



Australian Government
Australian Taxation Office

The Effective and Timely Resolution of Tax Disputes

Presented by
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Deputy Commissioner
ATO Review and Dispute Resolution

Reinvention of the ATO

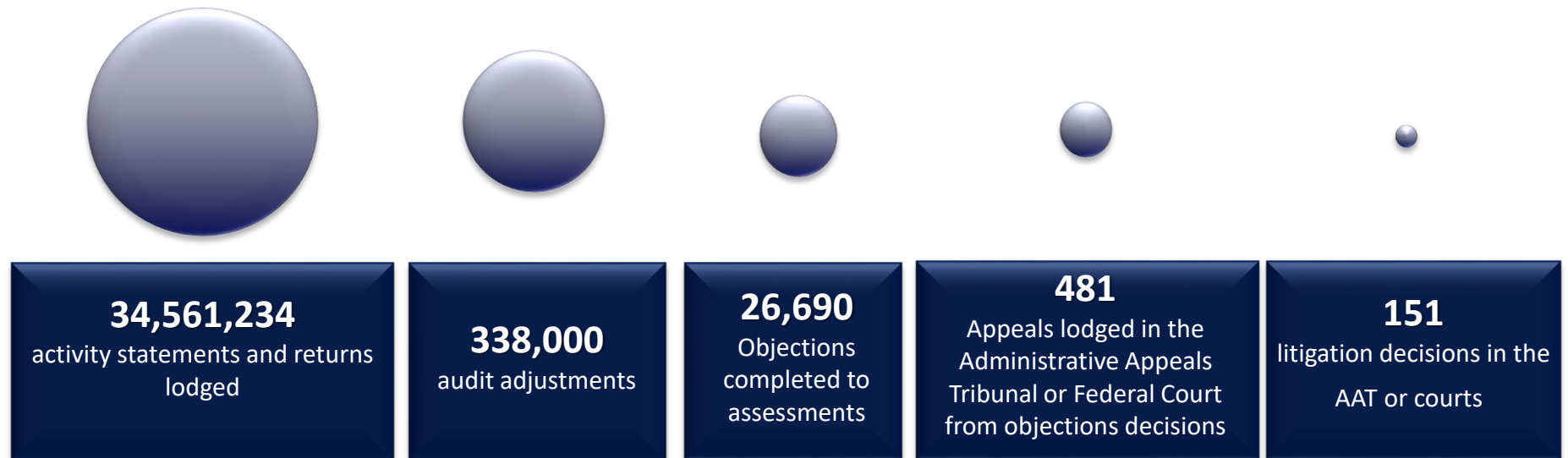
Mission

We contribute to the economic and social wellbeing of Australians by fostering willing participation in our tax and superannuation systems

Vision

We are a leading tax and superannuation administration known for our contemporary service, expertise and integrity

Resolving Disputes



In-House Facilitation

In-House Facilitation was introduced in April 2014

Aimed at disputes with individuals and small business (< \$2m AUD turnover)

Trained ATO facilitators are “independent” of the dispute

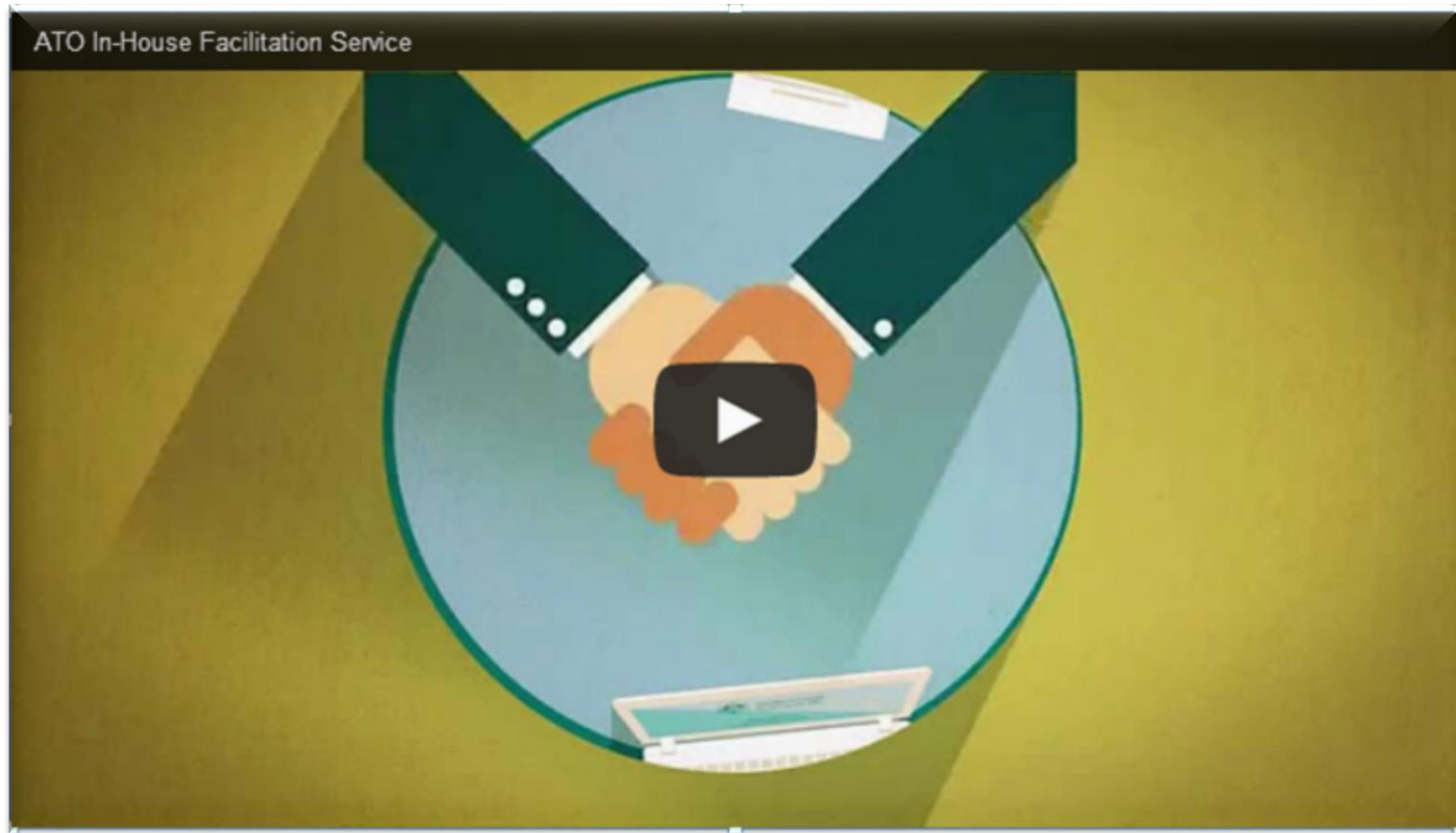
Requests can be made by the taxpayer or by ATO staff

