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Dispute Resolution Working Group

Access information from meetings of the Dispute Resolution Working Group.

Dispute Resolution Working Group key messages 14 August 2025



Key topics discussed at the Dispute Resolution Working Group meeting 14 August 2025.

Dispute Resolution Working Group key messages 7 May 2025



Key topics discussed at the Dispute Resolution Working Group meeting 7 May 2025.

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Key topics discussed at the Dispute Resolution Working Group meeting 31 August 2023.

Dispute Resolution Working Group key messages 4 April 2023



Key messages from the Dispute Resolution Working Group meeting held 4 April 2023.

QC 43953

Dispute Resolution Working Group key messages 14 August 2025

Key topics discussed at the Dispute Resolution Working Group meeting 14 August 2025.

Published 14 January 2026

Objections and resolution services

The ATO has seen a shift from high objection receipts and backlogs in the 2023–24 year to a period of lower objection receipts in 2024–25. A pressure point is the objections from the privately owned and wealthy groups segment which have increased in recent years and are of greater complexity. Objections and Review (O&R) continue to look for

opportunities to improve processes to achieve timeliness in the management of objections.

Demand for the dispute assist service is higher than prior years which may reflect the current external pressures in the community. The ATO is focused on formalising a Vulnerability Framework, to outline the ATO's support for vulnerable taxpayers.

In the 2024–25 year, O&R has focused on progressing the implementation of recommendations made by the Inspector General of Taxation's (now known as the Tax Ombudsman) Review of the ATO's administration and management of objections. The key activities to support the recommendations include:

- development of a digital objection form for individuals
- investigation of streamlining options for some low-risk objections
- designing more effective feedback loops with other parts of the ATO.

O&R is developing a strategy to prevent unnecessary objections. Whilst objections are necessary and part of the system, some objections received could be resolved earlier or via an alternative pathway in the office, to provide a better taxpayer experience. Consultation has been undertaken with key internal stakeholders to understand the impact of their audit strategies and to work through design principles to prevent unnecessary objections.

Member comments

A question on the capacity of the dispute assist service to meet the increased demand for the service was asked. We advised that whilst resourcing for the service is limited and the service uses eligibility criteria to select taxpayers to receive assistance, the ATO does support vulnerable taxpayers through other pathways across the organisation as well as referrals made to tax clinics.

ATO independent review services

The small business independent review expansion pilot commenced on 1 July 2024 and is due to end on 31 December 2025. Evaluation of the pilot has commenced. The number for reviews conducted as part of the pilot is less than expected, 29 review cases in the 2025 income year and less than the existing small business independent review

service, 50 to 60 review cases per year. There are several possible reasons for the lower-than-expected numbers, including that fewer taxpayers fall within the eligibility criteria in this market segment. So far in the pilot, 3 independent review cases have proceeded to objection. Given that assessments need to issue after the independent review, and the taxpayer then needs to prepare and lodge their objection, this low number may increase over time.

A key benefit of independent review is that all parties are gathered, and the independent reviewer can guide the parties in discussions and provide input when required. Real-time feedback provided to the audit team concluding the case, and a timely process, are also notable benefits. In the expansion pilot, the average amount in dispute is over \$1 million, with the research and development tax offset being the most prevalent tax issue. In the Large Market Independent Review Service, receipts have been steady. The key challenge for these reviews is managing timing and the complexity of issues.

Member comments

A question was asked on whether an independent review officer would also be the objection officer, if an unfavourable independent review proceeded to objection, given the benefit of the objection process is that it is an independent process? The ATO advised that, in the expansion pilot, such decisions are made on a case-by-case basis. In most instances there are time and efficiency benefits in having the same officer on the objection, as they have existing knowledge of the case.

Small Business Litigation Funding offering

Members were advised of the decision to end the Small Business Litigation Funding (SBLF) program, with no applications for funding being considered after 30 September 2025. Reasons for ending the SBLF program include; the recent changes to tighten the funding criteria on the basis of integrity (funding no longer offered for fraud and evasion or cash economy matters) had resulted in a reduction of applications and acceptances, and an increased number of litigation matters being managed in-house by the ATO as opposed to engaging external firms and counsel, which would negate the triggering of a referral to the SBLF program where a taxpayer is unrepresented. Funding will continue for those taxpayers currently receiving SBLF,

until their matters are finalised in the Administrative Review Tribunal (ART).

