Inspector‑General of Taxation

Entity resources and planned performance

Inspector‑General of Taxation

[Section 1: Entity overview and resources 277](#_Toc134014261)

[1.1 Strategic direction statement 277](#_Toc134014262)

[1.2 Entity resource statement 278](#_Toc134014263)

[1.3 Budget measures 279](#_Toc134014264)

[Section 2: Outcomes and planned performance 280](#_Toc134014265)

[2.1 Budgeted expenses and performance for Outcome 1 281](#_Toc134014266)

[Section 3: Budgeted financial statements 283](#_Toc134014267)

[3.1 Budgeted financial statements 283](#_Toc134014268)

[3.2 Budgeted financial statements tables 284](#_Toc134014269)

# Inspector‑General of Taxation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The objective of the Inspector‑General of Taxation (IGT) and Taxation Ombudsman is to improve tax administration through independent investigation of tax disputes, review investigations of systemic and broader community issues, reporting issues that are in the public interest and independent advice to the Government and its relevant entities.

The IGT’s strategic direction for 2023–24 is to achieve this by delivering independent investigation and advice for improvement through:

* a specialised Dispute Investigation Service for the Australian community
* review investigations into priority areas of tax administration for improvement, as informed by our Dispute Investigation Service and in consultation with the community
* independent advice and recommendations to the Minister, the Government, the Parliament, the Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB) through public reporting.

The IGT’s outcome statement has been updated to more accurately describe its role in the tax and superannuation system and to better align with its statutory objectives and purpose. The revised outcome statement is included below in Section 2.

The IGT’s effectiveness in achieving its purpose is dependent on its ability to manage and adapt to the environment in which it operates.

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity’s operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome 1’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Inspector‑General of Taxation resource statement – Budget estimates for 2023–24 as at Budget May 2023

|  |  |  |
| --- | --- | --- |
|  | *2022-23 Estimated actual $'000* | 2023-24 Estimate  $'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *3,783* | 4,996 |
| Departmental appropriation (b) | *6,484* | 6,677 |
| Departmental capital budget (c) | *32* | 32 |
| Total departmental annual appropriations | *10,299* | 11,705 |
| ***Total departmental resourcing*** | ***10,299*** | **11,705** |
| **Total resourcing for entity Inspector-General of Taxation** | ***10,299*** | **11,705** |
|  |  |  |
|  | *2022-23* | 2023-24 |
| **Average staffing level (number)** | *35* | 35 |

All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

1. Appropriation Bill (No. 1) 2023–24.
2. Excludes Departmental Capital Budget (DCB).
3. Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a ‘contribution by owner’.

### 1.3 Budget measures

Inspector‑General of Taxation has no new budget measures.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The IGT’s outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

|  |
| --- |
| **Note:**  Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity’s Corporate Plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity’s planned and actual performance.  The most recent Corporate Plan for the IGT can be found at:  ([https://www.igt.gov.au/corporate‑plan‑reports/corporate‑plan‑fy23‑fy26/](https://www.igt.gov.au/corporate-plan-reports/corporate-plan-fy23-fy26/)).  The most recent annual performance statement can be found at:  ([https://www.igt.gov.au/annual‑reports/annual‑report‑2021‑22/](https://www.igt.gov.au/annual-reports/annual-report-2021-22/)). |

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Fair, accountable and improved administration and integrity of the taxation and superannuation systems for the benefit of the Australian community, through independent investigation and reporting. |

#### Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **Program 1.1: Inspector-General of Taxation** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 6,484 | 6,677 | 6,836 | 6,927 | 7,037 |
| s74 External Revenue (a) | 60 | 60 | 60 | 60 | 60 |
| Expenses not requiring  appropriation in the Budget  year (b) | 240 | 46 | 46 | 46 | 47 |
| **Departmental total** | 6,784 | 6,783 | 6,942 | 7,033 | 7,144 |
| **Total expenses for program 1.1** | **6,784** | **6,783** | **6,942** | **7,033** | **7,144** |
| **Total expenses for Outcome 1** | **6,784** | **6,783** | **6,942** | **7,033** | **7,144** |
|  |  |  |  |  |  |
|  | 2022-23 | 2023-24 |  |  |  |
| **Average staffing level (number)** | 35 | 35 |  |  |  |

