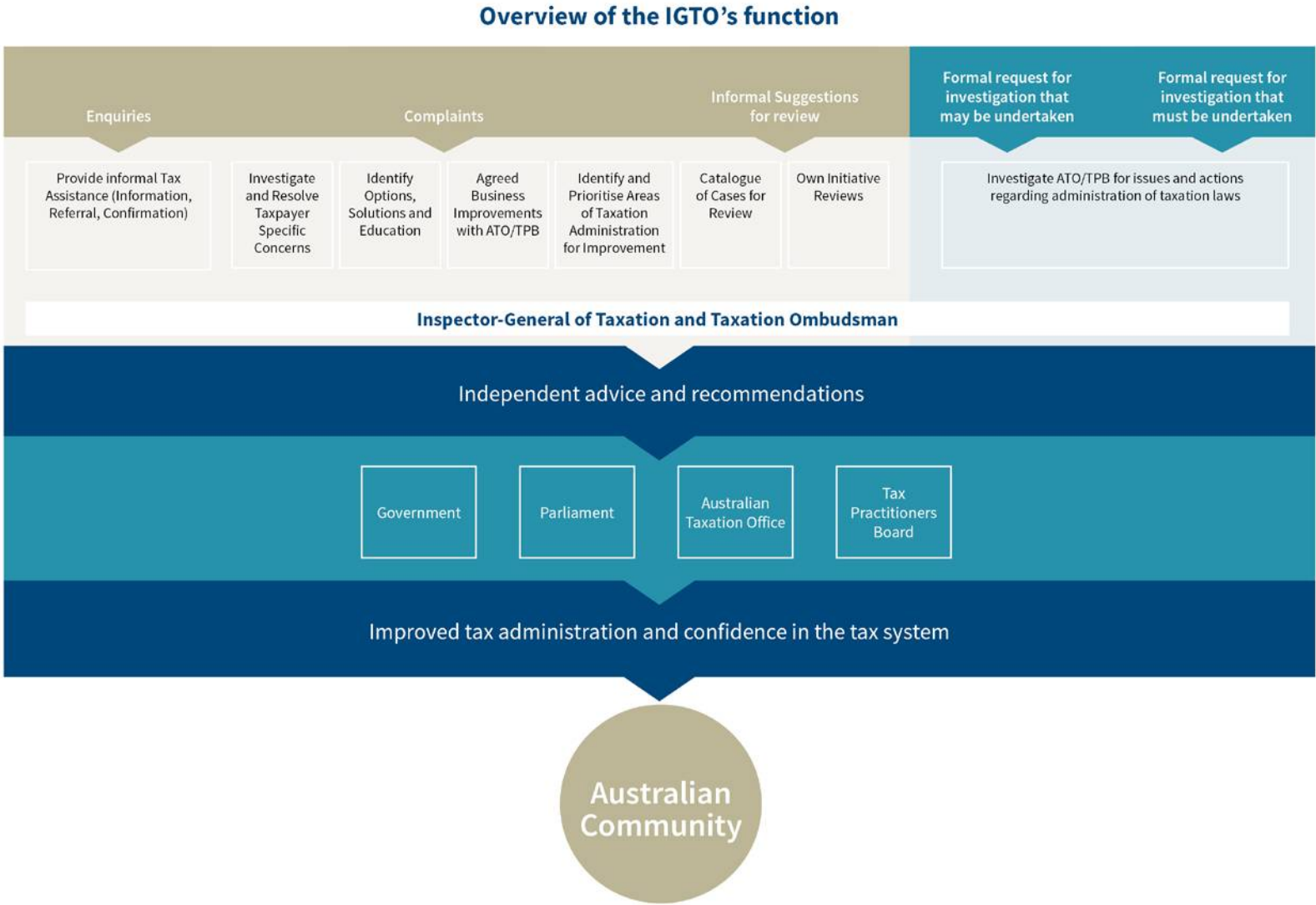
Two types of independent investigations are provided for under the *Inspector-General of Taxation Act 2003*.

- As the Taxation Ombudsman, IGTO provides taxpayers, tax practitioners and other entities with an independent complaints investigation service.
- As the Inspector-General of Taxation, we conduct reviews (both systemic and directed) and provide independent advice and recommendations to the Minister, the Government, the ATO, and the TPB. These reviews may be conducted as own-initiated reviews or under Ministerial direction or by request from the Minister, the Commissioner or the Tax Practitioners Board, a resolution of either House, or of both Houses, of the Parliament or a resolution of a Committee of either House, or of both Houses, of the Parliament

The Inspector-General of Taxation is appointed by the Governor-General for a statutory term – up to a maximum term of five years. The current Inspector-General of Taxation (Karen Payne) was appointed from 6 May 2019 for a period of 5 years.

The employees of the Inspector-General of Taxation are public servants employed under an Enterprise Agreement in accordance with the *Public Service Act 1999*.

Figure 2.2 – Overview of the functions of the Inspector-General of Taxation and Taxation Ombudsman



Our purpose

- 1. To improve the administration of taxation laws for the benefit of the community.*
 - 2. To provide independent advice and assurance (to individual taxpayers, agencies or the community in general) through investigation, review and reporting that Australian taxation administration laws are operating effectively and consistent with community expectations.*
-

