

QUEENSLAND TREASURY

Regulator Performance Framework Report

2022–23

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1.0 Ensure regulatory activity is proportionate to risk and minimises unnecessary burden

Supporting principles

- A proportionate approach is applied to compliance activities, engagement, and regulatory enforcement actions.
- Regulations do not unnecessarily impose on regulated entities.
- Regulatory approaches are updated and informed by intelligence gathering so that effort is focused on risk.

Queensland Revenue Office (QRO) adopts a risk-based revenue management (RBRM) approach, which helps guide decisions on allocating finite resources to achieve better compliance outcomes while optimising the revenue, fine and debt collected.

QROs RBRM framework details an annual planning cycle which is based on Organisation for Economic Co-operation and Development (OECD) best practice, to manage the risks associated with client non-compliance and maintain the integrity and confidence of the public in the revenue system. The planning cycle involves a structured approach to identifying, assessing, prioritising and mitigating risks to revenue.

QRO compliance programs provide a graduated response, making it easy for those who want to comply and applying credible enforcement to those who don't. Risk treatment strategies employed are dependent on the factors that drive specific compliance behaviours. There is a balance of treatments from compliance and enforcement activities, to targeted education and engagement activities that align with the compliance model. QRO publishes general information online about its compliance approach.

QRO uses a range of feedback sources to deliver insights into taxpayer behaviour and drivers, enabling QRO to transform its interactions with clients, leading to improved client outcomes. For example, the insights derived from focus groups run in 2022-23 were embedded into the design of the new QRO website. New online surveys were launched to continue to gather real-time client insights and prioritise improvements to user experience and functionality. This has helped QRO to gain a better understanding of its clients' digital experience.

Data is driving significant change within QRO, as new technologies provide opportunities to make it easier for taxpayers to manage their obligations and for QRO to identify revenue risks. A new suite of tools now enables QRO to make faster, better informed, data-driven decisions to ensure taxpayers are meeting their obligations, leading to improved outcomes for taxpayers. New technologies are making it easier for QRO to gain new and meaningful insights into taxpayer behaviour and detect risk behaviours, which enables QRO to reach taxpayers earlier, so they can make changes or rectify any errors.

2.0 Consult and engage meaningfully with stakeholders

Supporting principles

- Formal and informal consultation and engagement mechanisms are in place to allow for the full range of stakeholder input and government decision making circumstances.
- Engagement is undertaken in ways that helps regulators develop a genuine understanding of the operating environment of regulated entities.
- Cooperative and collaborative relationships are established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework.

Collaborative relationships have been established between QRO, industry bodies, inter-jurisdictional revenue offices, and where appropriate and possible, individual taxpayers.

The Commissioner of State Revenue has established a number of committees to maintain cooperative and collaborative relationships. These include:

- Taxation Consultative Committee – the main consultative body assisting QRO improve revenue administration. Membership is made up of senior members of QRO, representatives of major tax, law, and accounting professional firms and industry associations.
- Resource Consultative Committee – the main consultative body assisting QRO to improve revenue administration as it applies to the resource industry. Membership comprises senior QRO staff and representatives of industry associations.
- Property Consultative Committee – the main consultative body assisting QRO to improve revenue administration as it applies to the property industry. Senior members of QRO are joined on this committee by representatives of industry associations.

QRO is represented on several interjurisdictional committees, which provide an important and valuable network to share information on revenue administration constructively, collaboratively and in a timely manner.

QRO is committed to client and stakeholder engagement as a means of improving the administration of Queensland's revenue system. Client engagement activities in 2022-23 included the following initiatives.

