



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

IGTO CORPORATE **PLAN** **2023–26**

IGTO PLAN ON A PAGE

OUR PURPOSE AND SERVICES TO THE COMMUNITY

1. Improve the administration of 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.

OUR STRATEGIC PRIORITIES

Our areas of focus to achieve our purpose and to provide our services to the community

Communicate clearly, effectively, independently and with integrity

Ensure that our tax complaint investigation service is approachable, contactable and responsive to the changing needs of the community

Improve the skills, expertise and resilience of our people and organisation

Provide independent thought leadership and expertise

Engage with stakeholders in the tax administration system

PERFORMANCE FRAMEWORK

The Key Performance Areas and Key Performance Indicators we use to measure the delivery of our strategic priorities

ENVIRONMENT

The external and internal factors we need to consider to deliver on our objectives:

- Complex and changing tax administration system with many participants
- Stakeholders and relationships
- Resourcing and funding
- Other factors influencing our environment – including those within and outside our control

CAPABILITY

The capabilities required by the IGTO today and into the future:

- Our people
- Our values
- Clear and effective communication strategy
- Technology systems which protect taxpayer data

RISK

The areas of risk that may impact on us achieving our purpose and objectives are:

- Efficient delivery of our tax disputes investigation service
- Provision of timely, accurate and high quality reports to Government
- Developing and maintaining constructive and cooperative relationships with stakeholders
- Attract and retain professionals with requisite skills and capabilities
- Complying with governance, legislative and external reporting requirements
- Corporate-wide risks

CO-OPERATION

The principal organisations with whom we engage to achieve our purpose are:

- The Australian Taxation Office and Tax Practitioners Board
- The Treasury
- The Commonwealth Ombudsman, the Australian National Audit Office, the Australian Commission for Law Enforcement Integrity, the Australian Small Business and Family Enterprise Ombudsman
- Professional and Industry Bodies, Practitioners and Academics

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Sydney NSW 2000

Australian Government
Inspector-General of Taxation
Taxation Ombudsman

30 August 2022

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

Dear Minister

CORPORATE PLAN FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

I am pleased to present you with the Corporate Plan for the Inspector-General of Taxation and Taxation Ombudsman (**IGTO**) for 2023 and beyond. This plan commences on 1 July 2022 and spans four (**4**) reporting periods ending 30 June 2026.

This plan has been prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*. The plan has been approved by me, as the Accountable Authority, as required under subsections 35(1) and 35(2) of the *Public Governance, Performance and Accountability Act 2013*. The Corporate Plan is the principal planning document for the 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

A handwritten signature in black ink that reads 'K Payne'.

Karen Payne
Inspector-General of Taxation and Taxation Ombudsman

Copy to:

The Hon Dr Jim Chalmers MP, Treasurer
Senator the Hon Katy Gallagher, Minister for Finance
The Hon Julie Collins MP, Minister for Small Business
The Hon Dr Andrew Leigh MP, Assistant Minister for Competition, Charities and Treasury

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EXECUTIVE SUMMARY

Executive summary

“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”

The Inspector-General of Taxation and Taxation Ombudsman (**IGTO**) is an independent, Commonwealth statutory agency. The IGTO has dual roles, which complement each other:

- The **Taxation Ombudsman** provides independent assistance and assurance directly to taxpayers and tax professionals, and investigates taxation disputes (or unresolved complaints) about their tax affairs – **complaint enquiries** and **dispute investigations**
- The **Taxation Ombudsman**, also investigates and reports on issues that have broader community impact or are commonly observed in a number of disputes to identify wider system improvements that address the causal issues – **own-initiative investigations**
- The **Inspector-General of Taxation** undertakes investigations, informed by community consultations, of actions, systems and taxation laws (to the extent they deal with tax administration matters) – **review investigations**.

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 Australian Taxation Office (**ATO**) guidelines and publicly communicated commitments (including those set out in the *Taxpayers' Charter*), and also consistent with community expectations of fairness.

The IGTO's investigations build confidence in the fairness of the tax system and its integrity and deliver improvements to the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities.

The community's perception of the fairness and integrity of the tax administration system is an important factor and influence in determining voluntary compliance by taxpayers and tax practitioners alike – which ultimately determines the efficiency and effectiveness of the tax administration system itself – including tax revenues raised, the timeliness of tax lodgements and the efficient resolution of complaints and disputes.

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

The IGTO:

- directly assists complainants to navigate the tax system by providing information and assurance about actions of concern by the ATO and Tax Practitioners Board (**TPB**), providing information to complainants and presenting available options and referring matters to the most appropriate agency to assist complainants
- investigates actions taken by tax officials that relate to administrative matters under a taxation law, either in response to unresolved complaints about such actions (**disputes**), disputes transferred to the IGTO by the Commonwealth Ombudsman, or at the IGTO's own initiative
- investigates systems established by the ATO, or 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 systems established by taxation laws, but only to the extent that the systems deal with administrative matters
- makes recommendations to the ATO, the TPB and the Government in relation to matters that it has investigated
- reports publicly on the findings and recommendations arising from its investigations
- engages with the Government through our Minister, Parliament and its Committees, the ATO, the TPB and the tax professional community at large through briefings, consultations, engagements, submissions, research and thought leadership to generate discussion and debate on key areas of tax administration.

Our purpose and function are also instructive in determining how we operate and how we hold ourselves accountable to the community.

When we directly assist to resolve or investigate disputes as the Taxation Ombudsman, the investigation is conducted in private and resulting recommendations and reports are also made privately. This is consistent with taxpayers' rights to privacy.² Similarly, own-initiative investigations are also conducted in private. However, we may publicly release a de-identified report where it is in the public interest to do so.

When we undertake review investigations and make recommendations, as Inspector-General of Taxation, the investigation and recommendations are public investigations and, importantly, aim to improve the administration of taxation laws for the benefit of all taxpayers, tax practitioners and other entities. All submissions to review investigations remain confidential and are only quoted and acknowledged with the express, written consent of the relevant stakeholder. These investigations may be own-initiated, directed by the Minister, or requested by the Minister, Parliament, its Committees, the ATO or the 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 key performance 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. Our 'plan on a page' provides an overview of how the components of our Corporate Plan fit together.

1

INTRODUCTION

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 the accountable authority in accordance with subsections 35(1) and 35(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

This plan commences on 1 July 2022 and spans four (4) reporting periods, ending 30 June 2026.

Our vision

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

We apply these principles in everything we do.

Figure 1.1 shows how our vision statement is delivered via our services to the community.

Figure 1.1 – The IGTO’s Why, How and What



Background to the IGTO

The office of the Inspector-General of Taxation was established as an independent, Commonwealth statutory agency in 2003 – following community consultations and 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 provides assurance about the administration of taxation laws – refer to Appendix A for a list of the main laws. That is, that taxation laws are administered fairly, equitably and transparently. For these purposes, the IGTO has powers to investigate which also include powers to:

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

The *Inspector-General of Taxation Act 2003 (IGT Act)* provides for a range of independent investigations:

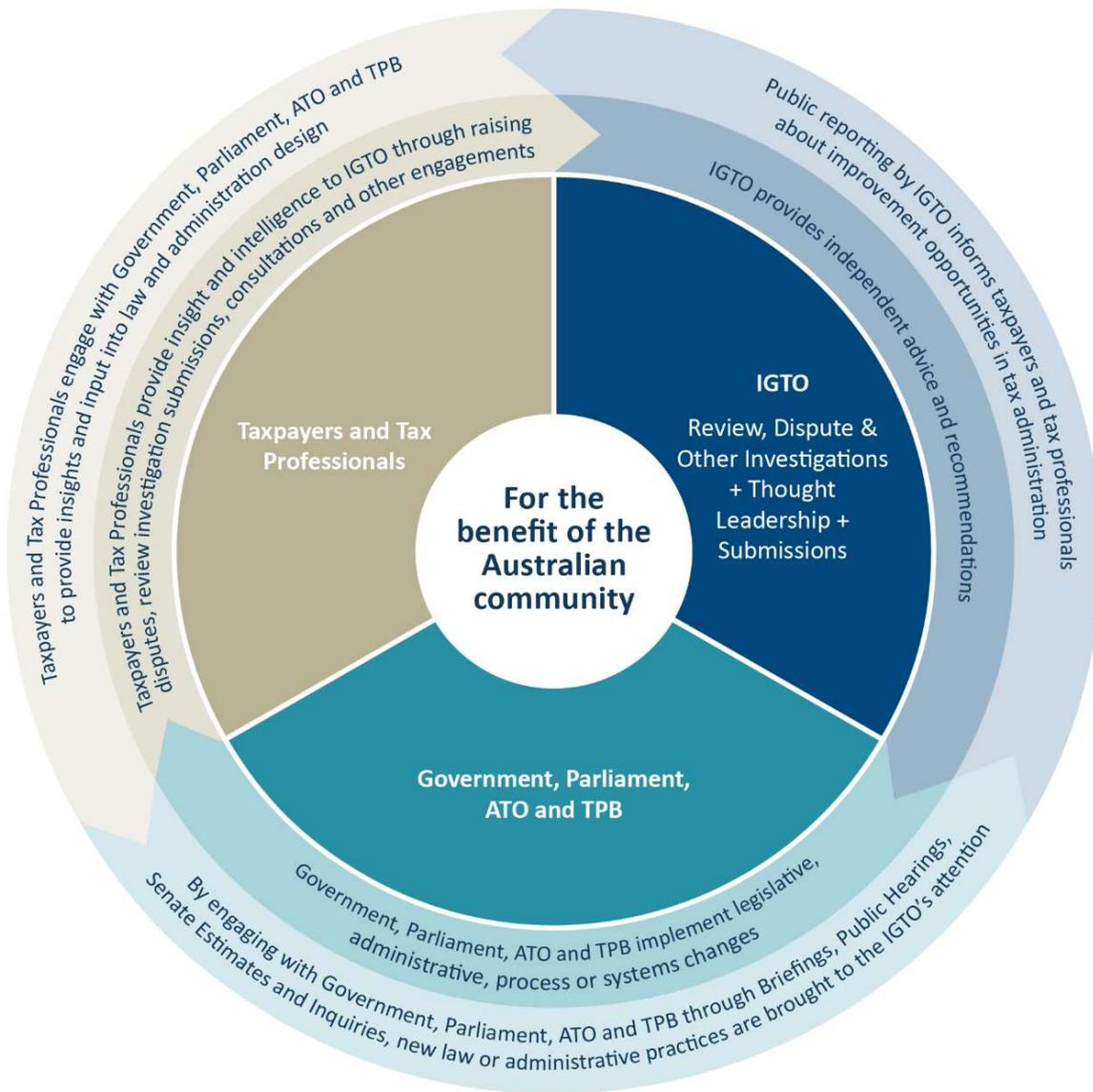
- As the **Taxation Ombudsman**, we provide taxpayers, tax professionals and other entities with an independent service to address their tax administration concerns through complaint enquiries and dispute investigations. While dispute investigations are conducted privately, the IGTO may report publicly on these investigations.
- The **Taxation Ombudsman** also conducts investigations of actions that have broader community impact or are commonly observed in a number of disputes to identify and critically examine issues to optimise our influence on the wider system improvements that address the causal issues – **own-initiative investigations**. Such investigations are conducted in private, however, the IGTO may publicly report on these investigations.
- As the **Inspector-General of Taxation**, we conduct review investigations that provide independent advice and recommendations to the Minister, the Government, the ATO, and the TPB as required. These review investigations examine systems established by the tax laws and the ATO, and may be conducted as own-initiated investigations or under Ministerial direction. They may also be undertaken following a request from the Minister, the Commissioner of Taxation or the Chair of the Tax Practitioners Board, a resolution of either House, or both Houses, of Parliament or a resolution of a Committee of either House, or both Houses, of Parliament. The IGTO publicly reports on such investigations.

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, Ms Karen Payne, commenced her five-year term on 6 May 2019.

The Inspector-General of Taxation is a separate Commonwealth government agency that employs public servants directly under workplace instruments in accordance with the *Public Service Act 1999*.

An overview of the functions and interactions of our office is set out in Figure 1.2.

Figure 1.2 – Overview of the functions of the Inspector-General of Taxation and Taxation Ombudsman



2

OUR PURPOSE

Our purpose

Improve the administration of taxation laws for the benefit of the community

Provide independent advice to the Minister, the Government and Parliament

Provide assurance to the community through dispute, review and other investigations that Australian taxation laws are being administered effectively, consistently, as intended and in accordance with community expectations of fairness

Consistent, reliable, honest and fair administration improves integrity and people are more willing to engage with the tax system where they trust in its integrity

We have developed a principled framework through community consultation to better:

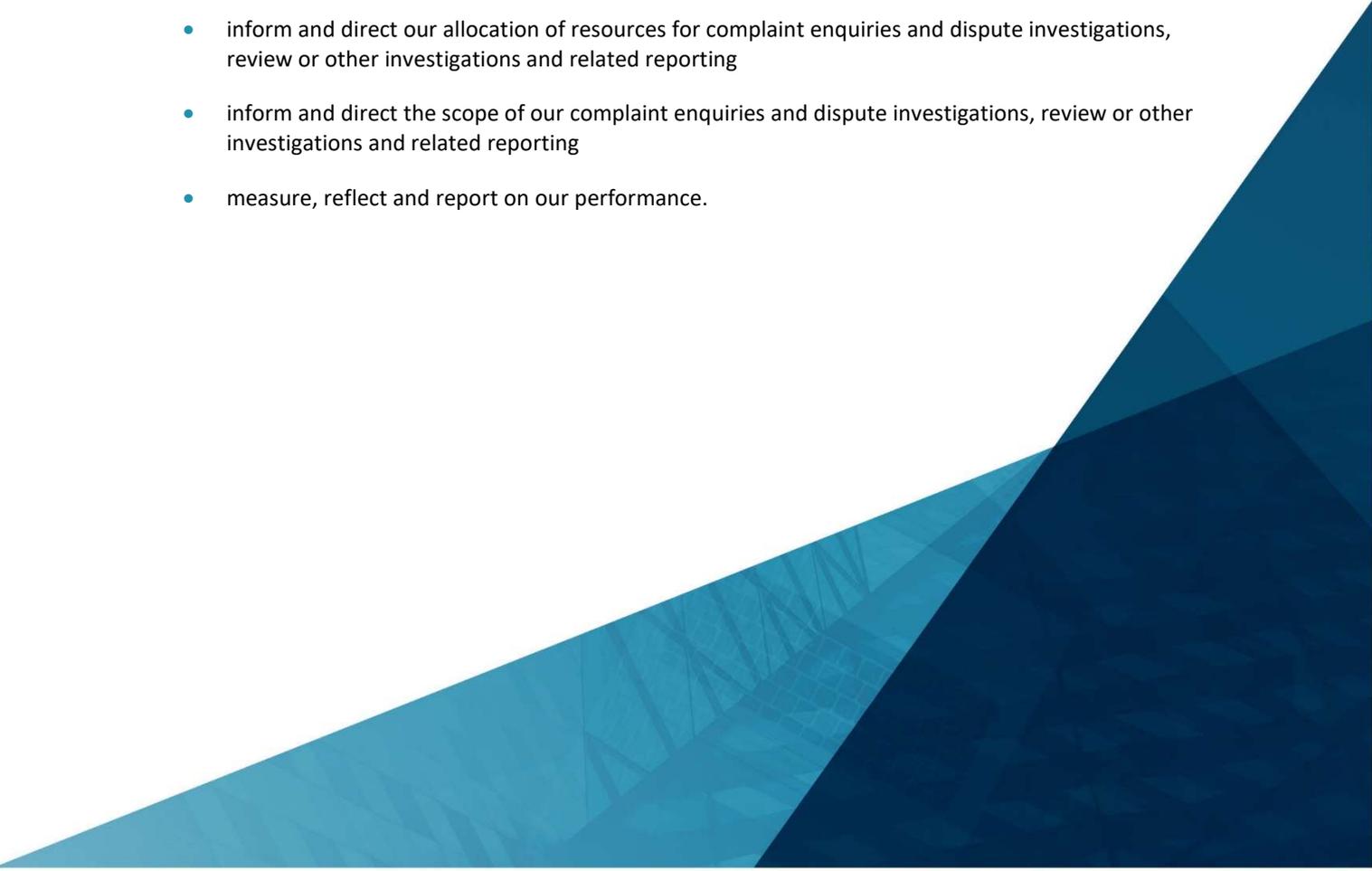
- understand and capture the community's expectations regarding improved tax administration
 - inform and direct our allocation of resources for complaint enquiries and dispute investigations, review or other investigations and related reporting
 - inform and direct the scope of our complaint enquiries and dispute investigations, review or other investigations and related reporting
 - measure, reflect and report on our performance.
- 

Figure 2.1 presents the features that the community considers reflects good tax administration.

This has been updated to reflect stakeholder feedback.

A more detailed overview of our framework is included in Appendix B.