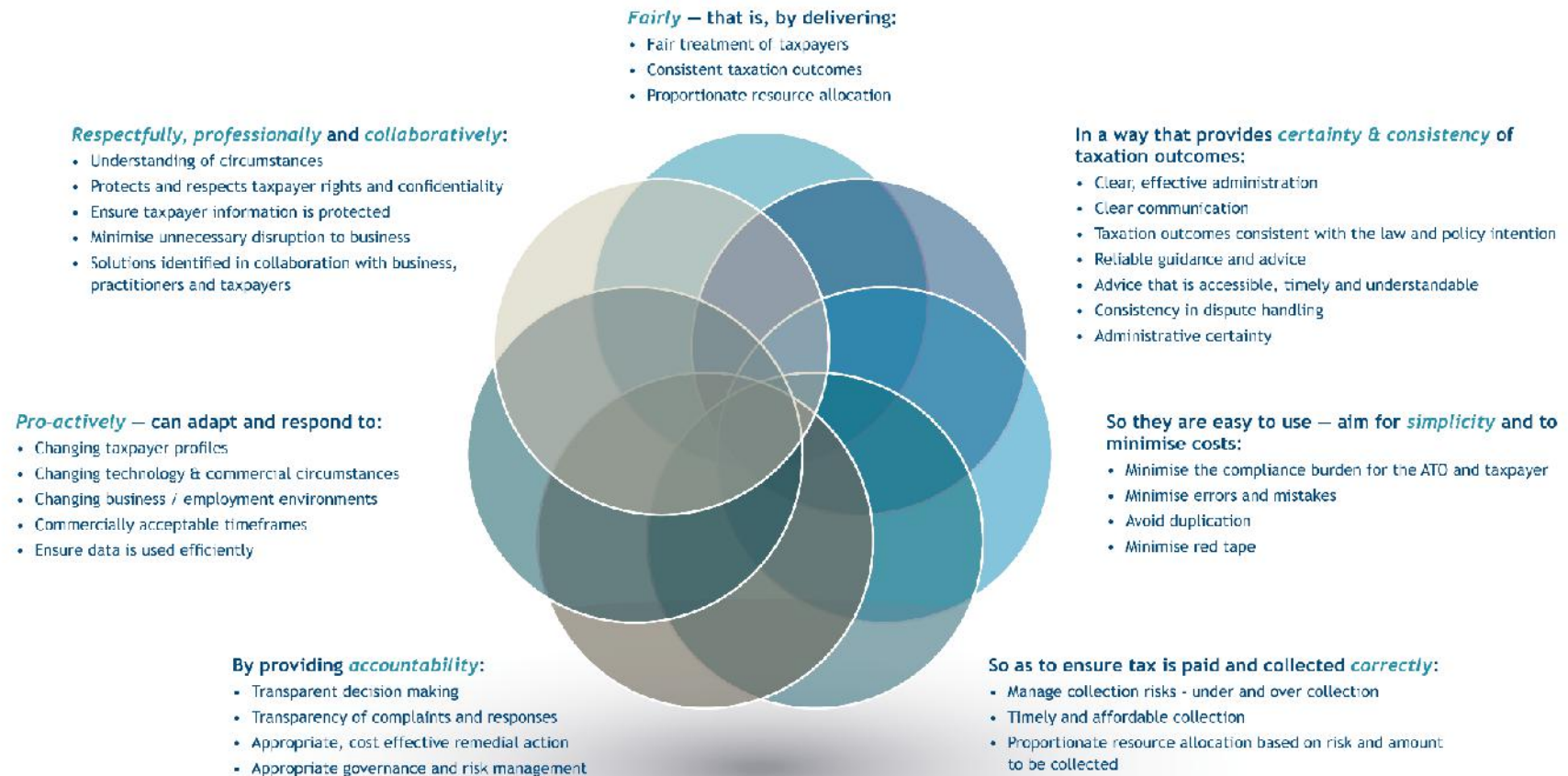
We are developing a principled framework through community consultation to better:

- understand and capture the community's expectations regarding improved administration;
- inform and direct our allocation of resources for investigations, reviews and reports;
- inform and direct the scope of our investigations, reviews and reports; and
- measure, reflect and report on our performance.

Figure 2.3 is a first draft of the features we expect the community considers reflects good tax administration. This draft framework will be subject to extensive community consultation. A more detailed overview of our draft framework is included in Appendix B.

Figure 2.3 – Features of good tax administration

The community expects the tax administration laws to be administered:



OUR PERFORMANCE FRAMEWORK

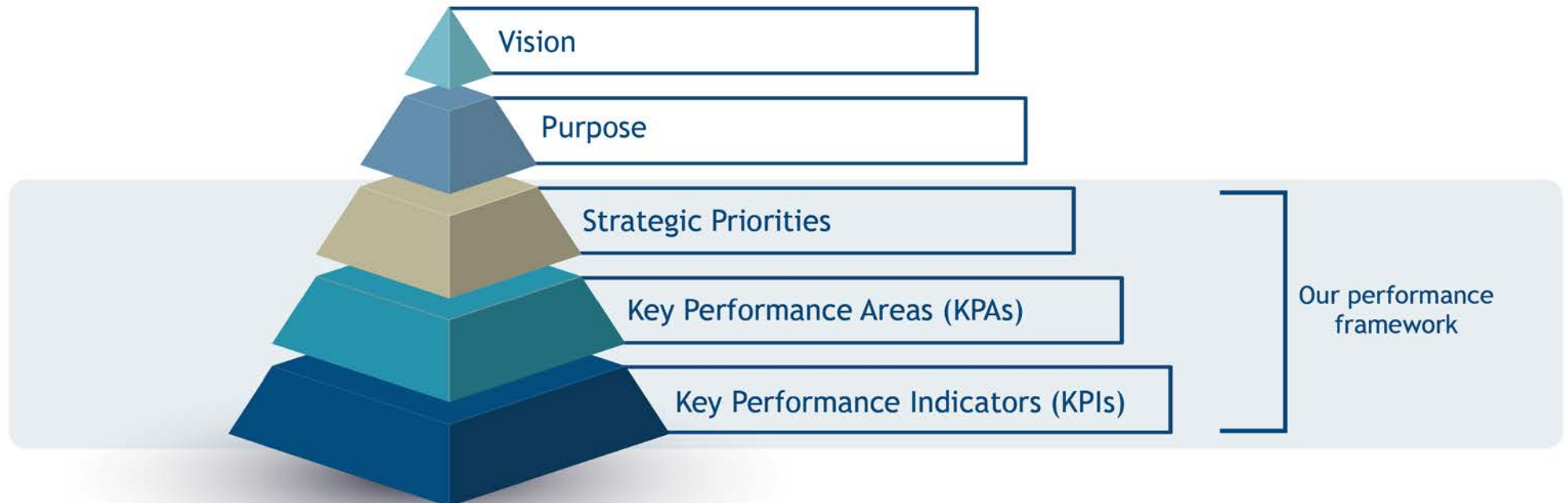
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Our performance framework

Our performance framework is intended to inform Parliament and other stakeholders of our activities and to ensure we are accountable to the Australian community. It naturally supports our vision and purpose.






Our strategic priorities sit atop our framework and outline the areas we must focus on to meet our objective of improving tax administration for the benefit of the Australian community. Key performance areas (KPAs) and indicators assess our performance in achieving these priorities.

Figure 3.1 – Our performance framework



Our strategic priorities

Figure 3.2 – Our strategic priorities

	<p>Communicate clearly and effectively</p>	<p>Clear communication is an important strategic priority for the IGTO. Clear communication is important in all aspects of the delivery of our services to the community:</p> <ul style="list-style-type: none"> • Providing access to information; • understanding issues raised in complaints; • understanding stakeholder issues; • investigating complaints; • understanding and analysing the sources of complaints and misunderstandings; • conducting reviews; • preparing submissions to Parliamentary Committees and Government; and • reporting our key findings and recommendations to the Minister, Government, Parliament, ATO, TPB and ultimately for the community. <p>Communication is critical and one of the main tasks that we have as complaint handlers is to assist in re-establishing communication between the ATO and taxpayers. This is particularly important in the context of audits and reviews and managing debt compliance – such as arrangements for time for payment.</p>
	<p>Be approachable, contactable and responsive</p>	<p>The success of our delivery of services to the community depends on IGTO being easy to work with, being accessible and responsive in our investigation of complaints and reviews. Whilst responsiveness may necessarily vary with the complexity of the matters investigated – it is a priority for all of our reviews and complaint investigations.</p>
	<p>Improve the skills, expertise and resilience of our people and organisation</p>	<p>Our team needs to have both tax technical skills and the expertise and skills to work with people, sometimes in moments of high stress and anxiety.</p> <p>The complexity of the Australian taxation laws necessitates specialist expertise in taxation to navigate options and make recommendations.</p>
	<p>Independent thought leadership and expertise</p>	<p>IGTO can provide some unique insights on the operation of the taxation administration laws – both domestically and by way of international comparisons. Our thought leadership contribution to the taxation community is another opportunity to contribute to improved taxation administration laws.</p>
	<p>Engage with stakeholders in the tax administration system</p>	<p>Stakeholder engagement is a strategic priority for IGTO – to ensure we stay connected with the tax community. This is critical to allow us to identify priority areas for review, to keep on top of the 'current' experiences in the market and tax community and to promote community awareness of the service we provide and assistance we can deliver.</p>

Key performance areas

The strategic priorities on the previous page are supported by our KPAs. Figure 3.3 on the following page describes each KPA and shows which priorities they support.

