



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

IGoT News

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Inside this edition

- An update from the IGTO..... 1
- Review Investigations – update ... 2
- Tax Disputes – update..... 3
- Quarterly Reporting Pack Q1 and Q2 FY23..... 3
- Case Study – Missing refund 3
- Curtin Tax Clinic report on Taxation Issues within WA Prisons 4
- Thank you to Curtin University - Tax Clinic and Tax Students..... 4
- WA Tax Forum Polling Questions . 6
- Office relocation 7

An update from the IGTO



A belated Happy New Year. 2023 has gotten off to a very busy start for the IGTO. Our dispute investigation numbers have returned to pre-pandemic levels and all three of our review investigations are well-progressed with two approaching finalisation.

In the midst of our business as usual, we are also preparing for a major relocation of our office. This is no small undertaking, and will involve a significant amount of work and effort to ensure a smooth transition. We are devoting our time and effort to putting in place measures to ensure that our service delivery to the Australian community remains unaffected.

This year also marks the 20th anniversary of the creation of the Inspector-General of Taxation. We will be undertaking some activities to mark the occasion and to highlight the assistance and service that we have delivered to the community and to the Government over the past two decades.

It is a significant milestone and I look forward to being able to celebrate this achievement with current and former officers and with our stakeholders all of whom have contributed to the success of the agency.

Review Investigations – update

A brief status update for each Review Investigation is provided below.

The Exercise of the General Powers of Administration (GPA)

Our review investigation into the Commissioner’s general powers of administration (GPA) is well-progressed and nearing finalisation. At the end of January, we provided the ATO with a preliminary draft report and invited comments and submissions on any expressed or implied criticisms contained in the report. This process is consistent with our statutory requirements and provides an opportunity for the ATO to comment on the report and respond to the recommendations and then for the IGTO to consider these comments independently. This ensures the report and recommendations deliver the highest value to the community and to the Government.

The ATO’s response was provided to the IGTO on 14 March 2023 and we are currently working through the response to finalise the report.

The Exercise of the Commissioner’s Remedial Power (CRP)

The investigation into the exercise of the Commissioner’s Remedial Power (CRP) is well-advanced. This power¹ was introduced from 1 March 2017 and allows the Commissioner to modify the operation of taxation laws in certain circumstances, provided the modification is not inconsistent with the intended purpose or object of the provision.

As part of this investigation, we have examined the ATO’s processes for receiving, considering and determining approaches to exercise the CRP. In particular, we have focused on issues such as awareness and understanding of the nature and purpose of the CRP, the ATO’s consultation with stakeholders and subject-matter experts when considering CRP, reasons why CRP candidates have not been successful in progressing and actions that may be taken where issues raised for the CRP remain unaddressed.

We anticipate being able to provide the ATO with our preliminary draft report to kickstart the initial period of commentary and feedback in the coming weeks.

Administration and Management of Objections – Phase 2

We have started Phase 2 of our investigation into the ATO’s Administration and Management of Objections. While the [interim report](#) of this investigation focused on statistics to provide detailed insight on the nature, types and sources of objections that are being lodged, Phase 2 will consider stakeholder concerns about the objection process itself – how the ATO engages with taxpayers and their representatives during an objection, the independence of the process, its timeliness, and whether it is sufficiently resourced.

¹ Refer to Division 370 of the *Taxation Administration Act 1953*

Tax Disputes – update

As at the end of Q2 FY23, we have received 823 (within jurisdiction) complaints which represents an increase of 27% (648) compared to Quarter 2 FY22.

The increase in demand for our services is consistent with the ATO recommencing or increasing certain activities, including debt collection.

We continue to triage and prioritise cases demonstrating exceptional circumstances. All other complaints are placed in a queue to be allocated on a 'first in, first out' basis. Taxpayers are advised that the current wait time is six months.

We are also taking steps to focus our limited resources on core work, that is, investigating unresolved complaints (or disputes) given our role as an external dispute resolution agency. These steps include messaging about our Dispute Investigation Service, piloting an interim process with the ATO to quickly 'transfer' complainants to the ATO where the ATO has not previously received a formal complaint, as well as reviewing our processes and case management systems to support our investigation service.

Quarterly Reporting Pack Q1 and Q2 FY23

The IGTO's Quarterly Reporting Packs for [Q1 FY23](#) and [Q2 FY23](#) have been published. The QRPs present a range of data and information against certain Key Performance Indicators in our Corporate Plan for FY23. QRPs for prior periods are also available on our [website](#).