* + - * 1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
        2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2023–24 Budget measures that have created new programs or materially changed existing programs are provided.

| **Outcome 1** – Fair, accountable and improved administration and integrity of the taxation and superannuation systems for the benefit of the Australian community, through independent investigation and reporting. | | |
| --- | --- | --- |
| **Program 1.1‑ Inspector‑General of Taxation**  To improve tax administration through an effective disputes investigation service, prioritising areas of tax administrative review in consultation with relevant stakeholders and the provision of independent advice to the Government, ATO and Tax Practitioners Board (TPB). | | |
| Key Activities | * Effective handling of tax administration disputes. * Identify and prioritise areas of tax administration for improvement. * Conduct reviews and make independent recommendations for improvement to the Government, the ATO and the TPB. | |
| Year | Performance measures | Expected performance results |
| Current Year  2022–23 | * Effective handling of tax administration disputes. * Efficient conduct of reviews into tax administration issues. * Publication of reports on tax administration. * Independent advice to Government and relevant entities on improvements to tax administration. | * Tax administration dispute responses. * Positive feedback on disputes and broader reviews from community stakeholders including taxpayers, tax practitioners, other citizens and relevant government entities. * Areas of tax administration for improvement identified and prioritised through disputes and stakeholder consultation. * Reviews, reports and recommendations on areas of tax administration. |
| Year | Performance measures | Planned performance results |
| Budget Year  2023–24 | As per 2022–23 | As per 2022–23 |
| Forward Estimates  2024–27 | As per 2022–23 | As per 2022–23 |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

There are no material differences between entity resourcing and the financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

The financial statements have been prepared on an Australian Accounting Standards basis.

The IGT is budgeting for a break‑even operating result in 2023–24.

### 3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 4,617 | 4,628 | 4,650 | 4,606 | 4,624 |
| Suppliers | 1,473 | 1,692 | 1,829 | 1,964 | 2,055 |
| Depreciation and amortisation (a) | 694 | 463 | 463 | 463 | 465 |
| **Total expenses** | **6,784** | **6,783** | **6,942** | **7,033** | **7,144** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Other | 60 | 60 | 60 | 60 | 60 |
| **Total own-source revenue** | **60** | **60** | **60** | **60** | **60** |
| **Total own-source income** | **60** | **60** | **60** | **60** | **60** |
| **Net (cost of)/contribution by  services** | **(6,724)** | **(6,723)** | **(6,882)** | **(6,973)** | **(7,084)** |
| Revenue from Government | 6,484 | 6,677 | 6,836 | 6,927 | 7,037 |
| **Surplus/(deficit) attributable to the  Australian Government** | **(240)** | **(46)** | **(46)** | **(46)** | **(47)** |
| **Total comprehensive income/(loss)** | **(240)** | **(46)** | **(46)** | **(46)** | **(47)** |
| **Total comprehensive income/(loss)  attributable to the Australian  Government** | **(240)** | **(46)** | **(46)** | **(46)** | **(47)** |

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022-23 Estimated actual $'000 | 2023-24 Budget  $'000 | 2024-25 Forward estimate $'000 | 2025-26 Forward estimate $'000 | 2026-27 Forward estimate $'000 |
| **Total comprehensive income/(loss)  - as per statement of  Comprehensive Income** | **(240)** | **(46)** | **(46)** | **(46)** | **(47)** |
| plus: depreciation/amortisation of assets  funded through appropriations  (departmental capital budget funding  and/or equity injections) (a) | 281 | 46 | 46 | 35 | 36 |
| plus: depreciation/amortisation  expenses for ROU assets (b) | 413 | 417 | 417 | 428 | 429 |
| less: lease principal repayments (b) | 454 | 417 | 417 | 417 | 418 |
| **Net Cash Operating Surplus/ (Deficit)** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