Key performance indicators

Our key performance indicators (KPIs) contains measures for each of the KPAs set out in Figure 3.3. We monitor and measure our performance against these KPIs and report on them annually.

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

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

Figure 3.3 – Key performance areas



OUR ENVIROMENT

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Our environment

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

The processes in the taxation administration system and the various participants in each of these processes is represented in *Figure 4.1*.

Figure 4.1 – Participants in the tax system and their functions



Tax administration system is complex and constantly changing

The Australian tax administration system is complex. *Figure 4.2* on the following page provides some high level statistics for the system, which shows 11.5 million individual taxpayers, 3.8 million small businesses, over 20,000 ATO employees and ATO complaints. In comparison, at present, our agency operates with a team of approximately 30 people from a single office with national responsibility. This can, at times, pose difficulties in engaging with the broader community, particularly those in remote areas.

The tax administration system is also dynamic. We observe changes to the tax laws, regulatory reforms, information technology advances, software improvements and enhancements and shifts in commercial practices as the world changes and the way business is done evolves at an accelerating pace.

Unsurprisingly, the ATO's administration of these laws in relation to registration, lodgement, reporting and payment also changes. Professional and industry representatives, educators, and advisors assist the Australian community with compliance and to keep up to date with these changes while the courts and tribunals adjudicate disputes which arise.

We believe that this system needs to be administered consistent with community expectations. We seek to improve the tax administration laws in line with these expectations.

Our ability to do this is influenced by:

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

Figure 4.2 – Scale of the tax system in Australia



Source: ATO and TPB Annual Reports 2017-18

Stakeholders

Our relationships with participants in the taxation system, many of whom are also our key stakeholders, is fundamental to improving the tax administration system. These relationships continue to evolve in line with greater community awareness and demand for our services.

Our key relationships are with:

- the Australian community, including taxpayers, their representatives (Tax practitioners, advisers, solicitors and barristers) and representative bodies – Professional and Industry bodies;
- the Government, including the Treasurer and the Assistant Treasurer;
- Parliamentarians and Parliamentary Committees;
- the Australian Taxation Office and the Tax Practitioners Board;
- Courts and Tribunals – especially the Administrative Appeals Tribunal;
- other government agencies, such as the Treasury, the Commonwealth Ombudsman, the Australian National Audit Office, the Australian Small Business and Family Enterprises Ombudsman and the Board of Taxation;
- the education system including universities and their associated programs such as tax clinics;
- international organisations, including overseas revenue agencies and counterparts; and
- Ombudsmen associations – both domestic and international.

Resourcing and funding

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

Other factors in our operating environment

Our operating environment is characterised by various factors that may influence our performance. Over the next four years, our focus will be on improving strategies to manage and adapt to our operating environment and the various influencing factors as they continue to evolve.

FACTORS WITHIN OUR CONTROL	OUR STRATEGIES
Our ability to manage resources between our taxpayer complaints service and broader reviews into areas of tax administration for improvement	<p>We anticipate an increase in complaints received while we continue to identify improvement opportunities in tax administration and conduct broader reviews. A challenge for us will be to manage our resources efficiently so that we can maintain a reasonable level of review work whilst also maintaining high standards in the investigation of complaints. To meet this challenge, we plan to be flexible with our resources so that we continue to meet the community's expectations.</p>
Ensuring that our taxpayer complaints service is effective and achieves our purpose, including the capability of our people and our ability to communicate effectively to taxpayers	<p>We will continue to optimise our taxpayer complaints service. This involves undertaking a review of our current service to identify areas of improvement as well as developing solutions. This strategy is not limited to the complaints process but includes policies and communications as well as the skills and support we provide to our staff.</p> <p>We will continue to develop and upskill our staff through individual and agency wide learning and development opportunities to ensure that we are able to tailor our communications and complaints services to the diverse taxpayer community. Our knowledge and understanding of the tax system is fundamental to the quality of service that we are able to provide to the community, allowing us to efficiently identify taxpayer concerns and options for resolution whilst also providing us with the opportunity to impart our knowledge and understanding of the tax system to the taxpayers we assist.</p> <p>Over the next four years, we will regularly seek feedback on our taxpayer complaints service to ensure it remains effective and meets community expectations. Insights from our taxpayer complaints service will also be increasingly important in the selection of areas for systemic and broader review.</p>

FACTORS WITHIN OUR CONTROL (continued)	OUR STRATEGIES
Our information and communication technology (ICT) systems	<p>Our ICT systems provide the platform through which we communicate, interact with and provide our services to the taxpayer community. We will continue to explore the opportunities to refine and enhance the capabilities of our case management system, to assist us in managing complaints as well as capturing meaningful data for greater insights into trends and issues which may impact on the administration of the tax system. We will continue to consider how we can capitalise on technology to provide the community with services in a rapidly evolving digital environment.</p>
Our working relationship with the ATO and the TPB	<p>We act independently but continue to work with the ATO and the TPB to resolve concerns raised by members of the community and to identify improvements that would benefit the wider community. Our relationship with the ATO and the TPB is central to improving tax administration. This relationship is necessary to achieve prompt outcomes for complainants and more effective implementation of improvements to the system.</p>
Our ability to anticipate and respond to changes in the administration of the tax system	<p>Our effectiveness in improving tax administration depends on our ability to anticipate and respond to changes in tax laws and its administration, particularly given the complexity of tax laws. The more responsive we are to changes in tax administration, the more useful and relevant our services and assistance will be to the community.</p> <p>We will continue to keep abreast of changes in the administration of the tax laws, including through our interactions with Government agencies, the tax profession and the wider community. Our complaints handling service provides us with real time insights into emerging issues. We need to allocate resources accordingly and work with the ATO and the TPB to address these issues promptly.</p>

FACTORS PARTIALLY WITHIN OUR CONTROL

OUR STRATEGIES

Community awareness

The role of the ATO in the tax administration system is generally well understood by the community and all taxpayers have interaction with the ATO, either directly or through their agent or representative.