Figure 2.1 – Features of good tax administration



3

OUR KEY ACTIVITIES

Our key activities

Independently investigate and report on the administration of Australian taxation laws

Provide independent advice to the Minister, the Government and Parliament

Provide assurance to taxpayers, practitioners, agencies or the community in general through dispute, review and other investigations that Australian taxation laws are operating effectively, consistently, as intended and in accordance with community expectations of fairness

The IGTO has two separate but complementary functions to improve the administration of the taxation laws and its integrity. The **Inspector-General of Taxation function** performs an important role in providing assurance or recommendations to improve the operation and administration of taxation laws and systems for the benefit of all Australians. The **Taxation Ombudsman function** provides assurance or recommendations specific to taxpayers and/or tax professionals about the fairness of the administration of taxation laws and systems as they relate to their specific circumstances. The assurance or recommendations may have broader benefit for all Australians. Both roles are equally important and complementary, in that they both provide assurance that the taxpayer and tax practitioner experience within the tax system is fair and their dealings with the ATO/TPB are transparent.

The above functions of the IGTO are delivered to taxpayers and the community through the following key activities:

- directly assisting complainants to navigate the tax system by providing information and assurance about ATO/TPB actions of concern, providing complainants with information, presenting available options and referring matters to the most appropriate agency to assist complainants
- investigating actions taken by tax officials that relate to administrative matters under a taxation law, either in response to unresolved complaints about such decisions or actions (**disputes**), disputes transferred to the IGTO by the Commonwealth Ombudsman, or at the IGTO's own initiative
- investigating systems established by the ATO and/or the 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
- investigating systems established by taxation laws, but only to the extent that the systems deal with administrative matters

- making recommendations to the ATO, the TPB and the Government in relation to matters that it has investigated
- reporting publicly on the findings and recommendations arising from its investigations
- engaging with the Government through our Minister, Parliament and its Committees, the ATO, the TPB and the tax professional community at large through briefings, consultations, engagements, submissions, research and thought leadership to generate discussion and debate on key areas of tax administration.

When undertaking our investigations, we determine whether the administrative actions and decisions of the ATO and TPB are in accordance with the law, internal policies and procedures, publicly communicated commitments to the community (such as those set out in the ATO's *Taxpayers' Charter*), and in accordance with community expectations of fairness. In all of our investigations, we seek to assure that the actions or decisions are fair, equitable and transparent or make recommendations for improvement.

How we manage disputes

The IGTO is approached by individuals, small businesses, other taxpayers and tax professionals through a range of different channels including webform, telephone, fax, post and email. In order to manage the impacts of the COVID-19 pandemic on our team since FY20, we have actively encouraged complainants to make use of the webform as the most effective channel to lodge a taxation complaint.

Regardless of the channel through which we are approached, all approaches to the IGTO are recorded as either complaint enquiries or dispute investigations and categorised (Categories range from '0' to '5') for case management and reporting purposes. A summary of our Complaint and Dispute Categories can be found on our website and in Appendix C. A summary of our process for managing ATO complaints and disputes is set out in the [IGTO-ATO Complaints Handling Guidelines](#).³



4

OUR OPERATING CONTEXT

Our operating context

The following part provides an outline of the context in which the IGTO operates. It covers:

4a Our environment

4b Our capability

4c Our risk oversight and management systems

4d Co-operation with other organisations



4a

OUR ENVIRONMENT

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 set out in full in Appendix A.

Whilst the number of COVID-19 support measures being administered by the ATO is lower compared to prior years, the pandemic continues to impact our operating environment. The current and forecasted economic environment (e.g. high inflation, interest rate rises and declining real wages⁴) is, and is expected to continue, to impact the community. At the same time, the ATO is resuming debt collection activities that were paused during the COVID-19 pandemic. Consequently, we expect an increased demand from the community to resolve their tax disputes – to provide assurance they are receiving their correct entitlements (e.g. unpaid superannuation) and assistance to appropriately manage their tax debts.

Tax administration system is complex and constantly changing

The Australian tax administration system is complex. Figure 4.1 provides some high-level statistics for the system as at 30 June 2021, which shows 11.8 million individual taxpayers (not in business), 4.3 million small businesses, approximately 21,000 ATO employees and over 24,000 complaints received by the ATO.

In comparison, as at 30 June 2021, our agency operated with a team of approximately 29 people from a single office location with a national responsibility. This can, at times, pose difficulties in engaging with the broader community, particularly those in remote areas.

Figure 4.1 – Scale of the tax system in Australia (as at 30 June 2021)



Source: ATO and TPB Annual Reports 2020–2021

The tax administration system is also dynamic. Unsurprisingly, the ATO’s administration of taxation 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 keeping up to date with these changes, while the courts and tribunals adjudicate disputes which arise. The various processes and participants involved is represented in Figure 4.2.

Figure 4.2 – Participants in the tax system and their functions



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. The need to pivot and respond to the COVID-19 pandemic – to both support and serve the tax community as well as to ensure staff wellbeing and workplace safety – is a real example of our need to be flexible and agile. We have implemented technological improvements to enable more effective remote work from home arrangements. We have reviewed and revised policies to reduce unnecessary in-office work and related travel as well as introducing clear rules on social distancing when in-office, as necessary.

We believe that the tax and superannuation systems need 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
- other factors in our operating environment including some within our control, some partially within our control, and some beyond our control.

Stakeholders

Our relationships with participants in the taxation system are 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 and their representatives (tax practitioners, advisors, solicitors, and barristers)
- the ATO and the TPB
- professional and industry bodies – including those that operate frequently within the tax sphere and those from industries and professions that may only occasionally interact with the tax system
- the Government, including the Treasurer, the Minister for Financial Services and Assistant Treasurer, Minister for Finance, Minister for Small Business and the Assistant Minister for Competition, Charities and Treasury
- Parliamentarians and Parliamentary Committees
- Courts and Tribunals – especially the AAT and the Federal Court of Australia
- other government agencies, such as the Treasury, the Commonwealth Ombudsman, the Australian National Audit Office (**ANAO**), the Australian Commission for Law Enforcement Integrity (**ACLEI**), the Australian Small Business and Family Enterprise Ombudsman (**ASBFEO**), the Board of Taxation and the Office of the Australian Information Commissioner (**OAIC**),
- the education system, including universities
- community organisations, including Tax Clinics
- international organisations, including overseas revenue agencies and counterpart tax scrutinising agencies
- Ombudsman associations and other complaints and dispute investigation industry bodies – both domestic and international.

Resourcing and funding

The allocation of resources is critical in delivering on the IGTO’s functions, in line with the key performance areas as outlined in the Corporate Plan. The management of budget appropriations and allocation of resources is a key factor in providing the IGTO’s services in line with community expectations. This is dependent upon the level of available funding – both of which are matters for Government and accordingly outside the control of our agency. Our funding is derived from Government appropriations.⁵

We strive to manage our resources appropriately to provide the highest quality and range of services possible with the resources available. To assure effective internal budget management, we have an integrated internal control and risk management framework in place with regular reporting and variance analysis conducted to inform our senior management and relevant governance bodies.

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. Importantly, the COVID-19 pandemic is a major change to the operating environment with both local and international factors of relevance. The impact of these factors is difficult to predict from both a risk management and control perspective, such that further on-going responsiveness and adaptation may be required.

OTHER FACTORS IN OUR OPERATING ENVIRONMENT	
FACTORS WITHIN OUR CONTROL	OUR STRATEGIES
Our ability to manage available resources for our tax dispute investigation service and review investigations	<p>We anticipate a continued increase in complex and highly complex disputes as well as a substantial increase in disputes about ATO debt collection activities. The challenge for us is to maintain a high standard for dispute investigations which are delivered within appropriate timeframes and a reasonable level of review investigation work while also supporting staff health and wellbeing.</p> <p>To meet this challenge, we plan to be flexible with our resources so that we continue to meet the community’s expectations.</p> <p>For example, we may take a one-to-many approach by undertaking own-initiative or broader dispute investigations of tax administration actions examining single or narrowed issues, and publishing thought leadership and research articles to inform and generate community debate.</p>

OTHER FACTORS IN OUR OPERATING ENVIRONMENT

FACTORS WITHIN OUR CONTROL

OUR STRATEGIES

Ensuring that our tax dispute investigation service is effective and achieves our purpose, including the capability of our people and our ability to communicate clearly and effectively to taxpayers

We will continue to optimise our tax dispute investigation service. This involves undertaking a review of our current service including the information and communication technology (ICT) systems and available specialist expertise to support our people in performing this service to identify areas of improvement as well as developing other operational solutions. This strategy is not limited to the tax dispute investigation process but includes policies and communications as well as the skills and support we provide to our staff.