- QRO continues to educate clients on their obligations and entitlements through a range of tools, including proactive media engagement, an improved website, email and SMS campaigns, and social media.
- 41 new community organisations were approved to join the Hardship Partner Program, bringing the total number of partners to 228. These partners deliver Work and Development Orders to the State Penalties Enforcement Registry (SPER) debtors who are experiencing genuine hardship and cannot afford to pay their penalty debt. This resulted in the discharging of \$5M of penalty debt last financial year.
- 26 in-person Payroll Tax seminars were attended by more than 900 participants in total.
- 12 online live Payroll Tax webinars were attended by more than 6,700 participants in total.
- 36 Right to Information / Information Privacy applications were managed.
- Proactive media opportunities including SPER enforcement activities generated statewide media coverage to educate clients on their obligations and the consequences of not paying their debt.
- Human rights always considered – a checklist was completed for all objections, while possible human rights issues were addressed in all policy briefings and legislative material.
- QRO developed a suite of Online eLearning modules to help Queensland Law Society (QLS) investigators undertake work in dealing with possible fraud and misconduct.
- Given a potential lack of awareness of the payroll tax treatment of contracted GPs among medical practices, an administrative arrangement, supported by Commissioner of State Revenue Guidelines, was approved which provided an amnesty to non-complying medical practices on payments to contracted GPs until 30 June 2025. A Public Ruling was also issued to assist medical practices come into compliance by 1 July 2025.
- Extensive engagement and consultation with industry on a proposed approach to professional partnership acquisition transfer duty lodgements.
- Raised community profile of SPER by increasing presence in the community and targeting early, proactive engagement and collection activities.

The annual QRO Client Satisfaction Survey is a key performance indicator used to gauge the experience and satisfaction of QRO clients in relation to the services provided. The survey reflects customer satisfaction regarding quality, timeliness, fairness, information, staff knowledge, courtesy, accessibility and outcome. QRO achieved an overall satisfaction rate of 70% in 2022–23.

3.0 Provide appropriate information and support to assist compliance

Supporting principles

- Clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience.
- Advice is consistent and, where appropriate, decisions are communicated in a manner that clearly articulates what is required to achieve compliance.
- Where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice.

QRO publishes step-by-step guides and tutorials for the QRO Online portal and provides a number of interactive tools to:

- assist clients to determine eligibility for home concession, first home owner grant and land tax home exemptions
- help payroll tax self-assessors determine liability
- help to enter online transactions for vehicle registration duty and for transfer duty self-assessors
- help people estimate transfer duty and vehicle registration duty.

QRO publishes public rulings which evidence the Commissioner of State Revenue's legal interpretations and assessment practices to provide consistency and certainty for taxpayers. In 2022–23 a total of 9 public rulings were published.

In an important step toward making compliance effortless for clients and in response to client and stakeholder feedback, a dedicated QRO website was launched on 16 March 2023. The standalone website centralises online content into one location to make it easier for clients and stakeholders to find information and self-serve to meet their tax and royalty obligations and receive their correct entitlements.

QRO has an online chatbot called 'Sam' that provides a digital channel for clients to engage with QRO 24/7 on routine enquiries. Sam was deployed to payroll tax webpages in February 2018 and to all remaining revenue lines in July 2018. From February 2018 to 30 June 2023, Sam logged more than 151,517 conversations, providing a final answer approximately 84% of the time.

QRO uses social media to provide targeted education that supports clients in meeting their obligations, including LinkedIn and YouTube, where QRO's range of instructional videos have been viewed more than 30,000 times. The news board in QRO Online offers timely alerts in relation to key dates and changes that affect client obligations.

QRO recognises the importance of helping the overwhelming majority of taxpayers who want to do the right thing, to get it 'right from the start'. Several targeted support initiatives were implemented in 2022–23.

- A significant change was made to the land tax home exemption process in Queensland from 1 July 2023. From this date, where QRO has sufficient information available and is satisfied that a property is being used as a home, the home exemption will be automatically applied without the need for the landowner to apply.
- QRO launched a proactive 'nudge' campaign when it looked like a transfer duty home concession recipient might be about to breach a condition of their concession. Clients are sent a simple text message reminding them to complete a form for reassessment if they intend to sell or rent the property during the concession period. The initiative makes it easier for clients to stay on the right side of their obligations. For the 2022–2023 financial year, the total number of voluntary disclosures after the client responded to the prompt was 2379.