The role of the IGTO is less well known and understood in the community. An important priority for the IGTO Agency is to improve the community's awareness of our office and the services and assistance we can deliver.

Our services need to be accessible to all Australians and meet their needs. With an increase in the community's awareness of our role, improved access to the Australian community and as satisfaction with our service becomes more widely known, we anticipate an increase in the number of complaints (by approximately five to ten percent each year) over the next four years.

To complement the increasing awareness of our office, we will pursue engagement opportunities with professional bodies, government agencies and the taxpayer community to establish positive working relationships and build their confidence in our role and our ability to assist them.

FACTORS BEYOND OUR CONTROL	OUR STRATEGIES
Community expectations	As our taxpayer complaints service matures, the community's expectations of our service delivery will continue to increase. We need to continue to maintain high standards of service while meeting the changing demands and expectations of the community.
ATO system changes and its functionality	The ATO is a key agency in the tax administration system and its systems are an environmental factor which is beyond our control. In particular, factors such as when new systems are implemented, their usability and how well they function can all impact the volume of complaints we receive and therefore our resources and the level of services we are able to provide to the community.
Legislation coming into effect, government policies and ministerial directions	<p>We expect that there will be a number of new laws, policies and Ministerial directions which may impact our office and the work that we do. We need to be responsive to these changes and to reallocate resources accordingly to meet those directions.</p> <p>One example is the legislation that allows the ATO to disclose the tax debt information of a business to credit reporting bureaus. As the legislation requires the ATO to consult with our office before disclosing tax debt information, this will directly impact our resources and ability to maintain an effective complaints handling function and conduct reviews into tax administration.</p>

OUR CAPABILITY

5

Our capability

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

Our capabilities are:

- Our people
- Our values
- Our communication strategy
- Our technology systems

Our people

Our people are central to the tailored services we provide to the community. We are committed to providing a workplace environment in which our team are supported, engaged and inspired to provide the best service and outcomes. Our strategy is centred on 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. Our people and their skills enable us to achieve our purpose of improving tax administration and providing independent advice and assurance to our stakeholders on the operation of Australia's tax administration laws.

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

We are also committed to workplace diversity and flexibility. Our office is made up of culturally and linguistically diverse people with varied qualifications, skills and experience. The diversity of our people assists us to better understand the needs of our community and ensure that we provide tailored and appropriate services. We will continue to promote flexible working options and arrangements for both men and women across our agency, as set out in our [Gender Equality Action Plan 2017-19](#).

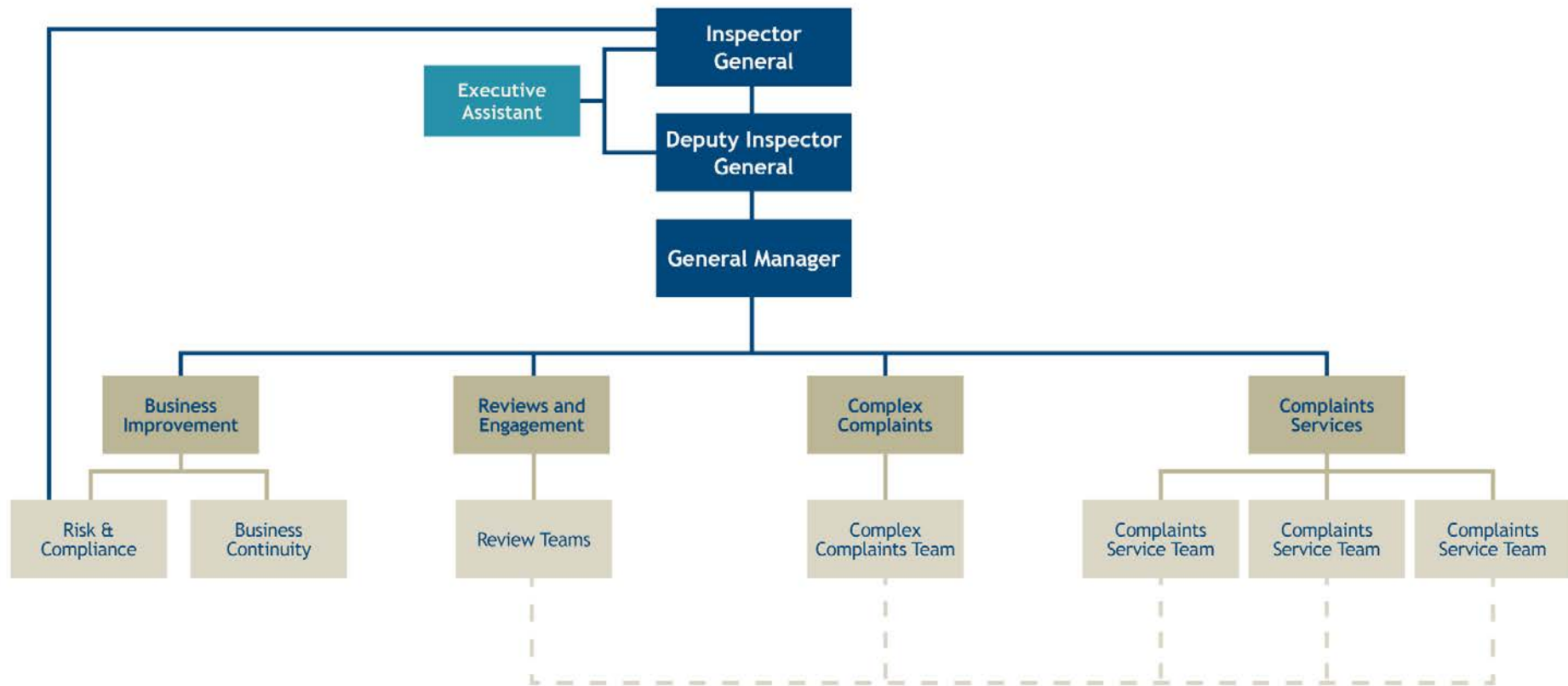
The number of complaints we receive from the community have continued to increase. We also know that awareness is an issue for our office and will likely impact on our staffing and resource levels both currently and over the course of this plan. We will regularly review our resources and be flexible and agile in managing these resources. We design our work around multi-skilling our team to meet our administrative, operational and reporting requirements. We are enhancing our workforce planning framework to better manage how our resources are used.

We care about members of the Australian community and assisting people in difficulty is our priority, so complaint actions are very important to us and need to take priority over broader reviews. This represents something of a team resource management challenge.

Our organisational structure

Our organisational structure is designed to ensure our people are not only empowered to perform their roles but also supported by experienced leaders with a line of sight to the most senior levels of our executive.

Figure 5.1 – Our organisational structure



Our values

Our values are key to ensuring that we achieve our strategic priorities and our purpose.

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

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

impartial
committed to service
accountable
respectful
ethical

The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.

The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government.

The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.

The APS respects all people, including their rights and their heritage.

The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does.

