

# *Release of the Australian Taxation Office's Dispute Management Plan for 2013-14*

*1 February 2014*

The Australian Taxation Office (ATO) has recently released an updated ATO Dispute Management Plan for 2013-14 (the Plan). The overarching aim of the Plan is to improve the ATO's Alternative Dispute Resolution (ADR) mechanisms in order to resolve disputes with taxpayers more quickly and cost efficiently.

The Plan has a key focus on disputes relating to debt, including unfair preference claims, but also extends to other disputes such as those relating to tax and superannuation, complaints, access to information, compensation, procurement and employee disputes.

The five key objectives of the Plan are:

- 1.** the earlier and faster resolution of disputes,
- 2.** a reduction in the number of disputes with the ATO,
- 3.** lowering the costs of the taxpayer and the ATO in resolving disputes,
- 4.** enhancing the ATO's relationship with the community, and

- 5.** facilitating easier interaction between the ATO and taxpayers.

The ATO is committed to achieving these objectives through early engagement and direct negotiation with taxpayers. As part of the Plan, the ATO will review its current processes with the aim of improving all dispute resolution processes from the assessment to the recovery stage. The ATO is also committed to using ADR at every stage of the dispute resolution process.

Most relevantly for clients in the large business sector, this extends to providing an 'independent review' of the audit position prior to the conclusion of the audit. The independent review is conducted by an independent senior member from the 'Review and Dispute Resolution' business line, and provides a framework within which taxpayers and the ATO can narrow and, if appropriate, reconsider the issues being assessed.

The ATO will also engage an independent body to survey all taxpayers who engage in ADR with the ATO.

The feedback from the survey will be used to improve the ATO's understanding of which forms of ADR are the most effective in different types of disputes.

The Plan also outlines internal changes which seek to improve the use and effectiveness of ADR in resolving tax disputes. The ATO is currently building its ADR capability by training its employees to ensure greater collaboration across the ATO in dispute management and to enhance understanding of the respective roles and responsibilities between different units in resolving disputes.

The ATO will also employ a more 'risk-focused' approach to managing disputes through authorising additional experienced officers to settle disputes and attend ADR conferences as authorised ATO decision makers. This demonstrates the ATO's collaborative approach to resolving taxpayer disputes through ADR, in order to provide efficient and timely resolution of disputes.

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The PwC Tax Controversy team will continue to monitor further changes and announcements made by the ATO relating to dispute management and any changes arising from the current ADR review.

The ATO Dispute Management Plan for 2013-14 can be located by accessing the following [link](#)

### ***Let's talk***

For a deeper discussion of how these issues might affect your business, please contact:

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