We will continue to develop and upskill our staff through individual and agency wide learning and development opportunities so that we are able to tailor our communications and tax dispute investigation services to the diverse taxpayer community. For example, our investigators are required to complete a Certificate IV in Government Investigations.

Our knowledge and understanding of the tax system is fundamental to the quality of service we can 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.

Over the next four years, we will regularly seek feedback on our tax dispute investigation service so that it remains effective and meets community expectations. Insights from our tax dispute investigation service will also be increasingly important in the selection of areas for review investigation.

Our information and communication technology systems

Our ICT systems platform is a secure cloud-based environment built in accordance with Government initiatives and is actively managed and maintained in accordance with Government policy and related initiatives as well as compliance reporting. Our ICT systems platform facilitates and captures our communications and interactions with taxpayers, tax practitioners and other stakeholders. We support greater flexibility for access and delivery of our services to the community and will continue to investigate alternative investigation case management systems via our policy of single source integrated solutions to improve functionality and reporting transparency for a more efficient and effective tax dispute investigation service. We have continued to improve the overall security of our ICT systems by implementing a Zero Trust Network Access (ZTNA) internet gateway which also supports our team's flexible working arrangements. This is also demonstrated in our latest Essential Eight Maturity survey which resulted in our overall cyber security posture moving from level 1 to level 3. We will continue to work actively with Government and its key agencies to enhance our cyber security posture.

OTHER FACTORS IN OUR OPERATING ENVIRONMENT

FACTORS WITHIN OUR CONTROL	OUR STRATEGIES
<p>Replacement premises at the end of the current lease</p>	<p>The current IGTO office lease expires in 2023 and we are currently looking for replacement premises, including a smaller lease space. We have commenced the process to procure contemporary, cost-effective, secure, and sustainable office accommodation and facilities that meet our business needs. In 2022–23 we will continue to provide a fit-for-purpose accommodation setting that supports the tax disputes and review investigation functions.</p>
<p>Our working relationship with the ATO and the TPB</p>	<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. In this respect, we are designing a new interagency protocol with the ATO and continuously look to improve our interagency processes. We are also able to access some ATO ICT systems directly for independent assurance purposes in carrying out our tax dispute investigation and review investigation responsibilities.</p>
<p>Our ability to anticipate and respond to changes in the administration of the tax system</p>	<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 tax laws, including through our interactions with Government agencies, the tax profession, and the wider community. Our tax dispute investigation 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>

OTHER FACTORS IN OUR OPERATING ENVIRONMENT

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 had interactions 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 is to improve the community's awareness of our office and the services we can deliver. This is especially so in the transition to a post-pandemic environment, where more taxpayers and tax practitioners may require the services of the IGTO.

The IGTO has taken the following steps to improve the community's awareness of and access to our services:

- making recommendations for the ATO to improve its messaging about the IGTO's services which the ATO is implementing via its communications and website
- contacting all Parliamentarians and providing a brochure to introduce our services should their constituents approach them directly with a dispute
- presenting and speaking with tax practitioner discussion groups and at professional and industry conferences and forums
- encouraging new subscribers to our *IGoT News!* newsletter
- presenting and engaging with Tax Clinics and Universities to explain our role in the tax administration system.

Our services need to be accessible to all Australians and meet their needs. As the community's awareness of our role increases and satisfaction with our service becomes more widely known, we anticipate an increase in the number of disputes (by approximately five to ten percent each year) over the next four years. This will be especially true as the ATO will be resuming a number of its pre-pandemic compliance and debt recovery activities, which have historically (pre-pandemic) been the key source of taxpayer disputation.

To complement the increasing community 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. It is anticipated that engagements of this kind will be more readily facilitated in the post-pandemic environment, where travel and face-to-face interactions are less restrictive.

We will update our website and virtual engagement platforms to augment our communication channels and enable us to enhance community awareness and engagement opportunities.

OTHER FACTORS IN OUR OPERATING ENVIRONMENT

FACTORS BEYOND OUR CONTROL

OUR STRATEGIES

Community expectations

As our tax dispute investigation 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.

To meet the increased demand, particularly for our more complex dispute investigation services, further efficiencies in the manner in which IGTO work is carried out will have to be sought. Difficult decisions have to be made regarding our service standard in terms of dispute investigation timeframes and the number of own-initiative or review investigations conducted which may not align with community expectations.

We must also manage the health and wellbeing of our team where we are unable to meet complainant expectations. We continue to develop and refine strategies to deal with such situations in an efficient and effective manner, while also assisting these complainants to address genuine disputes.

See the Resource and Funding section above for more information.

ATO resource allocation decisions and new or updated system implementation

The ATO is a key agency in the tax administration system and its dealings with the community and systems are environmental factors which are beyond our control. Factors which impact the volume of disputes we receive include:

- ATO resource allocation decisions
- the level and type of activities the ATO has chosen for compliance and debt recovery
- the usability and functionality of new or updated ATO systems.

The volume of disputes we receive have a direct impact on our resources and the level of services we can provide to the community.

For example, the ATO's decision to recommence debt collection activities is expected to have a direct resourcing impact on the IGTO – prior to the COVID-19 pandemic, debt-related complaints accounted for 24% of complaint receipts. Furthermore, the ATO's disclosure of tax debt information to Credit Reporting Bureaus is also expected to have a direct resourcing impact on the IGTO's resources as taxpayers lodge their disputes with us.

OTHER FACTORS IN OUR OPERATING ENVIRONMENT

FACTORS BEYOND OUR CONTROL

OUR STRATEGIES

Court decisions, legislation coming into effect, government policies and Ministerial directions

Court decisions, new legislation, new policies and Ministerial directions have an impact on our office and its work. We need to be responsive to these changes and reallocate resources accordingly to meet those directions.

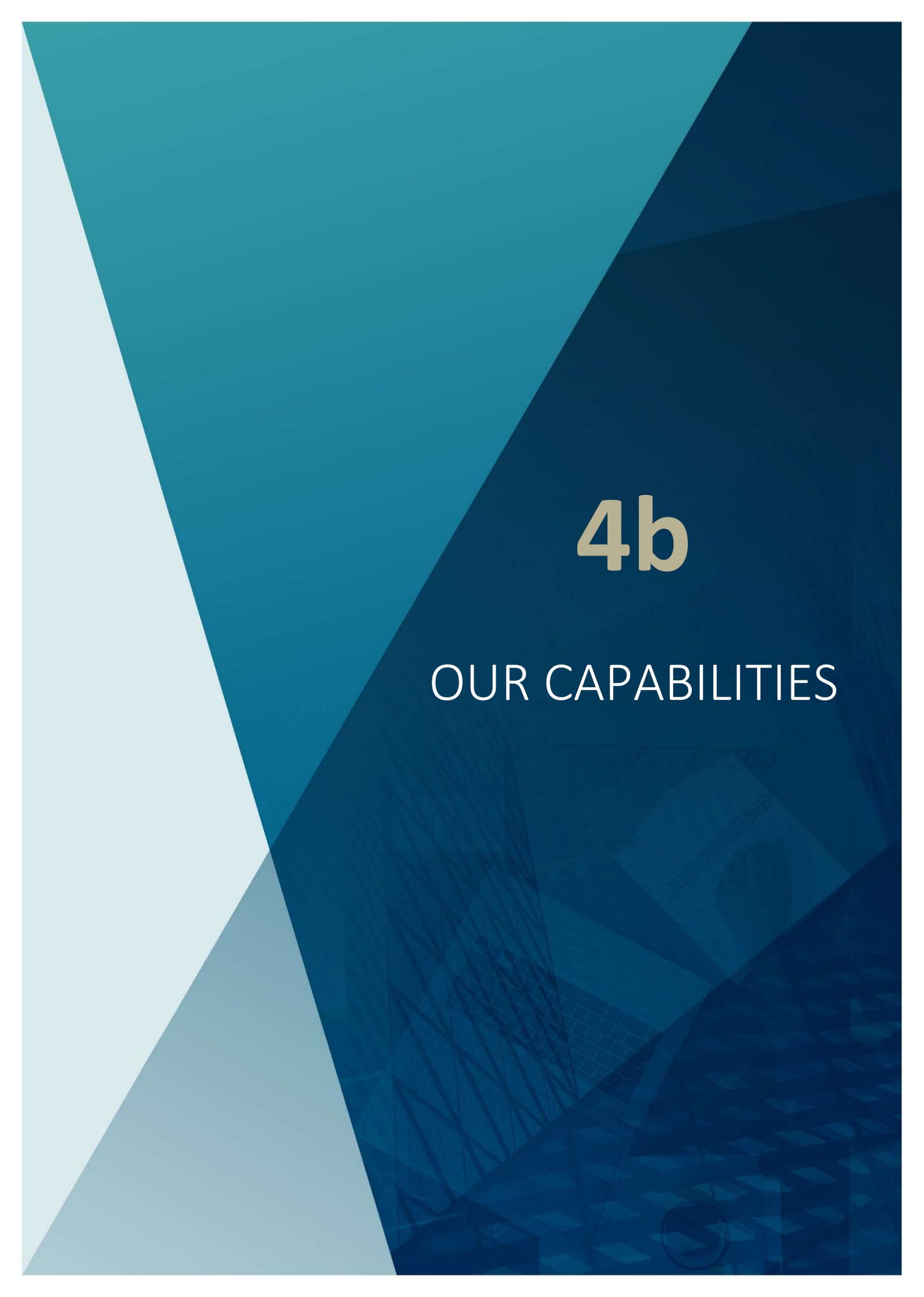
For example, the IGTO's additional role as a result of new legislation in 2019 that empowered the ATO's disclosure of tax debt information to Credit Reporting Bureaus, requires a reallocation of the IGTO's existing resources.