Case Study – Missing refund

The complainant was under a temporary guardianship arrangement whereby their financial affairs were managed by a trustee appointed to be their guardian. The trustee lodged several income tax returns for the complainant and nominated for any refunds to be deposited into the trustee's bank account. After the ATO processed the tax returns, it refunded approximately \$15,000 to the nominated account. Following the expiry of the guardianship arrangement, the trustee ceased to act as the complainant's guardian and returned the monies to the ATO via electronic funds transfer (EFT). Unfortunately, the ATO was unable to locate the returned monies because the ATO's system never identified it as belonging to the complainant's account. This was due to an unfortunate coincidence whereby the 15-digit reference number in the trustee's bank transfer matched details relating to a third party taxpayer (unrelated to either the complainant or the trustee) on the ATO's system.

The complainant approached the ATO to request their refund and lodged a complaint in May 2022. The ATO's complaints area advised the complainant it had correctly issued the refund to the bank account nominated on the tax return, that it could not assist further and that this was now a matter between the complainant and their former guardian. The ATO did not request the complainant to provide any additional information to assist it with locating the refund, including records of the trustee's EFT payment which evidenced that the monies had been returned to the ATO.

The IGTO commenced a dispute investigation with the ATO and supplied the trustee's EFT records to the ATO which proved to be instrumental in enabling the ATO to locate the missing monies. Within three weeks of the IGTO commencing an investigation, the ATO located and refunded the monies directly to the complainant's bank account and the matter was resolved.

Curtin Tax Clinic report on Taxation Issues within WA Prisons

[Curtin Tax Clinic](#) (CTC) has published a report highlighting taxation issues within Western Australian prisons. The report was prepared based upon the practical and lived experiences of the CTC working within 12 prisons in WA. It highlights not only the assistance work that was undertaken but also the challenges that are experienced by incarcerated individuals when seeking to comply with their taxation obligations.

The full report, including the CTC's recommendations are available [here](#).

Thank you to Curtin University - Tax Clinic and Tax Students

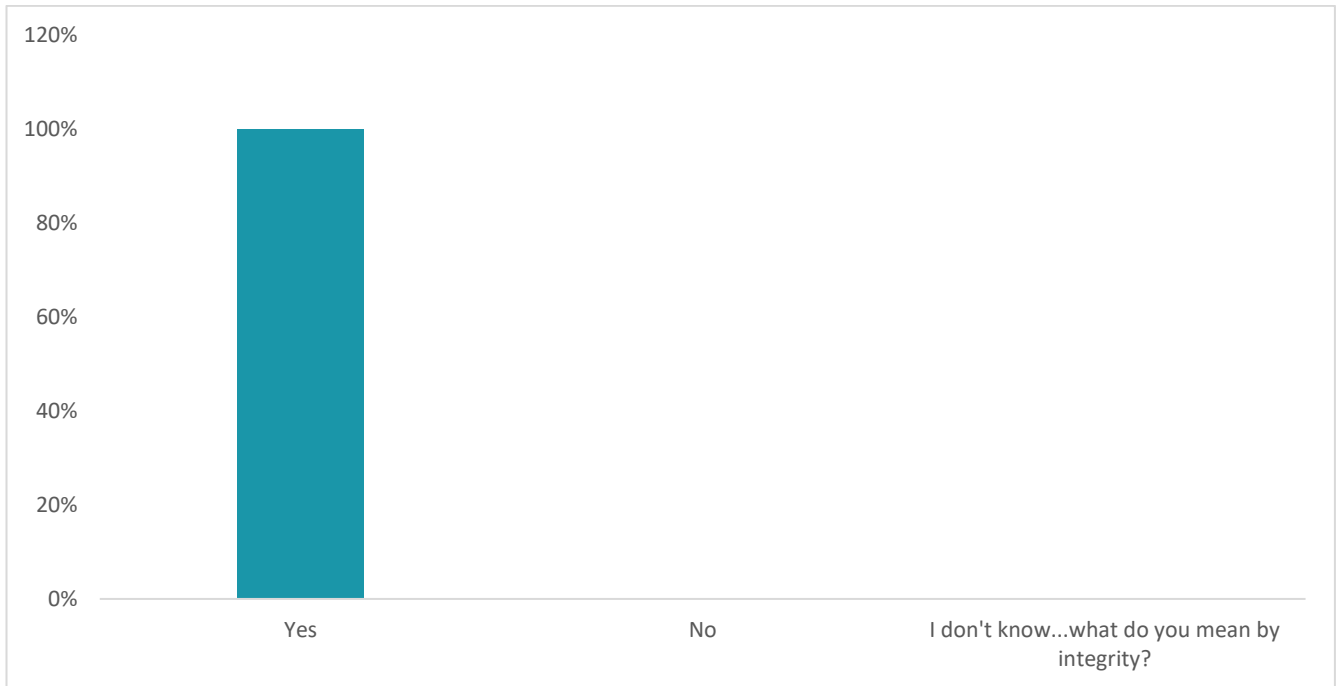
Thank you to Curtin University in Western Australia (Annette Morgan and the tax clinic and tax law students - attending in person and online) for the invitation and opportunity to present an update and Q&A on the important work of the IGTO. It was a great discussion and also great to see such engagement in the subject of tax...and best of luck with your assignment on Objections!



