

Commonwealth  
**OMBUDSMAN** 

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10 March 2011

Mr Michael D'Ascenzo AO  
Commissioner of Taxation  
Australian Tax Office  
PO Box 900  
CIVIC SQUARE CANBERRA ACT 2608

Dear Commissioner,

I write in response to your comments made to the Joint Committee of Public Accounts and Audit on 4 March 2011, which were widely reported in the press. By way of background, I should inform you that I was invited by the committee to provide a private briefing.

I understand you were concerned that I had not raised each of my concerns personally with you. However I am aware that my office has provided the ATO with regular feedback on a range of issues which our complaints have highlighted. In the attachment to this letter I cite several of the instances where this has taken place.

Even though I have been Ombudsman since September 2010, I am aware that since July 2010 we have experienced a surge in complaints, as has your own office. For July to October 2010 complaints were 2-3 times higher than previous years. No other agency has received such an increase in complaints in 2010-11 and this continues the trend from 2009-10.

I acknowledge that the ATO operates much of its business very well, in what can sometimes be a difficult environment. I also appreciate your interest in maintaining public confidence in the ATO. However this should not diminish the importance of taking a strategic approach to complaints. It is important for agencies to have an open and accountable culture whereby it acknowledges and addresses any shortcomings which complaints highlight. I maintain that the ATO could do more to reflect on its activities, learn from its complaints and improve its service and administration. In this regard I would welcome any opportunity for my office to work with the ATO to improve its responsiveness to complaints and addressing systemic issues that may arise.

I look forward to continued dialogue, both personally and between our respective offices.

Yours sincerely

Allan Asher  
Commonwealth Ombudsman

Defence Force Ombudsman ■ Immigration Ombudsman ■ Law Enforcement Ombudsman ■ Postal Industry Ombudsman ■ Taxation Ombudsman

Senate Economics Legislation Committee  
Budget Estimates 2011-12  
30 May-2 June 2011

Tabled Document No 7

By: Sen Sherry

Time/Date: 7:56 pm 1/06/2011

### Taxation Ombudsman e-bulletin

Following the ATO's review of a draft copy, the first of my bi-annual e-bulletins was released in September 2010. In it I discussed the trends in complaints, highlighted the significant growth in complaints and the areas of concern. In particular, I highlighted complaints about processing and the change program, debt and superannuation.

### Annual report

While the latest Annual Report referred to a period before my time as Ombudsman, it was released by me. In my report I discussed the continued increase in complaints and issues including; lodgement and processing; change program; superannuation and debt.

### Submission to Inspector-General of Taxation

My office provided the ATO with a copy of our submission to the Inspector-General's *Review into the ATO's Change Program*. It highlighted the issues this office had observed but also that the ATO needed to provide clearer and consistent messages to the public and stakeholders.

### Handling complaints, liaison & briefings

My office deals daily with the ATO in investigating complaints and has regular liaison meetings to discuss issues of interest and complaint trends. Further demonstrating our areas of concern, we are presently anticipating briefings by the ATO on audit procedures, ICP and debt.

### Proposal of administrative deficiency

While we often comment about to the ATO on individual complaints, we also highlight complaints where we identify administrative deficiency. Following are the cases where a letter proposing administrative deficiency has been sent since 1 July 2010:

2009-115503	Mrs Ann McGovern	TFN compromise
2010-102957	Mr Robert Cox	2007 ITR submitted three occasions over two years
2010-104194	Mr Terence Barns	ITR refund garnished for ITSA without required notice -- 28 other cases
2010-107934	Ms Caron Hearne	ITR amendment not processed for 14 months despite many contacts
2010-113131	Mr Robert Mangioni	Delay in processing CDDA application. Lodged August 2008, determined May 2010.
2010-113579	Mr Bruno Romeo	TFN compromise
2010-116944	Mrs Kate Hudson	Delay in processing amended assessment, issues when done and subsequent failure to respond to complaint

### TFN Compromise report

We appreciate the ATO's efforts to respond more quickly to complaints and engage on the implementation of the recommendations. Nonetheless, we continue to see the issues identified recurring.