Another example was the Full Federal Court decision in *Commissioner of Taxation v Douglas [2020] FCAFC 220* that found certain invalidity pensions paid to veterans were lump sums and not income streams. Thousands of veterans required amendments as far back as 2007-08, which prompted complaints to the IGTO. The IGTO recently made a submission to the Exposure Draft Bill intended to remedy the adverse consequences of the court decision.

COVID-19 pandemic and lasting impacts on the Australian community, economy and tax system

The COVID-19 pandemic has had, and continues to have, a significant impact on the Australian community, the economy, and the tax system, with a significant body of work and resources being devoted to COVID-19 support measures. We expect that the impacts of the pandemic will be long-lasting and wide-ranging. This, in turn, may have implications for new laws and policies, ATO and TPB administrative actions and associated concerns being raised with our office. The uncertainties associated with the pandemic affect the whole Australian community as well as the international community more broadly.

We have developed and continue to refine our virtual engagement platforms, communication channels, website, and investigative processes to enable an agile response to changing circumstances at short notice.

The background features a complex geometric design with overlapping teal and blue shapes. A large, light blue triangle is on the left. The right side is dominated by a dark blue area with a subtle grid pattern and a faint, larger-scale geometric pattern. The text is centered in the right half of the image.

4b

OUR CAPABILITIES

Our capabilities

Our capabilities enable our office to deliver our Key Performance Indicators and achieve our vision and purpose.

Our capabilities are:

- our people
- our values
- our communication strategy
- our ICT 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 is supported, engaged and inspired to provide the best service and outcomes possible with our available resources. Our strategy is centred on employing and retaining qualified and experienced tax specialists who have the relevant people skills and the ability to provide an independent, professional and effective 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 and administration of Australia's tax laws.

The IGTO will continue to deliver services to the Australian community throughout the transition from the COVID-19 pandemic towards the endemic phase. Our people have been provided with the capability to work remotely, whilst still being engaged in the wider team through our cloud-based ICT systems and necessary in-office workdays. Our focus will continue to be on our people, making sure they are safe and supported through these disruptive times. This approach ensures that they are well-placed to continue delivering high quality services to support the Australian community.

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 complaint and dispute 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 to provide tailored and appropriate services. We will continue to promote flexible working options and arrangements for all staff across our agency and consider further opportunities as these arise in a wider policy context, particularly in diversity and inclusion.

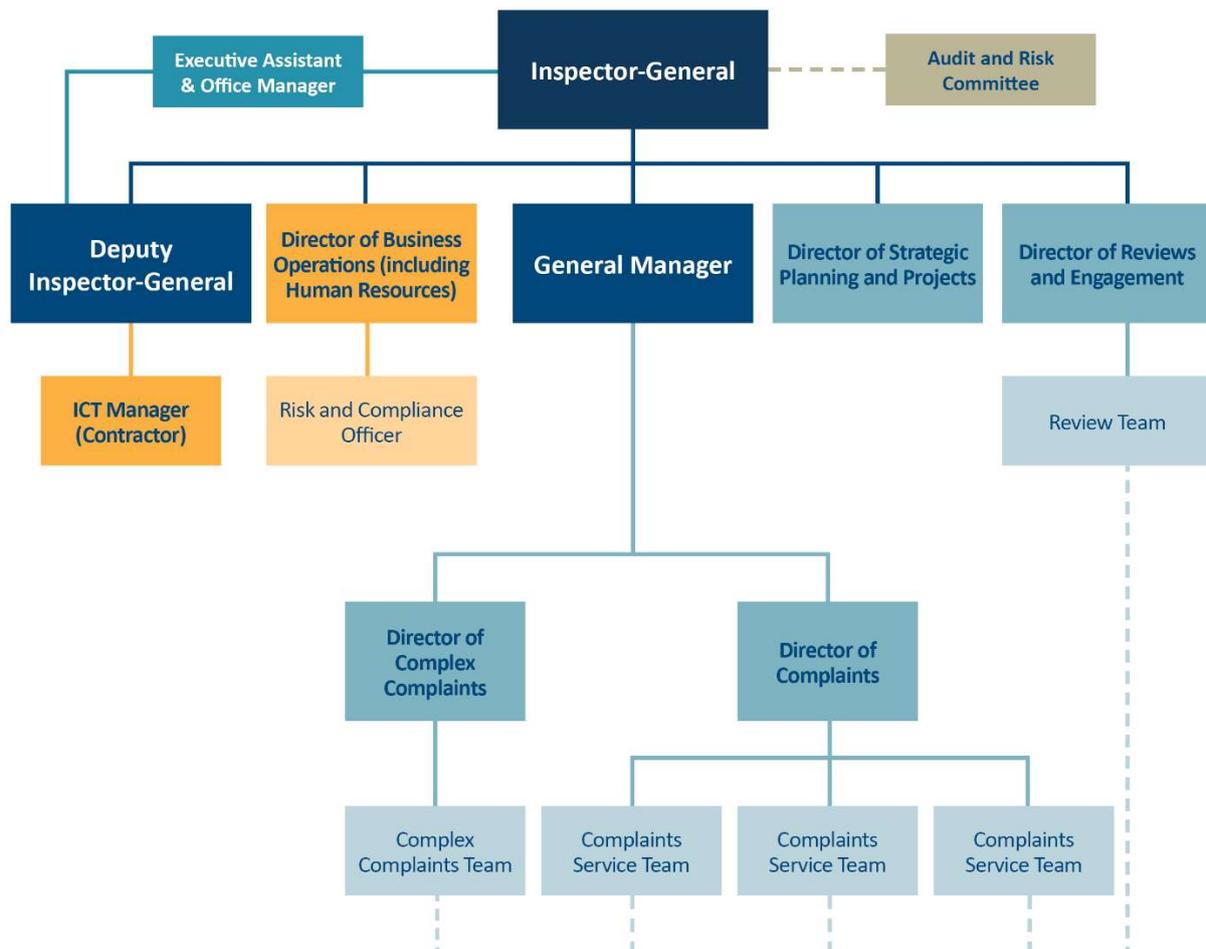
During FY22, there was a sustained demand for our services in relation to complex disputes whilst, at the same time, we continued to progress a significant number of complex dispute investigations on hand. Investigation of complex disputes is time intensive and as a result, our investigation case allocation queue has expanded in case numbers and timeframes before cases are even assigned to an investigator. Our workforce model allows us to be flexible and agile in managing our resources to reduce some impacts of the sustained volume and complexity of disputes. We design our work around multi-skilling our team to meet our administrative, operational and reporting requirements.

A key priority of our work is ensuring that our actions are undertaken to improve the administration of the tax system for the benefit of the Australian community. This has never been more important than during and transitioning from the COVID-19 pandemic where individuals and businesses alike have been significantly affected and disrupted, and continue to be affected, particularly those in the community who are more vulnerable. Dispute investigations are therefore very important to us and we have implemented processes to prioritise those that raise exceptional circumstances – for example where people are experiencing serious financial hardship or potential disclosure of business tax debts to credit reporting bureaus which are time-sensitive matters. There is a need to balance the tax dispute investigation service against review and other investigation work, as well as mandatory corporate compliance. As a small agency, this represents a significant challenge for our team resource management and service delivery standards.

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. The below organisational structure represents statutory appointments, Australian Public Service (APS) positions and a contractor position (being the ICT Manager position).

Figure 4.3 – Our organisational structure



Our values

The IGTO adopts the APS Values which are key to ensuring that we achieve our strategic priorities and purpose.

