

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 36

Topic: Ombudsman complaints

Hansard Page: Written

Senator Xenophon asked:

1. Is the ATO aware of how many complaints the Ombudsman received in relation to the ATO?
2. What steps is the ATO taking to address and minimise this volume?

Answer:

1. Yes, the ATO is aware of how many complaints the Ombudsman received in relation to the ATO.

The Commonwealth Ombudsman reports annually on the total number of approaches and complaints received regarding all agencies including the ATO through the Commonwealth Ombudsman's Annual Report. The number of approaches to the Ombudsman in recent years is summarised in Table 1 below.

TABLE 1: APPROACHES TO THE OMBUDSMAN

Year	Total approaches / complaints received by the Ombudsman	Change over the years	Briefs received by the ATO	Formal investigations received by the ATO	Volume of transfers to the ATO	
2010-11	2,514 (to 17 June 2011)	↑ 38.9%	860**	238**	395**	15.7%
2009-10	1,810	↑ 27.3%	660	257	463	25.6%
2008-09	1,422	↑ 16.6%	232	182	171	12%
2007-08	1,219		N/A*	146	293	24%

*Briefs were introduced in April 2008. The ability to record and collate figures was not in place until 1 July 2008.
** to 30 June 2011

2. The ATO is committed to learning from complaints received and other feedback to improve its processes and performance. The ATO also strives to resolve complaints efficiently and effectively. ATO service standards set out the benchmarks for performance on timeliness.

In 2009-10 and 2010-11, complaints to the ATO increased significantly. A substantial proportion of these complaints related to delays in processing income tax returns.

The ATO's planning for Tax Time 2011 has had a strong focus on restoring community confidence and repairing relationships with taxpayers who had a negative experience in dealing with the ATO in 2010. Measures in place for Tax Time 2011 include:

- a communication strategy to advise the community of expected processing times
- monitoring the returns of taxpayers who experienced delays in prior years to ensure the ATO identifies delay issues as they occur
- dedicated priority processing teams and streamlined complaints management functions
- improved staffing capability and greater familiarity and experience with processing in the new systems for ATO officers
- implementing an improved progress of returns interactive voice response to better respond to taxpayer queries without the need for ATO officer intervention
- early contact with clients where there is an issue with processing their return (for example an outbound campaign strategy has been developed where there is an error in name or address details), and
- flexibility to move ATO officers to the priority processing and complaints areas if volumes exceed expected volumes.

The ATO also received a large number of complaints regarding compromised tax file numbers. A compromised tax file number can occur when a tax file number is stolen, lost or becomes known to another person. In relation to these cases, the ATO takes a taxpayer-centric approach to providing a comprehensive response to identity crime based on the ATO's compromised risk model including:

- working with the taxpayer to understand and evaluate the risk associated with the incident, allowing for different treatments to be applied depending on the taxpayer's case
- providing improved security measures for victims of identify fraud, and
- actively monitoring the victim's taxation accounts for any further fraudulent activity.

The ATO is making improvements in response to the Ombudsman's Resolving Tax File Number Compromise Report of September 2010, including:

- enhancing the ATO's Client Identity Support Centre to better support victims of identity crime
- improving monitoring of 'at risk' tax file numbers (i.e. where two individuals share the same name and date of birth)
- specific complaint handling processes for compromised tax file numbers, and

- implementation of first point assessment identification process. This allows taxpayers to discuss the actual risk associated with their specific case and apply a differentiated treatment approach in line with the risk.

A project to review the ATO's complaints process is progressing. The Ombudsman's office is participating in the project. This will include progressively putting in place additional measures to improve the ATO's ability to proactively react to complaints in real-time. For example, the ATO will be capturing the underlying cause for each complaint at the time it is received allowing for earlier intervention to address emerging issues. At the same time, the ATO will also have a focus on improving its ability to identify potential systemic issues.