

Principles of effective complaints handling

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On the Ombudsman's thirty anniversary, I would like to pay tribute to the contribution that the Ombudsman made to the way the Tax Office deals with complaints.

The Tax Office lays down the principles, which govern the way it conducts its dealings and relationships with taxpayers in a Taxpayers' Charter. The Charter enshrines the right to complain if taxpayers believe their rights or the standards set by the Charter have not been met. The Commonwealth Ombudsman played an integral role in the creation of the Taxpayers' Charter and as a consequence, in the development of our complaints handling mechanism.

But the Ombudsman played an even more direct role in the redevelopment of the Tax Office's current complaints handling mechanisms. In 2003, he released the report of an own-motion investigation into Tax Office complaint handling that was itself a follow-up to earlier investigations.

The 2003 report was the catalyst for some significant changes to the way complaints are handled in the Tax Office.

The report contained six recommendations.

The first recommendation included the development of a strategy for the implementation of best practice relationship management for complaints handling in Tax Office.

This helped us to recognise and embed in the organisation the importance of complaints as a relationship management tool. The report correctly pointed out that taxpayers can have a lot of different interactions with the Tax Office (for instance, a taxpayer might have an income tax liability, a HECS or HELP liability and an activity statement liability) and that if one of these interactions goes wrong, the whole relationship can deteriorate.

The Tax Office's current change program, among other things, will introduce new case management systems to ensure that a Tax Officer talking to a taxpayer has a much broader view of the history of the taxpayer's dealings with the Tax Office.

But in the meantime, relationship management with complainants was enhanced by the introduction, as per recommendation 3, of a consistent complaints-recording system. The system has improved our ability to do research and analysis of complaints data, but more importantly, allows for better case-management of complaints.

Like many organisations, our complaints system has mandatory fields, which have checklist effect. This obviously means that officers have to complete certain action before a complaint can be regarded as finalised. It also makes quality assurance a lot easier and allows complaints cases to be recorded separately, so they do not get swallowed up in day-to-day business.

This brings me to another of the Ombudsman's recommendations, which was that staff should be reminded of the importance of promptly responding to complainants, consistent with the Tax Office's service standards and commitment to complaints resolution.

In the Tax Office, we have a system of practice statements, which are instructions to relevant staff. We issued a practice statement on complaints handling which applies to all staff and requires them to be aware of and follow the processes for handling complaints. It states the commitment of the Tax Office to handling complaints efficiently, effectively and learning from the process.

This recommendation is related to the recommendation to extend a service standards concept to complaints handling. Service standards in relation to complaints establish the timeframes for firstly, contacting complainants and secondly, resolving complaints.

The timeframe for contacting a taxpayer initially is 3 days and the time for resolving a complaint is 21 days, or longer if we have discussed the issue with the taxpayer within 14 days of receiving the complaint. We report to the Tax Office Executive on each business line's service standards performance. Annual service standard figures are published on the Tax Office website.

These timeframes have the added advantage of requiring officers to talk to complainants at an early stage of the proceedings, so complainants get a better understanding of the process and know who is looking after their cases.

Implementing these recommendations required us to re-examine our complaints handling practices, in light of our experience with complaints to date and research into the experiences of others as well as the Ombudsman's recommendations.

It took much longer than we expected, even though we were often using tools, which already existed in the Office (for instance, we adapted computer systems and the service standard idea to complaints).

Part of the reason why it took so long was that we needed to be thorough. We did not want to leave cracks through which complaints could fall.

Some important principles had already been established and were retained or adjusted to suit our current circumstances. For instance, we had recognised the importance of having a distinct central complaints handling branch (called ATO Complaints), which was separate to the other operational areas of the Office and has overall responsibility for ensuring that the whole system is working properly.

However, in an organisation as large and complex as the Tax Office, it is often more efficient to deal with complaints in the area that gives rise to them. The relevant area knows what sorts of problems taxpayers are encountering and the complaints are handled in the part of the Office with the necessary expertise.

But this is only going to be effective if the operational areas (or business lines) are committed to effective complaints resolution and there are procedures in place to facilitate good complaints practice and management.

There are several factors, which are relevant here.

Firstly, the Tax Office sees itself as a values-driven organisation. This means that the whole Tax Office is committed to values of transparency, accountability and professionalism.