Our team consists of public servants, who are held to the same standards as all public servants.

The 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:

i mpartial	The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.
c ommitted to service	The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government.
a ccountable	The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.
r espectful	The APS respects all people, including their rights and their heritage.
e thical	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
- our strategic values
- exceptional service delivery across all areas.

We will continue to recognise staff who demonstrate our values by nominating and presenting annual awards to celebrate their achievements. We will also nominate staff for industry awards in the fields of tax, complaint and dispute investigation 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
- capturing emerging themes and issues impacting tax administration.

Our taxpayer 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 services.⁶ As such, our main priorities will 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. The restrictions imposed as a result of the COVID-19 pandemic, both in Australia and internationally over the past two years, have continued to ease. This will allow us to explore and implement strategies to return our consultation and engagement with key stakeholders to pre-pandemic levels.

We will continue to be more proactive in raising awareness about our work through updates on our refreshed website and quarterly publications such as our eNewsletter - *IGoT News!*, which features case studies and the latest news about our activities. We are also exploring ways to raise community awareness of our agency and the services that we offer through engagement with partner agencies and organisations, enhancing the information we make available on our website and considering how best to leverage our social media presence to achieve these outcomes.



Our information and communications technology systems

Our ICT platform is a secure cloud-based environment built in accordance with Government initiatives and is actively managed and maintained in accordance with Government policy and related initiatives as well as compliance reporting as required by the following agencies: Australian Signals Directorate, Australian Cyber Security Centre, Digital Transformation Agency and the Attorney General's Department.

Our services to the community are supported by our ICT systems platform, which facilitates and captures our communications and interactions with taxpayers, tax practitioners and other stakeholders. As a small agency, we engage external service providers to support our ICT platform. Our culture of innovation supports our digital strategy to ensure that systems are optimal in achieving our functional purpose and that the security of information and data is also maintained.

We will work with Government and third-party service providers to achieve our digital and ICT strategy in serving the Australian community, through:

- our secure ICT platform in a cloud-based environment through our third-party service providers
- our independent and direct access to the ATO's systems that provides independent assurance in our tax complaint and dispute investigation services and review investigation functions
- other government agency support.

Our ICT strategy over the next four years will explore initiatives that support and enhance the services we deliver in an evolving digital environment. We will continue to explore alternative case management systems to ensure we deliver an efficient and effective tax dispute investigation service for the benefit of taxpayers, tax practitioners and the Australian community with a reduced risk and enhanced security. In procuring any software, we will follow our policy of obtaining single-source integrated solutions to improve functionality and reporting transparency. We will continue to improve the overall security of our ICT systems – for example, by implementing a ZTNA internet gateway which also supports our team's flexible working arrangements. This is demonstrated in our latest Essential Eight Maturity survey which resulted in our overall cyber security posture moving from level 1 to level 3. We will continue to consider and explore opportunities to improve our business capabilities to facilitate more interactive and on-demand communications for the Australian community. We will also further develop our capability to capture, interpret and report on data we collect from tax complaints and dispute investigations that is anonymised and aggregated to ensure privacy and confidentiality. This is demonstrated by our adoption of a new reporting tool and development of inhouse capabilities to better explain the Australian community's concerns with the tax administration system.

We continue to work actively with Government and its key agencies to enhance our cyber security posture. This will include real-time monitoring and alerting, regular independent compliance tests, and skills development and continuous awareness training for our staff. We will also continue to explore the use of artificial intelligence and other emerging technologies.

4c

OUR RISK OVERSIGHT
AND MANAGEMENT
SYSTEMS

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, provide accountability for our actions and obtain insights to improve our performance. It will also enhance the delivery of our services by utilising innovative solutions to achieve value for money.

Legislative compliance

We have established and maintained 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
- the Commonwealth Risk Management Policy.

Our Risk Framework

Our Risk Framework includes a Risk Management Strategy, Plan and Policy Statement. It also 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 for related controls and treatment plans. The Risk and Compliance Officer will coordinate biannual reviews with Risk Owners to assure compliance with the 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 our staff.

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 supported by an internal audit programme that is supplied through externally contracted arrangements and is expected to continue through FY23 and beyond. 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 set out in Figure 4.4 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.

Figure 4.4 Key risks



*Corporate-wide risk includes:

- Service delivery being ineffective, interrupted or withdrawn
- Ineffective workforce planning
- Stress and fatigue impacting our staff
- Leakage of protected or sensitive information
- Inability to properly manage budgets and appropriate resource or funding allocation as well as other related financial risks



4d

CO-OPERATION
WITH OTHER
ORGANISATIONS

Co-operation with other organisations

The IGTO engages and works collaboratively with several different organisations to achieve our purpose. We have listed some below that we consider will make a significant contribution towards those purposes.

The Australian Taxation Office and Tax Practitioners Board

In addition to engagements and interactions which are statutorily mandated, the IGTO also communicates regularly with the ATO and the TPB so that we are briefed on upcoming programs and provided with early insight and access to information regarding new measures or resource-allocation decisions. Any new systems, processes or legislative measures or changes in resource allocations by the ATO or TPB will have flow-on effects to the taxpayer and tax professional communities. This, in turn, may lead to increased tax disputes and other concerns being raised with the IGTO. Early engagement enables the IGTO to anticipate and make similar resource allocation and related decisions to respond and assist the community.

The IGTO has had an agreed arrangement (Operational Guidelines) with the ATO for the conduct of our tax dispute and review investigation functions. Due to the small number of dispute and review investigations about the TPB and a smaller pool of officers engaging in these matters, no such guidelines have been developed for managing tax dispute and review investigations in relation to the TPB.

The Treasury

The IGTO has a memorandum of understanding arrangement with the Department of the Treasury for the delivery of some shared services. The arrangement provides for cost-effective delivery of services that both support our corporate functions and facilitates deployment of available resources toward our community service outputs.

The Commonwealth Ombudsman, the Australian National Audit Office (ANAO), the Australian Commission for Law Enforcement Integrity (ACLEI), the Australian Small Business and Family Enterprise Ombudsman (ASBFEO)

There are statutory provisions which mandate the transfer or referral of tax complaints and disputes between the IGTO, Commonwealth Ombudsman, ACLEI and ASBFEO.⁷ We maintain strong working relationships with the Commonwealth Ombudsman, ACLEI, and ASBFEO to assure that complaints and disputes are transferred effectively and efficiently so that service delivery to the community is optimised.

We also work closely with the Auditor-General and the ANAO when identifying potential issues for review investigation. We collaborate with both the Commonwealth Ombudsman and Auditor-General to ensure that our review investigations and related findings are co-ordinated, while leveraging any previous or related work programs.

Professional and Industry Bodies, Practitioners and Academics

The IGTO welcomes any significant insights and contributions of professional and industry bodies, practitioners and academics. This includes identifying potential areas for review investigation, participation in the review investigation through formal and informal submissions, and engagement consultations during the review investigations themselves. Through these ongoing engagements with practitioners, academics, professional and industry bodies, discussions groups and other forums, the IGTO can receive direct input from professionals on the administration of the tax system, especially in relation to issues of concern and potential improvement opportunities. The IGTO is also grateful for any assistance that professional and industry bodies, practitioners and academics play in assisting the IGTO to deliver important messages effectively to the broader community.



5

OUR PERFORMANCE FRAMEWORK

Our performance framework

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

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

Figure 5.1 – Our performance framework



Our strategic priorities

Figure 5.2 – Our strategic priorities

	<p>Communicate clearly, effectively, independently and with integrity</p>	<p>Clear, effective and independent communication is an important strategic priority for the IGTO. We communicate frankly, fearlessly and with integrity 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 disputes • understanding stakeholder issues • investigating disputes • understanding and analysing the sources of disputes and misunderstandings • conducting reviews • preparing submissions to Parliamentary Committees and Government • reporting our key findings and recommendations to the Minister, Government, Parliament, ATO, TPB and ultimately for the community. <p>Such communication is critical to assist in re-establishing communication between the ATO and taxpayers. It is particularly important to restore and maintain taxpayers' confidence in the tax system, where that confidence may have been lost in prior interactions.</p>
	<p>Ensure that our tax dispute investigation service is approachable, contactable and responsive to the changing needs of the community</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 disputes and reviews. Whilst responsiveness may necessarily vary with the complexity of the matters investigated – it is a priority for all of our reviews and disputes 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>Provide 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 5.3 on the following page describes each KPA and shows which priorities they support.

Key performance indicators

Our KPIs contain measures for each of the KPAs set out in Figure 5.3.