In 2022-23, QRO took steps to further protect the integrity of the transfer duty self-assessor system with the introduction of the Transfer Duty Self Assessor Framework. The framework has been designed to provide greater clarity and transparency for self-assessors and to help make compliance easier by providing access to information

to help them understand and meet their obligations. The framework's document suite details the requirements to become and remain registered as a transfer duty self-assessor in Queensland and details what QRO will consider when deciding applications for registration, applying penalty amounts and suspending or cancelling a self-assessor's registration.

4.0 Commit to continuous improvement

Supporting principles

- Regular review of the approach to regulatory activities, collaboration with stakeholders and other regulators to ensure it is appropriately risk based, leverages technological innovation and remains the best approach to achieving outcomes
- To the extent possible, reform of regulatory activities is prioritised based on impact on stakeholders and the community.
- Staff have the necessary training and support to effectively, efficiently and consistently perform their duties.

During 2022-23, QRO successfully implemented a regionalisation program to optimise client experience that included the establishment of a contemporary Revenue Contact Centre at Maroochydore, a Debt Management Centre at Southport and a Processing Centre at Ipswich.

An online self-service instalment payment application for Land Tax, for payment arrangements of up to 6 months, was implemented and may be expanded to cover other tax streams in the future.

Through key initiatives, including the Debt Recovery and Compliance Program (DRCP) and the Fine Modernisation Program (FMP), QRO is driving improvements in the efficiency of collection, the experience of our clients and the revenue we collect for Queenslanders. The DRCP is a combination of increased proactive penalty debt management measures and increased audits and investigations for taxation and royalties. The FMP will streamline fine administration and improve debt collection in Queensland, realising a key government commitment. In 2023-24, the program will implement a range of fine and penalty debt business improvement initiatives to streamline processes and assist clients to resolve their debt.

As part of its legislative program, QRO continually reviews the legislation it administers and progresses amendments as necessary to maintain the currency of the legislation and ensure its ongoing proper operation. A range of factors will be considered in prioritising amendments for progression including, for example, the need to clarify the intended operation of the legislation to provide certainty for stakeholders.

QRO also provides comprehensive training to all staff on the legislation it administers, including online modules, face-to-face and work-based learning. Training is delivered at induction for new staff and as a refresher for existing staff.

Training needs analysis is undertaken annually to identify skill and capability gaps across QRO which are used to guide continuous improvement of training programs.

QRO in-house Chief Revenue Counsel provides advice to staff on taxation, royalty and penalty debt legislation, as well as advising government on new revenue policy and legislation.

In 2022-23, a new practice framework was introduced to outline the ways legal interpretations are resolved with QRO. Practice statements are designed to confirm or establish practices that are relevant to QRO staff. These operate alongside the suite of public rulings.

5.0 Be transparent and accountable in actions

Supporting principles

- Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders.
- Decisions are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.
- Indicators of regulator performance are publicly available.

The QRO Client Charter promotes an open and fair relationship with clients in accordance with the law. It outlines our commitment to clients, client obligations and service standards and applies to all compliance activities that we conduct. It is available on the Treasury website.

Information about QRO's objectives, functions, activities and performance is available in Queensland Treasury's Annual Report and Service Delivery Statements which provide budgeted financial and non-financial information. They are key tools used to ensure QRO is accountable for its activities.

Certain decisions made by the Commissioner of State Revenue can be reviewed through a range of avenues, including by formally objecting against an assessment of tax or notice requiring repayment of a grant, and seeking further review by tribunals and courts if dissatisfied with a decision on an objection. Clients can also seek assistance from the Queensland Ombudsman.

For reviews under part 6 of the Taxation Administration Act 2001, the Commissioner must give a written notice on deciding an objection. The notice must set out the reasons for the decision, rights to appeal and review, and the period in which an appeal or review must be filed.

Online forms are available for clients to submit a complaint or compliment about QRO's administration or quality of service. QRO's goal is to resolve complaints within 30 days. If clients are not satisfied with the resolution of the complaint, they can ask for an internal review. Information about QRO's complaint management is available in Queensland Treasury's Customer Complaints Annual Report.



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