Preferably done face to face at a location convenient to the taxpayer

Feedback is sought following the facilitation


Saves on average \$50,000 AUD per case

In-House Facilitation



In-House Facilitation Statistics

Over the past 2 years we have seen our in-house facilitation service grow, as awareness of the program increases across the community. In the 2015-2016 year the service achieved:

- 128 referrals for facilitation. This was a 30% increase in the number of referrals for the service compared to the 2014-2015 year
 - 81% resolution or partial resolution of the dispute. This was an increase of 6% on the 2014-2015 year
 - 88% of referrals were made by taxpayers or their advisors
 - 55% of facilitations conducted took place at the audit or advice stage, with 29% at objection, and 16% at litigation
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In-House Facilitation Statistics

Facilitative ADR

- Mediation
- Using former judges
- Conciliation
 - AAT: 100 in 2015/16

Evaluative ADR

- Early Neutral Evaluation (ENE)

In 2015/16, there were 19 mediations or ENEs

In 2014/15, there were only 13 mediations or ENEs

Other Initiatives

Independent Review of large corporate audit positions

- Undertaken at the conclusion of audit, pre-assessment

Independent Assurance of Settlements

- Undertaken by former judges

Fairness in disputes

- Did the ATO treat the taxpayer fairly during the dispute process?
- Was the outcome of the dispute fair?

Refresh of the Test Case Litigation Scheme

- Providing funding of litigation for the purposes of law clarification

Dispute Assist



Dispute Assist is a **service to support** unrepresented individual taxpayers through the dispute processes. The service offers you an independent disputes guide that will...

1

Connect you with the right people so that your dispute can be resolved as early as possible



2

Ensure **all options** have been explored in resolving your dispute



3

Provide assurance that your dispute has been handled in a manner that is **fair**



4

Assist you in accessing any processes **moving forward**



For more information contact us at disputeassist@ato.gov.au



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Review & Dispute Resolution

Feedback

“My husband is almost completely deaf and telephone conversations are impossible, adding stress to an already stressful situation. We appreciated the ATO taking time to meet face to face. The Dispute Assist Project is the best thing the ATO created.”

“I was very pleased with the interaction that I had with my Guide, it was my Guide that alerted me to non-lodgement of another Income Tax return – I was then able to promptly lodge that Income Tax return”

“The process helped to avoid any negative judgements about my condition which could potentially damage those who are already mentally or emotionally fragile”

“Everyone there (ATO) has been amazing and surprisingly very professional. I cannot thank you all enough. It has been a very stressful time and I appreciate the help that I have received, you are all wonderful”

“If I could hug you through the phone I would, your support to me at this stage in my life is beyond words”

External Feedback

“Wonderful example of sophisticated and thoughtful dispute system.”

• **Professor Lisa Toohey – Newcastle Law School**

“It is brilliant that the ATO is utilising its own staff, which without conflict of interest, are able to draw on their knowledge of internal processes to assist the taxpayers.”

• **Justice Hannah Sargisson – Associate Judge of the Auckland High Court**

“In 20 odd years of Therapeutic Jurisprudence nobody has thought about it in the context of tax administration – brilliant.”

• **Professor Warren Brookbanks – Auckland University of Technology (Director of Non-Adversarial Justice Centre in New Zealand – Therapeutic Jurisprudence)**



Review & Dispute Resolution

What We're Seeing

An increase of settlements earlier in disputes

- In 2015/16, there were 1,362 settlements, 95% of which were pre-litigation. (Most Project Do It)
- In 2014/15 there were 84%
- In 2013/14 there were 76%
- Over the past 5 years, the majority of settlements have been in micro business
 - In 2015/16, 47% of all settlements
 - In 2012/13, 37% of all settlements

A reduction in appeals to the Administrative Appeals Tribunal (AAT)

- 2013/14 – 922
- 2014/15 – 533
- 2015/16 - 396

Litigation outcomes

- 2010/11 – 50% in favour of the ATO
- 2015/16 – 85% fully or partly in favour of the ATO

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Thank You