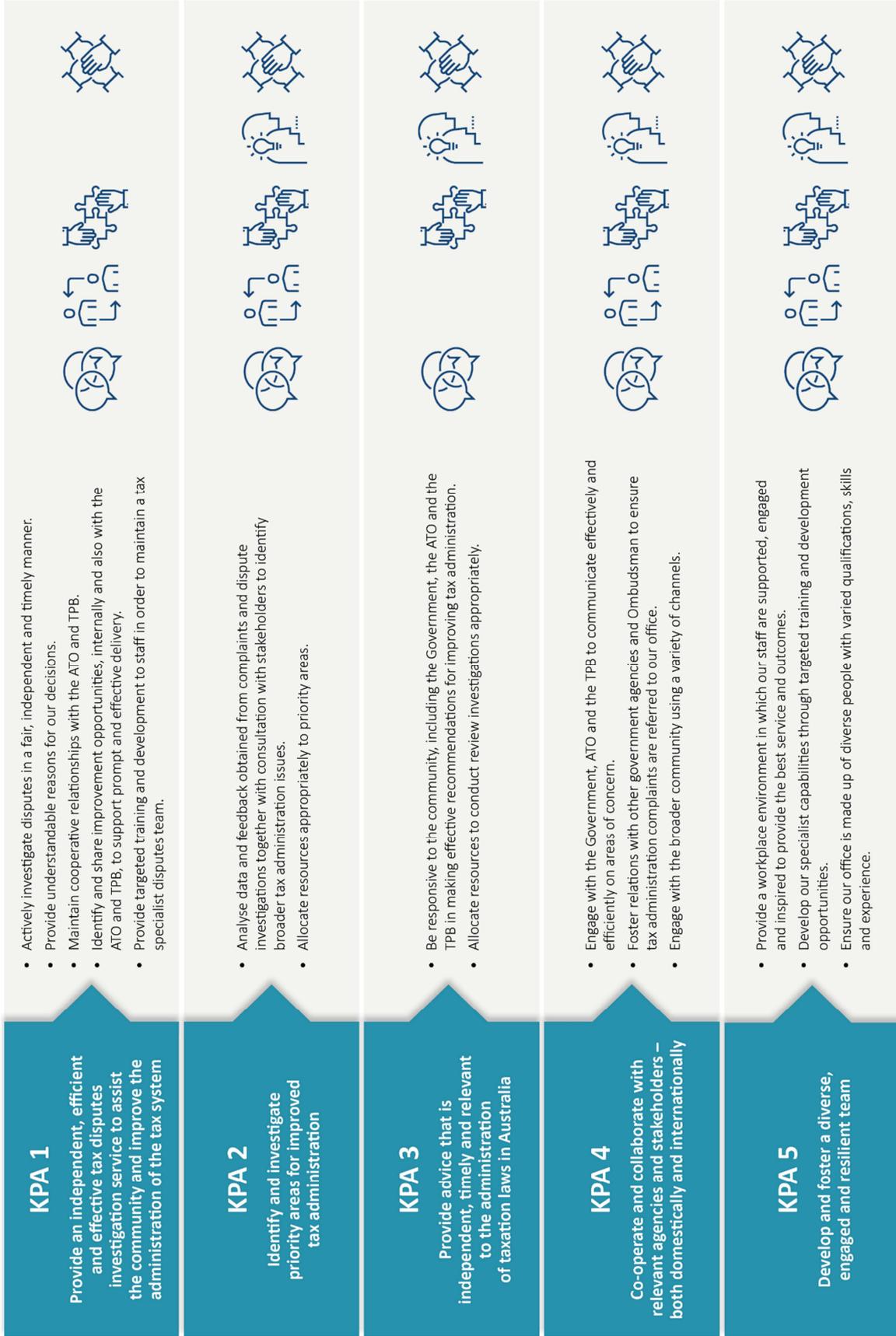
We monitor and measure our performance against these KPIs and report on them annually.

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

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



Figure 5.3 – Key performance areas



6

APPENDICES

Appendices

Appendix A: IGTO has oversight of the following taxation laws

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

- *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*
- *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020*
- *Commonwealth Places Windfall Tax (Collection) Act 1998*
- *Coronavirus Economic Response Package (Payments and Benefits) Act 2020*
- *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 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 framework of good tax administration

Features of good tax administration



Tax administration laws should be administered...



- Respectfully, Professionally & Collaboratively**
 - Understanding taxpayers' circumstances
 - Protecting and respecting taxpayer rights and confidentiality
 - Protecting taxpayer information
 - Minimising unnecessary disruption to business
 - Identifying solutions through collaboration
- with Certainty & Consistency**
 - Providing clear compliance direction to taxpayers
 - Providing guidance and advice which is accessible, reliable, understandable and timely
 - Providing consistent taxation outcomes for taxpayers in similar circumstances
 - Ensuring taxation outcomes are consistent with law and policy intent
 - Handling disputes consistently
- with Simplicity and to minimise costs**
 - Minimising the compliance burden for the ATO and taxpayers
 - Minimising errors and mistakes
 - Avoiding duplication
 - Minimising red tape
- with Clear & Effective Communication**

It should be easy to understand:

 - ATO decisions and the matters considered
 - Taxpayers' rights to challenge an ATO action or decision via complaints, reviews and/or appeals
- with Clear & Effective Communication**
 - Managing collection risks
 - Collecting taxes in a timely and affordable manner
 - Allocating resources proportionately based on risk and amount
- with Accountability**
 - Making decisions transparently
 - Responding to disputes transparently
 - Taking appropriate, cost-effective remedial action
 - Implementing appropriate governance and risk management
- Pro-actively – adapting to:**
 - Changing taxpayer profiles
 - Changing technology and commercial circumstances
 - Changing business / employment environments
 - Commercially acceptable timeframes
- Fairly**
 - Ensuring equality of access, treatment, and equal rights to all taxpayers
 - Ensuring consistent taxation outcomes
 - Allocating resources proportionately

COMMUNITY PRINCIPLES

COMMENTS AND EXPLANATION

The community expects the tax administration laws to be administered...

Fairly – by delivering:

- Equality of access, treatment and rights to taxpayers
- Consistent taxation outcomes for all taxpayers
- Proportionate resource allocation

Administration which is delivered fairly should provide equal access, treatment and equal rights to all taxpayers.

There should be an appropriate allocation of resources based on the needs of users in the system.

With **certainty & consistency** by:

- Providing clear compliance direction to taxpayers
- Providing guidance and advice which is accessible, reliable, understandable, and timely
- Providing consistent taxation outcomes for taxpayers in similar circumstances
- Ensuring taxation outcomes are consistent with the law and policy intent
- Handling disputes consistently

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.

For example, administration of taxation laws that are applicable to small business taxpayers should not 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.

A deficiency in this regard would be an area for improved taxation administration.

With **clear & effective communication** – it should be easy to understand:

- ATO decisions and the matters that were considered
- Taxpayers’ rights to challenge an ATO action or decision via complaints, reviews and/or appeals

Clear and effective communication helps taxpayers to understand their rights and obligations, and assists them to make sense of their experience engaging with the tax system. Where actions and decisions are well-communicated, it can assist to minimise the risk of unnecessary disputes.

Furthermore, effective communication of taxpayers’ rights fosters confidence in the fairness and integrity of the tax system which, in turn, aids in fostering voluntary compliance.

So they are easy to use – aim for **simplicity** and to **minimise costs** as well as:

- Minimise the compliance burden for the ATO and taxpayers
- Minimise errors and mistakes
- Avoid duplication
- Minimise red tape

It is almost self-evident that administration of taxation laws should aim for simplicity and to minimise the compliance cost for taxpayers – especially small business taxpayers and individuals – who are the 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.

COMMUNITY PRINCIPLES	COMMENTS AND EXPLANATION
<i>The community expects the tax administration laws to be administered...</i>	
<p>So as to ensure tax is paid and collected correctly, including:</p> <ul style="list-style-type: none"> • Management of collection risks - under and over collection • Timely and affordable collection • Proportionate resource allocation based on risk and amount to be collected <p>By providing accountability through:</p> <ul style="list-style-type: none"> • Transparent decision making • Transparent management of disputes and responses • Appropriate, cost-effective remedial action • Appropriate governance and risk management 	<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>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 and 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 other environmental changes.</p>
<p>Respectfully, professionally & collaboratively by:</p> <ul style="list-style-type: none"> • Understanding taxpayers' circumstances • Protecting and respecting taxpayer rights and confidentiality • Protecting taxpayer information • Minimising unnecessary disruption to business • Identifying solutions through 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 fostering trust and respectful interactions.</p>

Appendix C: Complaint 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 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.