Source: Australian Public Service Commission

Rewards and recognition

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

- innovation;
- going above the call of duty;
- perseverance;
- displaying exceptional management and leadership;
- displaying personal drive and integrity.

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

Our communication strategy

Our current communication strategy focuses on two core themes:

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

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

We plan to reach and engage with a wider audience using a multi-channel approach, including increasing our community speaking engagements and collaboration with organisations both domestically and overseas, as well as expanding our social media presence.

Our social media strategy is to provide accessible information for complainants on Facebook as well as Twitter and LinkedIn. As part of our social media strategy, we will also be looking to create more content for our platforms. We will also be more proactive in raising awareness about our work through updates to our website and quarterly eNewsletter, *IGoT News!*, which features case studies and the latest news about our activities.

We are expanding our capabilities to better service those from culturally and linguistically diverse (CALD) backgrounds. This will be achieved through publishing and promoting the IGTO brochure in 54 languages and making these readily available on our website, leading the public service in improving accessibility and service delivery for CALD families.

We plan to reach and engage with a wider audience...

Our technology systems

Our services to the community rely on our ICT systems to facilitate and capture our interactions with taxpayers, tax practitioners and the other stakeholders.

As a small agency, we are reliant on external service providers to support our technology needs. Our digital strategy is to ensure that the systems we use are best-fit to achieve our purpose and the information we maintain through our systems is secure and protected.

We will work with government and third-party service providers to achieve our digital strategy objectives.

The ICT platforms we use to serve the Australian community include:

- our protected system — supported by Treasury as our shared services provider;
- separate and direct access to the ATO's systems to allow our office to provide independent assurance in our taxpayer complaints investigation services.

Over the next two years, we will focus on reviewing our current shared services arrangements. This review is designed to provide assurance that we have robust ICT systems and processes in place to protect stakeholder and community information from ICT and data security risks.

Over the next four years, we will explore new initiatives to achieve our purpose and enhance the services we deliver in an evolving digital environment. Our digital strategy encompasses the formulation of our secure cloud strategy in accordance with Government initiatives, including the Digital Transformation Agency's Secure Cloud Strategy. We also plan to upgrade our electronic case management system to improve its functionality, which will provide a more efficient and effective tax complaints service to the Australian community.

We will continue investing in technology to develop our business capability and capitalise on opportunities to facilitate more interactive and on-demand communications for the Australian community. These opportunities include providing taxpayers, tax practitioners and other entities with real-time access to case information through a web portal, exploring SMS capability, as well as scoping the feasibility of communication through a mobile application.

Our ICT strategy over the next four-years includes further developing our capability to capture and interpret complaints data. This will help us to better understand the Australian community's concerns with the tax administration system. We will also continue to develop ICT systems to better support our team with more flexible working arrangements.

OUR RISK OVERSIGHT AND MANAGEMENT

6

Our risk oversight and management systems

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

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

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

Legislative compliance

We have established and maintain appropriate systems of risk oversight, management and internal controls in accordance with section 16 of the PGPA Act through our Risk Management Policy and Framework (Risk Framework). Our Risk Framework is consistent with both the current international risk management standard AS/NZS ISO 31000:2018 Risk Management - Guidelines and the Commonwealth Risk Management Policy.

Our Risk Framework

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

Accountabilities

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

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

Key Risks

The key risks to our operational requirements and objectives as outlined in our Risk Register are outlined in Figure 6.1 on the following page.

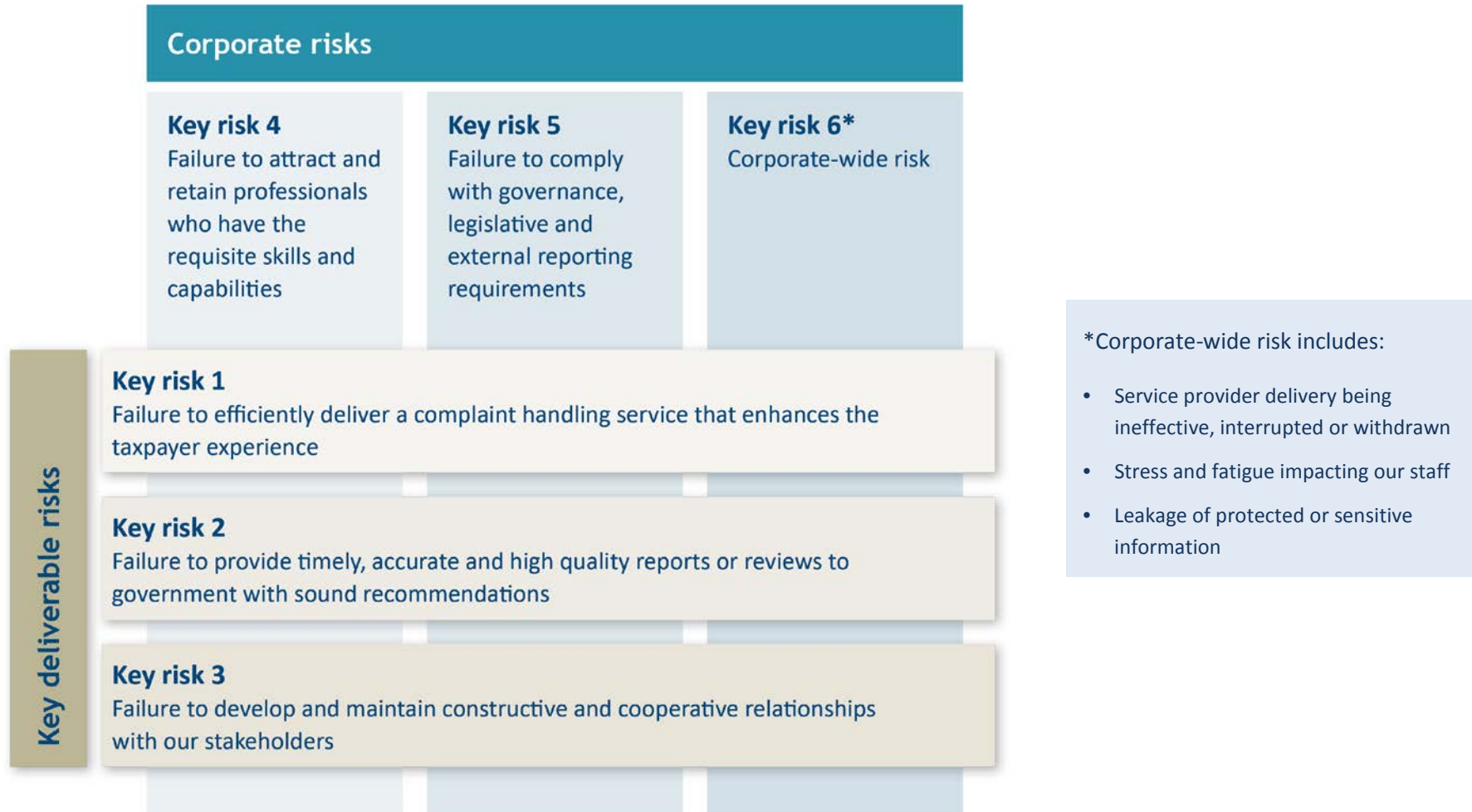
Integration with our performance framework

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

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

Over the next four years, we will continue to monitor and update our Risk Framework and Risk Register.