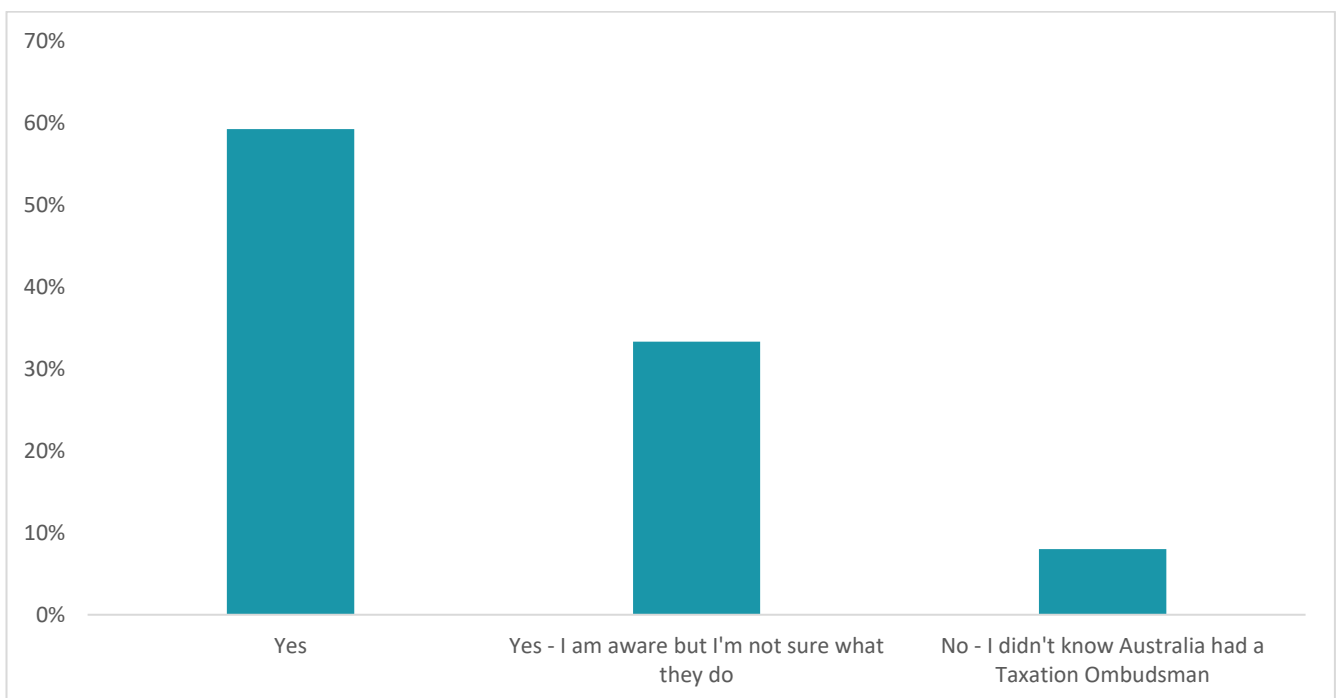
WA Tax Forum Polling Questions

The IGTO attended The Tax Institute’s WA Tax Forum 2023 as a keynote speaker. As part of her presentation, the IGTO polled the attendees about their knowledge and awareness of the Taxation Ombudsman and its services. The three polling questions and responses from the attendees are set out below.

Question 1: Is independent assurance and investigation of taxation complaints and disputes important to uphold the integrity of the tax system?