* 1. From 2010‑11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non‑corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget (DCB)) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
  2. Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022–23 Estimated actual $'000 | 2023–24 Budget  $'000 | 2024–25 Forward estimate $'000 | 2025–26 Forward estimate $'000 | 2026–27 Forward estimate $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 20 | 20 | 20 | 20 | 20 |
| Trade and other receivables | 4,349 | 4,216 | 4,216 | 4,216 | 4,216 |
| ***Total financial assets*** | ***4,369*** | ***4,236*** | ***4,236*** | ***4,236*** | ***4,236*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 1,431 | 2,899 | 2,471 | 2,043 | 1,614 |
| Property, plant and equipment | 202 | 167 | 132 | 97 | 61 |
| Intangibles | 25 | 57 | 89 | 122 | 156 |
| Other non-financial assets | 119 | 119 | 119 | 119 | 119 |
| ***Total non-financial assets*** | ***1,777*** | ***3,242*** | ***2,811*** | ***2,381*** | ***1,950*** |
| **Total assets** | **6,146** | **7,478** | **7,047** | **6,617** | **6,186** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 209 | 209 | 209 | 209 | 209 |
| Other payables | 204 | 204 | 204 | 204 | 204 |
| ***Total payables*** | ***413*** | ***413*** | ***413*** | ***413*** | ***413*** |
| **Interest bearing liabilities** |  |  |  |  |  |
| Leases | (45) | 1,301 | 884 | 467 | 49 |
| ***Total interest bearing liabilities*** | ***(45)*** | ***1,301*** | ***884*** | ***467*** | ***49*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 1,618 | 1,618 | 1,618 | 1,618 | 1,618 |
| Other provisions | 231 | 231 | 231 | 231 | 231 |
| ***Total provisions*** | ***1,849*** | ***1,849*** | ***1,849*** | ***1,849*** | ***1,849*** |
| **Total liabilities** | **2,217** | **3,563** | **3,146** | **2,729** | **2,311** |
| **Net assets** | **3,929** | **3,915** | **3,901** | **3,888** | **3,875** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 1,417 | 1,449 | 1,481 | 1,514 | 1,548 |
| Reserves | 411 | 411 | 411 | 411 | 411 |
| Retained surplus (accumulated  deficit) | 2,101 | 2,055 | 2,009 | 1,963 | 1,916 |
| ***Total parent entity interest*** | ***3,929*** | ***3,915*** | ***3,901*** | ***3,888*** | ***3,875*** |
| **Total equity** | **3,929** | **3,915** | **3,901** | **3,888** | **3,875** |

Prepared on Australian Accounting Standards basis.

\*’Equity’ is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2023–24)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Retained earnings  $'000 | Asset revaluation reserve $'000 | Contributed equity/ capital $'000 | Total equity   $'000 |
| **Opening balance as at 1 July 2023** |  |  |  |  |
| Balance carried forward from  previous period | 2,101 | 411 | 1,417 | 3,929 |
| ***Adjusted opening balance*** | ***2,101*** | ***411*** | ***1,417*** | ***3,929*** |
| **Comprehensive income** |  |  |  |  |
| Surplus/(deficit) for the period | (46) | - | - | (46) |
| ***Total comprehensive income*** | ***(46)*** | ***-*** | ***-*** | ***(46)*** |
| ***Contributions by owners*** |  |  |  |  |
| Departmental Capital Budget (DCB) | - | - | 32 | 32 |
| ***Sub-total transactions with  owners*** | ***-*** | ***-*** | ***32*** | ***32*** |
| **Estimated closing balance as at  30 June 2024** | ***-*** | ***-*** | ***32*** | ***32*** |
| **Closing balance attributable to  the Australian Government** | **2,055** | **411** | **1,449** | **3,915** |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022–23 Estimated actual $'000 | 2023–24 Budget  $'000 | 2024–25 Forward estimate $'000 | 2025–26 Forward estimate $'000 | 2026–27 Forward estimate $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 7,937 | 6,810 | 6,836 | 6,927 | 7,037 |
| ***Total cash received*** | ***7,937*** | ***6,810*** | ***6,836*** | ***6,927*** | ***7,037*** |
| **Cash used** |  |  |  |  |  |
| Employees | 4,617 | 4,628 | 4,650 | 4,606 | 4,624 |
| Suppliers | 1,413 | 1,632 | 1,769 | 1,904 | 1,995 |
| ***Total cash used*** | ***6,030*** | ***6,260*** | ***6,419*** | ***6,510*** | ***6,619*** |
| **Net cash from/(used by)  operating activities** | **1,907** | **550** | **417** | **417** | **418** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and  equipment and intangibles | 1,485 | 165 | 32 | 33 | 34 |
| ***Total cash used*** | ***1,485*** | ***165*** | ***32*** | ***33*** | ***34*** |
| **Net cash from/(used by)  investing activities** | **(1,485)** | **(165)** | **(32)** | **(33)** | **(34)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | 32 | 32 | 32 | 33 | 34 |
| ***Total cash received*** | ***32*** | ***32*** | ***32*** | ***33*** | ***34*** |
| **Cash used** |  |  |  |  |  |
| Principal payments on lease liability | 454 | 417 | 417 | 417 | 418 |
| ***Total cash used*** | ***454*** | ***417*** | ***417*** | ***417*** | ***418*** |
| **Net cash from/(used by)  financing activities** | **(422)** | **(385)** | **(385)** | **(384)** | **(384)** |
| **Net increase/(decrease) in cash  held** | **-** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the  beginning of the reporting period | 20 | 20 | 20 | 20 | 20 |
| **Cash and cash equivalents at  the end of the reporting period** | **20** | **20** | **20** | **20** | **20** |