Figure 6.1 Key risks



APPENDICES, GLOSSARY
OF TERMS AND END NOTES

7

Appendices

Appendix A: IGTO has oversight of the following taxation laws

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

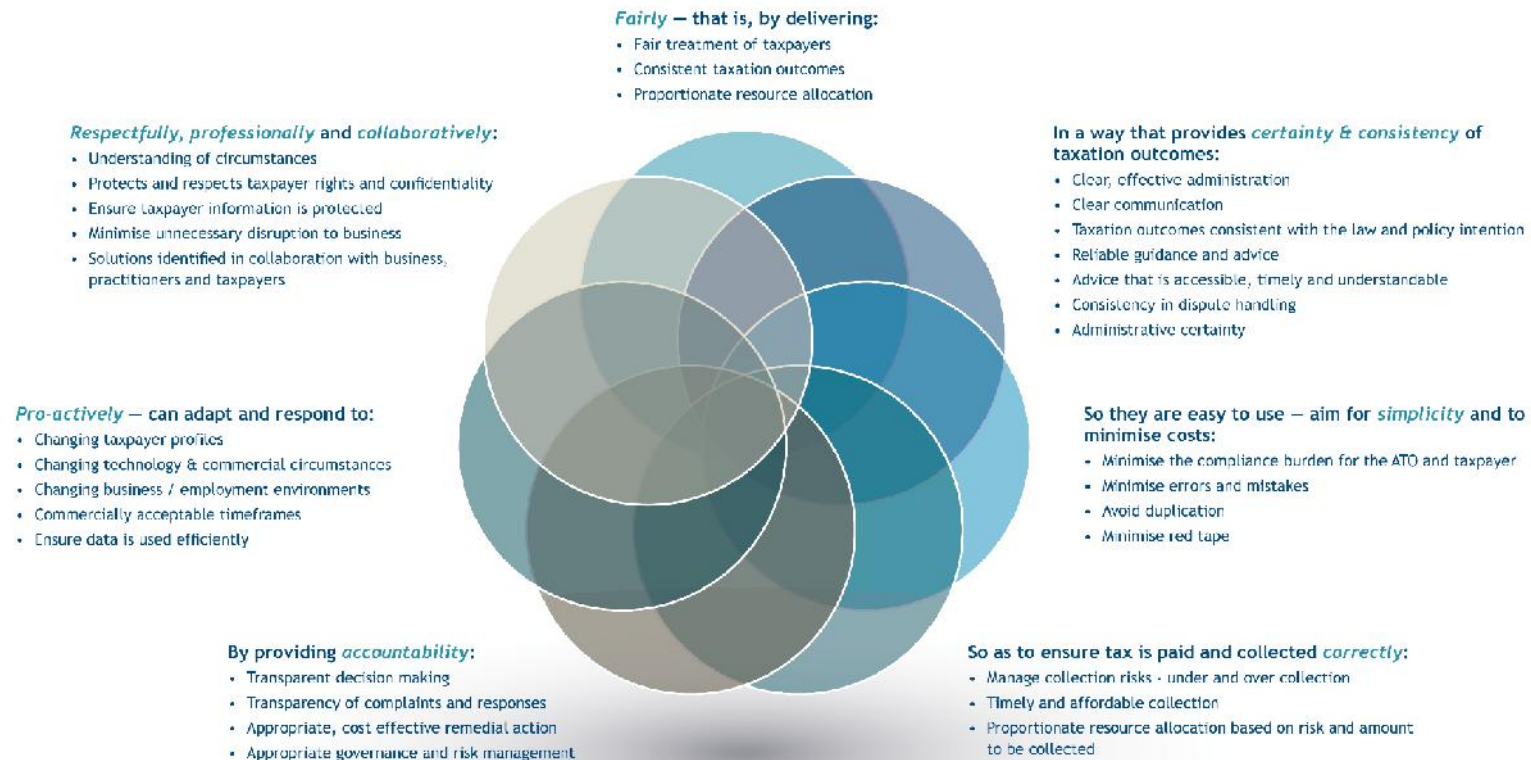
- *A New Tax System (Australian Business Number) Act 1999*
- *A New Tax System (Goods and Services Tax) Act 1999*
- *A New Tax System (Luxury Car Tax) Act 1999*
- *A New Tax System (Wine Equalisation Tax) Act 1999*
- *Commonwealth Places Windfall Tax (Collection) Act 1998*
- *Excise Act 1901*
- *Excise Tariff Act 1921*
- *Foreign Acquisitions and Takeovers Act 1975*
- *Fringe Benefits Tax Assessment Act 1986*
- *Fuel Tax Act 2006*
- *Higher Education Support Act 2003*
- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *International Tax Agreements Act 1953*
- *Petroleum Excise (Prices) Act 1987*
- *Petroleum Resource Rent Tax Assessment Act 1987*
- *Product Grants and Benefits Administration Act 2000*
- *Product Stewardship (Oil) Act 2000*
- *Register of Foreign Ownership of Water or Agricultural Land Act 2015*
- *Small Superannuation Accounts Act 1995*
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997*
- *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*
- *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*
- *Superannuation Guarantee (Administration) Act 1992*
- *Superannuation Industry (Supervision) Act 1993*
- *Superannuation (Self-managed Superannuation Funds) Taxation Act 1987*
- *Superannuation (Unclaimed Money and Lost Members) Act 1999*
- *Taxation Administration Act 1953*
- *Taxation (Interest on Overpayments and Early Payments) Act 1983*
- *Trust Recoupment Tax Assessment Act 1985*

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

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

Features of good tax administration

The community expects the tax administration laws to be administered:



COMMUNITY PRINCIPLES	COMMENTS AND EXPLANATION
<i>The community expects the tax administrations laws to be administered....</i>	
<p>Fairly – that is, by delivering</p> <ul style="list-style-type: none"> ▪ Fair treatment of taxpayers ▪ Consistent taxation outcomes for all taxpayers ▪ Proportionate resource allocation 	<p>Administration which is delivered fairly should provide equal access, treatment and equal rights to all taxpayers.</p> <p>There should be an appropriate allocation of tax resources based on the needs of users in the system.</p>
<p>In a way that provides certainty & consistency of taxation outcomes</p> <ul style="list-style-type: none"> ▪ Clear, effective administration ▪ Clear communication ▪ Taxation outcomes consistent with the law and policy intention ▪ Reliable guidance and advice ▪ Advice that is accessible, timely and understandable ▪ Consistency in dispute handling ▪ Administrative certainty 	<p>The fair administration of taxation laws is enhanced where those laws provide clear direction to taxpayers in relation to compliance and consistent outcomes across a range of taxpayer circumstances and consistent with the policy intended.</p> <p>For example, administration of taxation laws that are applicable to small business taxpayers only should only require consistent treatment as between small business taxpayers but within this ‘class’ of taxpayers, the laws should be administered in a way that provides consistent and certain outcomes for taxpayers.</p> <p>A deficiency in this regard would be an area for improved taxation administration.</p>
<p>So they are easy to use - aim for simplicity & to minimise costs</p> <ul style="list-style-type: none"> ▪ Minimise the compliance burden for the ATO and taxpayers ▪ Minimise errors and mistakes ▪ Avoid duplication ▪ Minimise red tape 	<p>It is almost self-evident that administration of taxation laws should aim for simplicity and minimise the cost impact on taxpayers – especially small business taxpayers and individuals – who are least resourced to ‘absorb’ such compliance costs. However there should be no discrimination in minimising compliance costs across all taxpayers – individuals, businesses, superannuation funds and other entities.</p>

COMMUNITY PRINCIPLES	COMMENTS AND EXPLANATION
<i>The community expects the tax administrations laws to be administered....</i>	
<p>So as to ensure tax is paid and collected correctly</p> <ul style="list-style-type: none"> ▪ Manage collection risks - under and over collection ▪ Timely and affordable collection ▪ Proportionate resource allocation based on risk and amount to be collected 	<p>The correct collection of taxation in accordance with the instructions of the Parliament and the Executive should also be a self-evident feature of good taxation administration.</p> <p>The allocation of resources necessarily involves a balanced assessment of risk management and priorities. These priorities are not always within the control of the administrators in the system.</p>
<p>By providing accountability</p> <ul style="list-style-type: none"> ▪ Transparent decision making ▪ Transparency of complaints and responses ▪ Appropriate, cost effective remedial action ▪ Appropriate governance and risk management 	<p>Trust in decisions made is enhanced where there is increased transparency around the decision making process and decisions made.</p>
<p>Pro-actively - can adapt and respond to:</p> <ul style="list-style-type: none"> ▪ Changing taxpayer profiles ▪ Changing technology & commercial circumstances ▪ Changing business / employment environments ▪ Commercially acceptable timeframes ▪ Ensure data is used efficiently 	<p>The dynamic nature of the business and commercial environment necessitates that the administration of taxation systems is flexible and responsive – to the changing taxation laws, changing mix of taxpayers, changing circumstances of taxpayers, changing technology and so on.</p>

COMMUNITY PRINCIPLES	COMMENTS AND EXPLANATION
<i>The community expects the tax administrations laws to be administered....</i>	
<p>Respectfully, professionally and collaboratively</p> <ul style="list-style-type: none"> ▪ Understanding of circumstances ▪ Protects and respects taxpayer rights and confidentiality ▪ Ensure taxpayer information is protected ▪ Minimise unnecessary disruption to business ▪ Solutions identified in collaboration with business, practitioners and taxpayers 	<p>Respectful, professional and collaborative interactions in the administration of taxation laws can contribute to many of the features of improved taxation administration noted above.</p> <p>Privacy of taxpayer information is also part of the trust equation and respectful interactions.</p>

Appendix C: Our KPIs in detail

KPA 1 - PROVIDE AN EFFICIENT AND EFFECTIVE TAX COMPLAINTS SERVICE FOR TAXPAYERS					
KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Complaints received	2712 complaints received (2018-19)	Trends in proportion with our awareness raising activities	Trends in proportion with our awareness raising activities	Trends in proportion with our awareness raising activities	Trends in proportion with our awareness raising activities
Number and % of complaints received via IGTG website	26.7% (average for period 2015-19)	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)
Average call queue time	46 seconds (average for period 2015-19)	Less than the historical average	Less than the historical average (updated to include the previous year)	Less than the historical average (updated to include the previous year)	Less than the historical average (updated to include the previous year)
% complaints acknowledged within 2 business days [3 business days in tax time]	68% (average for period 2015-19)	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)

KPA 1 - PROVIDE AN EFFICIENT AND EFFECTIVE TAX COMPLAINTS SERVICE FOR TAXPAYERS

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Average number of complaints open in any month	Jul-18: 208 Aug-18: 198 Sep-18: 176 Oct-18: 156 Nov-18: 125 Dec-18: 136 Jan-19: 130 Feb-19: 117 Mar-19: 121 Apr-19: 121 May-19: 107 Jun-19: 122	Trends in proportion with the number of complaints received in the current and previous month	Trends in proportion with the number of complaints received in the current and previous month	Trends in proportion with the number of complaints received in the current and previous month	Trends in proportion with the number of complaints received in the current and previous month
Average number of days to resolve complaints (as arranged by complexity): - Category 0 – 2 - Category 3 - Category 4 - Category 5	Cat 0-2: 6 Category 3: 12 Category 4: 56 Category 5: 125 (averages for period 2015-19)	Less than the historical average	Less than the historical average (updated to include the previous year)	Less than the historical average (updated to include the previous year)	Less than the historical average (updated to include the previous year)
% complaints where the IGT0 considered the agency's administrative actions on the primary issue to be reasonable	This is a new measure. Data collection in development	This is a new measure. Benchmark in development.	This is a new measure. Benchmark in development.	This is a new measure. Benchmark in development.	This is a new measure. Benchmark in development.

KPA 1 - PROVIDE AN EFFICIENT AND EFFECTIVE TAX COMPLAINTS SERVICE FOR TAXPAYERS

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Complaints where the IGTO's recommendations were not implemented by the agency	This is a new measure.	This is a new measure.	This is a new measure.	This is a new measure.	This is a new measure.
	Data collection in development	Benchmark in development.	Benchmark in development.	Benchmark in development.	Benchmark in development.
Complaints closed	2827 complaints resolved (2018-19)	Trends in proportion with complaints received	Trends in proportion with complaints received	Trends in proportion with complaints received	Trends in proportion with complaints received
Complainant survey results	65% satisfaction - service 45% satisfaction - outcome 82% professionalism rating (2018-19)	On par or better than the previous year	On par or better than the previous year	On par or better than the previous year	On par or better than the previous year

KPA 2 - IDENTIFY AND INVESTIGATE PRIORITY AREAS FOR IMPROVED TAX ADMINISTRATION

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Reviews commenced	0 reviews commenced in 2018-19	1-2 reviews commenced	1-2 reviews commenced	1-2 reviews commenced	1-2 reviews commenced
Approaches and engagements from stakeholders	Data collection in development	Trends in proportion with the number of Reviews commenced	Trends in proportion with the number of Reviews commenced	Trends in proportion with the number of Reviews commenced	Trends in proportion with the number of Reviews commenced
Monitor complaints data from the IGT, ATO and TPB and publish updates to the work program	Updates published every 12 – 18 months	Updates published every 6 – 12 months	Updates published every 6 – 12 months	Updates published every 6 – 12 months	Updates published every 6 – 12 months