Secondly, there is Executive involvement in complaints management. The Commissioner and the Second Commissioners are kept informed of what is occurring in the complaints "world". We produce a monthly report of some 20 or so pages (we are trying to make it shorter) which contains analysis and information about:

- complaints volumes;
- what interactions are generating complaints and why; and
- performance indicators such as the number of cases finalised, performance against service standards and quality assurance results.

The Executive actually read the report and ask questions about it.

Thirdly, each business line has their own complaints co-ordination staff who manage the resolution of complaints in the business line.

These staff are part of a Tax Office wide network of complaints co-ordinators which educates staff about complaints practice and procedures and can be used to disseminate information about complaints handling and any changes to procedures.

Most people who want to complain to the Tax Office use the advertised complaints phone number in the phone book. The complaints hotline is located in a large tax office call centre but is staffed by officers in a single team who have training in taking these sorts of calls and know which part of the office to refer a complaint to.

Taxpayers can also complain by letter or fax (there is a dedicated fax number) or via the complaint form on the Tax Office web site.

The call centre operatives' work closely with a dedicated complaints support team in ATO Complaints. The support team is responsible for maintaining complaints infrastructure – for example, they provide help to the call centre (including quality assurance) and secretariat services for the complaints network; they also maintain a web-page which tells staff what to do when they get a complaint.

The safety net for taxpayers is that if the business line does not deal with the case satisfactorily, it can be referred up the line to a specialist complaints handling unit. This unit reviews and case manages the most complex cases. Members of this unit work closely with business line complaints resolvers on such cases and have the advantage of not being aligned to any one operational area, so as noted above, can look at a case with fresh eyes.

Because of their specialist skills, this unit is well placed to run the complaints quality assurance scheme. This is a quarterly process similar to the scheme that runs in the Tax Office for other forms of written advice. There are 2 main parts - one concentrates on the way the officer has identified and dealt with the issues that gave rise to the complaint; the other part looks at the way in which the officer has managed the relationship with the complainant. The results are fed back to the business lines (and sometimes officers), which handled the complaint.

The unit also case manages investigations into Ombudsman's complaints.

As well as internal quality assurance, we also take part in Tax Office surveys such as the "professionalism" survey which measures the views of people who have had interactions with the Tax Office on how professional those interactions were and a survey of community perceptions of the Tax Office.

The last Ombudsman's recommendation concerned learning from the intelligence that can be gathered from complaints. It suggested a system of alerts about the likelihood of complaints arising from new or revised operations, and a better approach to dealing with systemic problems.

Alerts now are used not when there is a likelihood of increased complaints from a change to procedures and more frequently when there are problems such as a breakdown in the phone system, which are likely to cause a spike in the number of complaints.

But this brings me to what we call systemic issues. These are issues or problems which if not fixed are likely to give rise to continuing complaints - for instance, a problem with a particular process which causes delays, or a problem with our computer program which leads to incorrect calculations.

The complaints recording system reminds staff to consider if a complaint is an indicator of a wider systemic problem. If an officer thinks that it might be, the way in which we handle it is to:

- conduct a preliminary investigation in ATO Complaints;
- if as a result of the investigation, we think it is a systemic issue, refer the issue to the relevant business line for their views;
- if it is agreed that an issue is systemic, appoint an officer whose responsibility it is to fix the issue and provide updates for a monthly report to the executive until the fix is in place.

Even if a complaint is not an indicator of a systemic problem, there are wider lessons that can be learnt from complaints. Following trends in complaints data can show where pressure points are building (for instance, taxpayers are experiencing problems with a particular service) or be an indicator of other emerging problems (for instance, taxpayers are misunderstanding certain instructions or publications).

Much of this information comes from what we call feedback. This is where taxpayers want to make comments about Tax Office services, but without there necessarily being a problem that needs to be fixed. A considerable number of taxpayers take the time to ring the complaints number or fill out an on-line form to report on their experiences, some of them good, dealing with the Office. We record and analyse this data and report on it at the same time as we report on complaints handling.

However, it is one area where we could do more. We are currently examining ways of harnessing feedback that comes from other sources.

Other issues for the future are building networks with other agencies to identify current best practice and possible improvements, benchmarking against other organisations – for instance, trying to find out if we get enough complaints relative to the number of transactions we do and making it easier to complain; dealing with difficult complainants and making sure that new Tax Office systems will be adapted to complaints needs, especially in terms of reporting and analysis.

One thing about this sort of work is that we can never let our guard down. Complaints are a small part numerically of the work the Tax Office does but because of their importance, they bat above their weight. We have to keep trying to ensure that complaints maintain a high profile in the organisation so that they don't get lost.