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022–23 Estimated actual $'000 | 2023–24 Budget  $'000 | 2024–25 Forward estimate $'000 | 2025–26 Forward estimate $'000 | 2026–27 Forward estimate $'000 |
| **NEW CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 32 | 32 | 32 | 33 | 34 |
| **Total new capital appropriations** | **32** | **32** | **32** | **33** | **34** |
| ***Provided for:*** |  |  |  |  |  |
| *Purchase of non-financial assets* | *32* | *32* | *32* | *33* | *34* |
| ***Total items*** | ***32*** | ***32*** | ***32*** | ***33*** | ***34*** |
| **PURCHASE OF NON-FINANCIAL  ASSETS** |  |  |  |  |  |
| Funded by capital appropriations (a) | 1,453 | 133 | - | - | - |
| Funded by capital appropriation -  DCB (b) | 32 | 32 | 32 | 33 | 34 |
| **TOTAL** | **1,485** | **165** | **32** | **33** | **34** |
| **RECONCILIATION OF CASH USED  TO ACQUIRE ASSETS TO ASSET  MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 1,485 | 165 | 32 | 33 | 34 |
| **Total cash used to acquire assets** | **1,485** | **165** | **32** | **33** | **34** |

Prepared on Australian Accounting Standards basis.

1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2023–24)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings    $'000 | Other property, plant and equipment $'000 | Computer software and intangibles  $'000 | Total    $'000 |
| **As at 1 July 2023** |  |  |  |  |
| Gross book value | 1,923 | 314 | 511 | 2,748 |
| Gross book value - ROU assets | 1,767 | - | - | 1,767 |
| Accumulated depreciation/ amortisation and impairment | (491) | (112) | (486) | (1,089) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (1,768) | - | - | (1,768) |
| **Opening net book balance** | **1,431** | **202** | **25** | **1,658** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new  or replacement assets** |  |  |  |  |
| By purchase - appropriation equity (a) | 133 | - | 32 | 165 |
| By purchase - appropriation equity -   ROU assets | 1,763 | - | - | 1,763 |
| **Total additions** | **1,896** | **-** | **32** | **1,928** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (11) | (35) | - | (46) |
| Depreciation/amortisation on   ROU assets | (417) | - | - | (417) |
| **Total other movements** | **(428)** | **(35)** | **-** | **(463)** |
| **As at 30 June 2024** |  |  |  |  |
| Gross book value | 2,056 | 314 | 543 | 2,913 |
| Gross book value - ROU assets | 3,530 | - | - | 3,530 |
| Accumulated depreciation/  amortisation and impairment | (502) | (147) | (486) | (1,135) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (2,185) | - | - | (2,185) |
| **Closing net book balance** | **2,899** | **167** | **57** | **3,123** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2023–24.