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

Complaint enquiries - Independent Assistance and Assurance	
Category 0	Insufficient information (i.e., the complainant is unable to provide the IGTO with sufficient information to be able to assist)
Category 1	Translation/Navigation (i.e., the IGTO helps the complainant to make sense of ATO/TPB explanations, provides independent assurance regarding ATO/TPB actions of concern and/or charts out the options that are open to the complainant)
Category 2	Referral (i.e., IGTO refers complainant's information to most appropriate agency and/or declines to investigate)
Complaint investigations - Formal Complaint or Dispute Investigation	
Category 3.1	ATO/TPB has no record of a previous complaint – IGTO identifies issues requiring formal investigation and options for resolution and requires the matter to be dealt with by an identifiable ATO/TPB officer providing accountability for the management and resolution of the complaint. IGTO also checks the ATO/TPB's handling of the complaint for satisfactory conclusion
Category 3.2	Uncomplicated Disputes – IGTO investigates independently, engages with the ATO to verify facts and issues, determines the most appropriate and timely actions, and identifies who will take them for early resolution
Category 3.3	Frequently Raised Dispute Issues – IGTO identifies the case as involving a common area of 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 senior management, and provides ATO senior management with early warning of emerging risks and the opportunity to address sensitive issues

Appendix D: Integration of Risk and Performance

	KPA 1: Provide an independent, efficient and effective tax dispute investigation service to assist the community and improve the administration of the tax system	KPA 2: Identify and investigate priority areas for improved tax administration	KPA 3: Provide advice that is independent, timely and relevant to the administration of taxation laws in Australia	KPA 4: Co-operate and collaborate with relevant agencies and stakeholders – both domestically and internationally	KPA 5: Develop and foster a diverse, engaged and resilient team
Potential consequences for our agency's performance					
Key Risk 1: Failure to efficiently deliver a tax dispute investigation 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 lacks 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 do not meet standard. 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 disputes	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 disputes	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

Appendix E: Our KPIs in detail

The IGTO has limited the number of KPI measures to a maximum of 3–4 indicators per KPA. This is to balance the need for limited IGTO resources to devote time in monitoring and reporting against the KPIs for future reporting purposes (both quarterly and annual).

KPA 1 — PROVIDE AN INDEPENDENT, EFFICIENT AND EFFECTIVE TAX DISPUTE INVESTIGATION SERVICE FOR TAXPAYERS			
No.	KPIs	FY22 Reference Point	Benchmark FY23–FY26
1.1	Complaints received Statutory requirement – IGT Act, s 41(2)(a)	1,314	Analysis and comparison with prior year
1.2	Number of complaint and dispute investigations: - Commenced; and - Finalised in the FY. Statutory requirement – IGT Act, s 41(2)(b)	Complaint and dispute investigations commenced: 423 Complaint and dispute investigations finalised: 420	Analysis and comparison with prior year
1.3	% of complaint investigations on hand and received that were finalised in the FY	75%	At level or better than prior year
1.4	Complainant survey results	69% satisfaction – service 51% satisfaction – outcome 86% professionalism rating 39% – would use our services again despite not being satisfied with the outcome	Analysis and comparison with prior year
1.5	% of complaints and disputes lodged via dedicated webform or email	65%	Analysis and comparison with prior year

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

No.	KPIs	FY22 Reference Point	Benchmark FY23–FY26
2.1	IGTO Review Investigations commenced Statutory requirement – IGT Act, s 41(c)(i)	3 review investigations commenced in FY22	Analysis and comparison with prior year
2.2	Number of IGTO Review Investigation reports published each year Statutory requirement – IGT Act, s 41(c)(i)	2 to 4 review investigations finalised per year on average	Analysis and comparison with prior year
2.3	Refresh IGTO register of potential investigation topics through consultation with stakeholders and analysis of complaint and dispute trends	2 consultations were undertaken to refresh the Register (December 2021 and May 2022) One update published to the register (January 2022)	As a go-forward, the Register will be updated as and when potential issues are identified. Annual analysis and consolidation of the Register will occur to identify the number of issues added, and those that have been addressed by way of review or other investigation.

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

No.	KPIs	FY22 Reference Point	Benchmark FY23–FY26
3.1	% of Review Investigation recommendations accepted (agreed, agreed in part, agreed in principle) by the ATO or TPB	100% of recommendations were agreed in full, in part or in principle	Analysis and comparison with prior year
3.2	Number of Agreed Business Improvements from dispute investigations accepted and implemented by the ATO or TPB	ATO accepted = 9 ATO implemented = 7 TPB accepted = 3 TPB implemented = 4	Count and Analysis Analysis and comparison with prior year
3.3	Number of Meetings or Briefings with the Minister, Government, the Australian Parliament and its Committees*	5	Annual Count
3.4	% of responses to Government, Treasury or Parliamentary inquiries that relate to taxation administration where IGTO is requested to contribute	100%	100%

* Meetings and briefings with the ATO and TPB are included in KPA4.

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

No.	KPIs	FY22 Reference Point	Benchmark FY23–FY26
4.1	Number of Meetings or Briefings with the ATO and/or the TPB on IGTO review investigations or the tax dispute investigation service	142	Annual Count
4.2	Number of memberships maintained in relevant domestic and international organisations – including legal, accounting, taxation and ombudsman organisations	All relevant memberships maintained	All relevant memberships maintained
4.3	Number of domestic and international conferences and forums, stakeholder discussion groups or workshops attended by IGTO	62	Annual Count
4.4	Potential audience reach ⁸ and media mentions relating to the IGTO and our services	This is a new measure ⁹	Analysis and comparison with prior year

KPA 5 – DEVELOP AND FOSTER A DIVERSE, ENGAGED AND RESILIENT TEAM

No.	KPIs	FY22 Reference Point	Benchmark FY23–FY26
5.1	Monitor results from internal and external staff engagement and capability surveys	Staff survey results for IGTO (from Australian Public Service Commission and IGTO staff survey), demonstrate 74% of staff consider they have access to the resources and expertise to perform their duties and staff have high satisfaction levels with their employment at IGTO	Analysis and comparison with prior year
5.2	Average hours in undertaking learning and development/ training per full time employee, including those that contribute to the continuing professional development requirement for the various professional associations	An average of 81 hours of learning and development completed per full time employee	A minimum of 40 hours per annum per full time employee
5.3	Monitor diversity in the agency — including the percentage of female and culturally and linguistically diverse (CALD) staff across all levels	Female: 38% Born overseas: 55% CALD: 62%	Analysis and comparison with prior year, APS averages and population distribution

Glossary of Terms

AAT	Administrative Appeals Tribunal
ACLEI	Australian Commission for Law Enforcement Integrity
ANAO	Australian National Audit Office
APS	Australian Public Service
ASBFEO	Australian Small Business and Family Enterprise Ombudsman
AS 10002:2022	Australian Standard 10002:2022 Guidelines for complaint management in organizations (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
CALD	Culturally and linguistically diverse
Complaint	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
Dispute	Unresolved complaint escalated internally or externally, or both
FY22	Financial year ending on 30 June 2022
FY23	Financial year ending on 30 June 2023
FY24	Financial year ending on 30 June 2024
FY25	Financial year ending on 30 June 2025
FY26	Financial year ending on 30 June 2026
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
ISO	International Organization for Standardisation
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	<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. <p>A full list of Acts is provided in Appendix A.</p>
TPB	Tax Practitioners Board
ZTNA	Zero Trust Network Access

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:
 - (iv) transferred to the Inspector General by the Ombudsman under paragraph 6D(4)(b) of the *Ombudsman Act 1976*; or
 - (v) 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:

 - (g) whether the information or opinion is true or not; and
 - (h) whether the information or opinion is recorded in a material form or not.
- 3 A similar process is followed for TPB complaints and disputes.
- 4 Reserve Bank of Australia, Statement on Monetary Policy – May 2022, <www.rba.gov.au>.
- 5 The only other funding relates to inter-agency staff movements and services received free of charge.
- 6 Parliament of Australia, Senate Economics Legislation Committee, Performance of the Inspector-General of Taxation (2020), p 40, <www.aph.gov.au>.
- 7 *Inspector-General of Taxation Act 2003*, s 10; *Ombudsman Act 1976*, s 6D and 6(16); *Australian Small Business and Family Enterprise Ombudsman Act 2015*, s 69.
- 8 ‘Potential audience reach’ is a metric used by communications professionals to assess the ‘reach’ or ‘spread’ of media activity.
- 9 This KPI has been updated from the prior year to provide a more objective, accurate and insightful measure on the community’s awareness of IGTO services and activities.