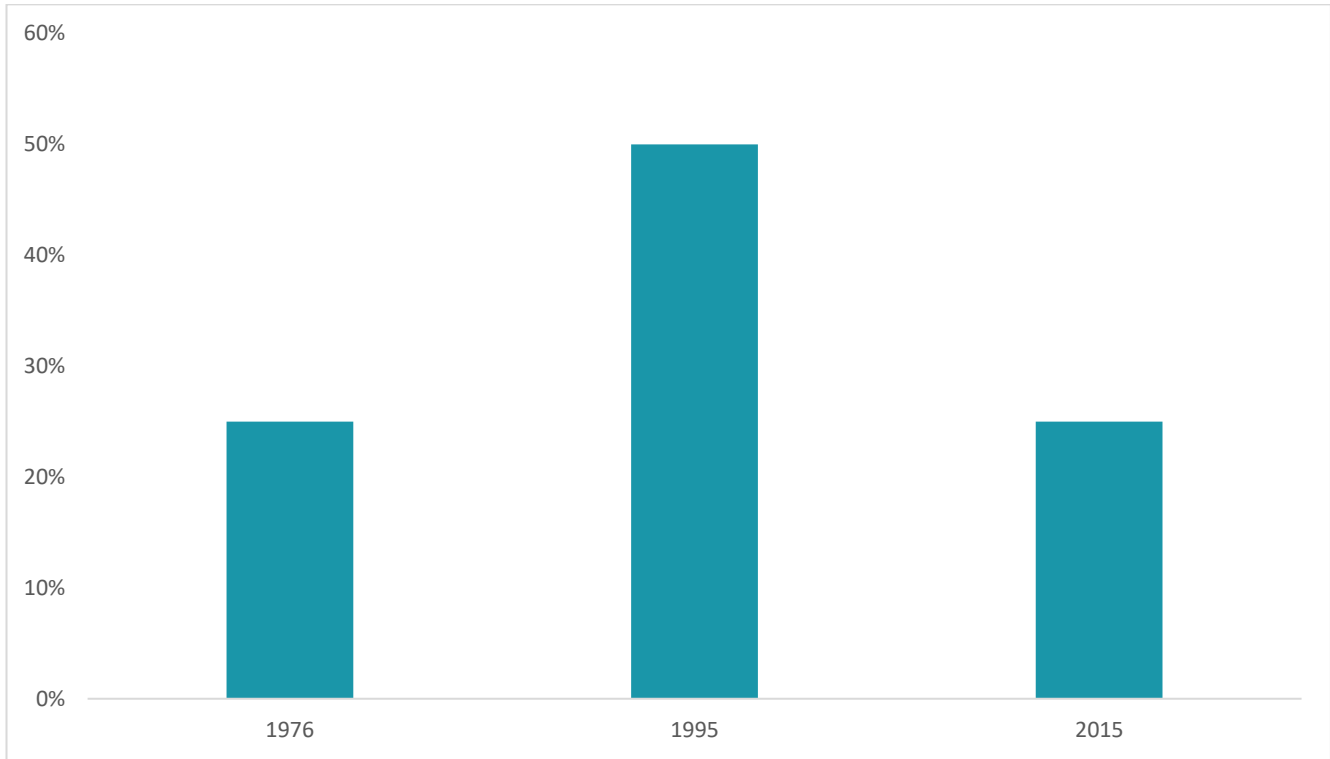


Question 2: Are you aware of or have you used the services of the Taxation Ombudsman?



Question 3: When did Australia first establish a Taxation Ombudsman function to assist taxpayers resolve their disputes and complaints with the Australian Taxation Office?

[The answer is 1995 – 28 years ago!]



The IGTO continues to work to ensure that all taxpayers and tax professionals are aware of the services that we deliver and our role in providing assurance of a fair, equitable and transparent tax administration system through our independent investigations of tax complaints and disputes, and our program of systemic reviews.

Office relocation

We will shortly be relocating to new premises – up the road to 201 Kent Street, Sydney. While we do not anticipate that this will have any significant disruptions to our service delivery, a small number of taxpayers who seek to approach us via postal mail may experience some delays.

We will aim to minimise the delay as much as possible.


We encourage all those with urgent matters or concerns (if they have not done so) to first approach the Australian Taxation Office or the Tax Practitioners Board to raise their concerns. Contact details for the ATO and the TPB are provided below.

- [Australian Taxation Office](#)
- [Tax Practitioners Board](#)

Taxpayers who seek to raise matters with the IGTO are urged to use our smart webform which is available on our website: [IGTO Complaints Form](#)

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The Inspector-General of Taxation and Taxation Ombudsman acknowledges the traditional owners and their ongoing cultural connection to Country, throughout Australia. We pay our respects to their Elders past, present and future.