



Professor John McMillan
Commonwealth Ombudsman
GPO Box 442
CANBERRA ACT 2601

Dear Professor McMillan

Thank you for the opportunity to respond to the final report of your investigation into our complaint handling. I am particularly pleased to see regular and constructive discussions are taking place between our Offices on complaints and complaint handling and in regard to your findings.

I have attached a formal response to each of the recommendations. As you can see I agree with each of them, noting that in a number of instances they build on approaches already underway.

I want to assure you of my commitment to professional complaint handling and to continuing improvement in accordance with your recommendations.

Yours sincerely

A handwritten signature in black ink that reads 'Michael Carmody'. The signature is written in a cursive style and is underlined with a single horizontal line.

Michael Carmody
COMMISSIONER OF TAXATION

28 April 2003

Formal Response to Recommendations



Recommendation (1)

That the ATO develop a strategy for implementing best practice “relationship management” within complaint handling across the ATO, including the:

- **further development of a complaint-handling process that incorporates elements of key client management; and**
- **further development of Alternative Dispute Resolution as an element of, or in partnership with, ATO complaint handling.**

Agreed, noting that this will build on a range of client relationship management initiatives already embarked on.

Recommendation (2)

That ATO Complaints and the Business Lines collaborate to further develop a:

- **system of alerts for possible future complaints, whereby Business Lines are responsible for informing ATO Complaints of the likelihood of any significant increase in future complaints from any new or revised operations;**
- **more co-operative approach to dealing with systemic issues raised by complaints, including a central point for the follow-up of significant systemic matters; and**
- **quality assurance strategy for complaint handling at all levels, including consideration of random performance audits.**

Agreed. Work has already begun on progressing these issues. Consideration will also be given to better bringing together systemic issues arising through complaints and other avenues, eg. feedback from consultative forums.

Recommendation (3)

That the ATO adopt a consistent complaint-recording system, capable of tracking complaints, as soon as practicable.

Agreed. Full specifications of a system have been developed and existing ATO systems are presently being examined for suitability to include complaint handling. In the meantime we are continuing to work to ensure that the application of the official ATO position on what constitutes a complaint is well understood by staff. Ongoing training on complaint management will reinforce this understanding.

Recommendation (4)

That the ATO should investigate the past poor performance and more recent improvement in relation to correction of administrative or clerical errors to determine what action, if any, is required to ensure more effective complaint resolution.

Agreed. High transactional areas in the ATO as shown in their December year to date reports, are now achieving 82.4%. Our performance on this standard was consistently high

for most of the year under consideration in your report, apart from short periods of system shutdowns which impact the overall performance.

Recognising that our business priorities and ability to deliver services are clearly tied to funding, the government engaged an external consultant in 2002 to review our funding requirements. The consequence of this review was that the government recognised we were under-funded in certain key areas and provided additional funding. These additional resources are being applied to lift our performance in areas including telephone and written activities.

Recommendation (5)

That all Business Line staff be reminded of the importance of promptly responding to complainants, consistent with the ATO's service standards and commitment to an effective complaint-handling system.

Agreed.

Recommendation (6)

That the ATO develop service standards in relation to complaint resolution, including provision for an extension of time where warranted.

Agreed. ATO Complaints has commenced work to implement a flexible service standard for complaint resolution. The ATO Complaints Forum, comprising of representatives from all our business lines, will be closely involved in developing this standard. We will also be seeking to involve your Office in discussions on this standard.

ATO performance against Good Practice

(1) Providing complainants with detailed particulars of the steps taken to resolve their complaints

Agreed, recognising there may be a question of balance in dealing with different types of complaints ie high volume and simple complaints, versus the relatively more complex complaints. My officers are in discussion with your officers on this matter.

(2) Providing complainants with better explanations of the reasons behind decisions

Agreed. As mentioned, a single complaint system will significantly improve the functionality for complaint recording and management. As I mentioned in relation to point (1), issues of high complexity versus high volume low complexity are involved. My officers have raised this issue with your officers with a view to engaging in further discussion.

(3) Providing complainants with an opportunity to provide any additional information or comments prior to the finalisation of a complaint

Agreed, noting that from a practical perspective, in simple complaint matters we will need to consider the means by how this can be achieved, particularly where complaints are resolved at the first point of contact. In complex matters we expend considerable effort to properly obtain all relevant information and to keep the taxpayer regularly informed. We will be interested in discussing these aspects with your officers.

(4) Development of an on-line complaint form

Agreed, a senior officer has been tasked to consider how this might be implemented.

(5) Full contact details for ATO Complaints in Tax Pack

Agreed noting that the primary contact number for ATO Complaints in Tax Pack has consistently been 132870. In the 2002 Tax Pack this number was included along with mail and free fax details.

(6) Developing and maintaining a centralised database for systemic issues

Agreed, noting comments made in response to recommendation 2.

(7) Reinstating the Officer ID Policy

Agreed, noting that in most interactions with taxpayers officers identify themselves with their Christian Name and are expected to provide full names where requested. We recognise this is an important issue and we will continue to reinforce the need for officers to identify themselves in all dealings with clients. The imminent release of the revised Taxpayers' Charter will be backed up by a policy on officer identification and this will provide an opportunity to further reinforce our approach with staff. We will discuss the policy with your officers.