KPA 3 - PROVIDE ADVICE THAT IS INDEPENDENT, TIMELY AND RELEVANT TO THE ADMINISTRATION OF TAXATION LAWS IN AUSTRALIA

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Reviews finalised	2 to 4 reviews finalised per year on average	Trends in proportion with the number of Reviews commenced	Trends in proportion with the number of Reviews commenced	Trends in proportion with the number of Reviews commenced	Trends in proportion with the number of Reviews commenced
Average elapsed time for completion of Review report.	9 to 12 months on average	Less than the historical average	Less than the historical average (updated to include the previous year)	Less than the historical average (updated to include the previous year)	Less than the historical average (updated to include the previous year)
Monitor Review recommendations agreed to and time for implementation	New measure introduced for 2019-20. Historically, implementation was monitored through follow up Reviews.	Implementation of all Review recommendations appropriately monitored	Implementation of all Review recommendations appropriately monitored	Implementation of all Review recommendations appropriately monitored	Implementation of all Review recommendations appropriately monitored
Agreed Business Improvements accepted and implemented by the ATO and TPB	13.5 ABIs agreed to 14.5 ABIs implemented (average for 2017-19)	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)

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

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Meetings with the Minister, Government, the Australian Parliament, the ATO and/or the TPB or other stakeholders to discuss areas for Review	This is a new measure.	This is a new measure.	This is a new measure.	This is a new measure.	This is a new measure.
	Data collection in development	Benchmark in development.	Benchmark in development.	Benchmark in development.	Benchmark in development.
Reponses to Government, Treasury or Parliamentary reviews that relate to taxation administration	2016-17: 2 submissions 2017-18: 2 submissions 2018-19: 0 submissions	Greater than 90% of requests responded to	Greater than 90% of requests responded to	Greater than 90% of requests responded to	Greater than 90% of requests responded to
Mentions of the IGTO in professional newsletters, updates, reports, and conference papers	No historical data available. New measure introduced for 2019-20.	New measure introduced for 2019-20.	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)

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

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Cross referrals to/from other agencies	No historical data available. New measure introduced for 2019-20.	New measure introduced for 2019-20.	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)
Briefings with the Government, the Australian Parliament, the ATO and/or the TPB	This is a new measure. Data collection in development	This is a new measure. Benchmark in development.	This is a new measure. Benchmark in development.	This is a new measure. Benchmark in development.	This is a new measure. Benchmark in development.
Maintain membership of relevant domestic and international organisations – including legal, accounting, taxation, ombudsman organisations	All relevant memberships maintained	All relevant memberships maintained	All relevant memberships maintained	All relevant memberships maintained	All relevant memberships maintained
Participation at relevant domestic and international conferences and forums	2 international conferences/forums 7 domestic conferences/forums in 2018-19	1 international conference 2 domestic conferences	1 international conference 2 domestic conferences	1 international conference 2 domestic conferences	1 international conference 2 domestic conferences

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

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Up-to-date IGTO website links and information referring to related agencies [and vice versa]	No historical data available. New measure introduced for 2019-20.	New measure introduced for 2019-20.	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)
Registered subscribers to IGTO newsletter via website	540 as at 30 June 2019	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)
Social media engagement	1,054,648 unique Facebook users who viewed our content in 2018-19	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)
Website hits	Major update to our website in development.	Benchmarks to be created following website update.	Benchmarks to be created following website update.	Benchmarks to be created following website update.	Benchmarks to be created following website update.
Stakeholder consultations attended – including discussion group meetings or workshops attended	6 consultations in 2018-19	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)

KPA 5 – FOSTER A DIVERSE, ENGAGED AND RESILIENT TEAM

KPIs	Historical reference points	Benchmark (2019-20)	Benchmark (2020-21)	Benchmark (2021-22)	Benchmark (2022-23)
Monitor staff survey results from 1. APSC 2. IGT0 – Staff engagement and whether staff have access to resources and expertise to perform their duties	No historical data available. New measure introduced for 2019-20.	New measure introduced for 2019-20.	Better than the historical average	Better than the historical average (updated to include the previous year)	Better than the historical average (updated to include the previous year)
Average hours per staff attending specialist training annually	72 average hours per staff in 2018-19	New measure introduced for 2019-20.	More than the historical average	More than the historical average (updated to include the previous year)	More than the historical average (updated to include the previous year)
Monitor diversity in the agency including the percentage of female staff across all levels	Female: 41% Born overseas: 44% ESL: 75%	The same or higher percentage compared to the previous year	The same or higher percentage compared to the previous year	The same or higher percentage compared to the previous year	The same or higher percentage compared to the previous year

Appendix D: Integration of Risk and Performance

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

Glossary of Terms

AAT	Administrative Appeals Tribunal
APS	Australian Public Service
APSC	Australian Public Service Commission
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
CALD	Culturally and linguistically diverse
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>
IGTO Agency	Inspector-General of Taxation and employees of the IGT
KPA	Key performance area
KPI	Key performance indicator
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
Risk Framework	The IGTO's Risk Management Policy and Framework

Taxation law	<p>(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</p> <p>(b) legislative instruments made under such an Act (including such a part of an Act); or</p> <p>(c) the <i>Tax Agent Services Act 2009</i> or regulations made under that Act.</p> <p>A full list of Acts is provided in Appendix A.</p>
TPB	Tax Practitioners Board

End Notes

1 Section 7 of the *Inspector-General of Taxation Act 2003* provides that the functions of the Inspector-General (refer section 7) are as follows:

- (a) to investigate action affecting a particular entity that:
 - (i) is taken by a tax official; and
 - (ii) relates to administrative matters under a taxation law; and
 - (iii) is the subject of a complaint by that entity to the Inspector-General;
- (b) to investigate other action that:
 - (i) is taken by a tax official; and
 - (ii) relates to administrative matters under a taxation law;
- (c) to investigate systems established by the Australian Taxation Office, or Tax Practitioners Board, to administer taxation laws, including systems for dealing or communicating:
 - (i) with the public generally; or
 - (ii) with particular people or organisations;
 - (iii) in relation to administrative matters under those laws;
- (d) to investigate systems established by taxation laws, but only to the extent that the systems deal with administrative matters;
- (e) to investigate action that is the subject of a part of a complaint:
 - (i) transferred to the Inspector-General by the Ombudsman under paragraph 6D(4)(b) of the *Ombudsman Act 1976*; or
 - (ii) that the Ombudsman advises, under paragraph 10(1)(b) of this Act, does not need to be transferred under subsection 10(1) of this Act;
- (f) to report on those investigations.

2 The IGTO must comply with the Australian Privacy Principles contained in the *Privacy Act 1988* which regulate how agencies may collect, hold, use or disclose personal information, and how individuals may access and correct personal information held about them.

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

- (a) whether the information or opinion is true or not; and
- (b) whether the information or opinion is recorded in a material form or not.