With the closure of the SBLF program, the ATO intends to expand the Test Case Litigation Program to ensure funding can still be sought by small business taxpayers for systemic issues in that market segment, precedential matters before the ART or the guidance and appeals panel, and that consideration will be given to a taxpayer's financial capacity to pay for litigation. Consultation on the changes has commenced and the ATO welcomes further feedback from the members and their professional bodies out of session.

Member comments

Members focused on what other funding options are available to small business taxpayers. Such programs include those offered by the Commonwealth Attorney General, the NSW Bar Association, law firms by way of pro bono initiatives which may have broader eligibility criteria and the Australian Small Business and Family Enterprise Ombudsman's Tax Concierge Service, that provides subsidised legal advice on lodging an application and navigating the ART process.

Attendees

Attendees list

Organisation	Member
ATO	Andrew Orme (Chair), Objections and Review
ATO	Diana Bedelovski, Objections and Review
ATO	Marielle Delgado, Frontline Operations
ATO	Michelle Sams, Public Groups
ATO	Jonathan Todd, Office of the Chief Tax Counsel

Administrative Review Tribunal	Robert Olding
Chartered Accountants Australian and New Zealand	Karen Liew
CPA Australia	Jenny Wong
Law Council of Australia	Angelina Lagana
The Tax Institute	Michael Wells

Guest attendees

Guest attendees

Organisation	Attendee
ATO	Brenden Morley, Objections and Review
ATO	Brett McNabb, Objections and Review
ATO	Cassandra Franklin, Office of the Chief Tax Counsel
ATO	Daniel Nesci, Objections and Review

Apologies

Apologies list

Organisation	Member
ATO	Andrew Watson, Individuals and Intermediaries
ATO	Fiona Knight, Office of the Chief Tax Counsel
ATO	Jillian Kitto, Frontline

	Operations
Australian Small Business and Family Enterprise Ombudsman	Craig Latham
Corporate Tax Association	Simon Staples
CPA Australia	Jenny Wong
National Universities Tax Clinics	Annette Morgan

QC 106060

Dispute Resolution Working Group key messages 7 May 2025

Key topics discussed at the Dispute Resolution Working Group meeting 7 May 2025.

Published 14 January 2026

ATO Vulnerability Capability

In late 2024, the ATO Vulnerability Capability was established to strengthen and co-ordinate the way the ATO supports people experiencing vulnerability. This work arose from various scrutineer activities and the ATO's acknowledgment of the growing number of taxpayers presenting with vulnerability factors. In understanding these factors, the ATO will be able to provide targeted and effective support options, in addition to existing support options, that will contribute towards fostering willing participation in the tax system. A whole of government approach is required towards this policy issue. A key deliverable in this work is the development of the ATO Vulnerability Framework (framework), with guiding principles drawn from the Taxpayer Charter, to provide a structured approach to supporting taxpayers experiencing vulnerability. The ATO provided an update on the framework and the next steps for consultation, as well as specific

actions being considered to better support people experiencing vulnerability.

Member feedback showed support for the development of the framework and acknowledged the difficulty in addressing vulnerability factors such as financial abuse, coercion and control and emphasised the importance of consulting with services directly supporting such taxpayers and tax agents.

ATO strategic litigation

The ATO will be making changes to the Test Case Litigation Program. The update clarifies that funding can be made for superannuation issues and for matters before the newly established Administrative Review Tribunal Guidance and Appeals Panel. Further, the Test Case Litigation Funding criteria will be updated to say that the ATO will generally not provide funding for tax avoidance issues, and a taxpayer's capacity to pay for their own costs of the legal proceedings will be considered when determining if funding should be provided. The ATO confirmed that the changes to the funding criteria are not due to budgetary constraints, but to ensure closer alignment to the *Public Governance, Performance and Accountability Act 2013 (Cth)* when expending public monies, and public perception. Members were invited to provide feedback on the draft of the updated content prior to publication on the ATO website.

Changes to the deductibility of ATO interest charges

The ATO advised of the recent law change regarding the non-deductibility of general interest charge (GIC) and shortfall interest charge (SIC) from 1 July 2025. This is the result of a change in government policy, where taxpayers pay a tax liability late, they will no longer have the benefit of a tax deduction for any GIC or SIC charged. The change is designed to ensure that taxpayers who do the right thing and pay their tax in full and on time are not disadvantaged relative to those who do delay payment.

There has been no change to the laws about remission of GIC and taxpayers will still be able to request the ATO to remit interest charges. Taxpayers should be aware that remission requests are carefully assessed to ensure a level playing field for those taxpayers who pay

on time. Law Administration Practice Statement PS LA 2011/14 *General debt collection powers and principles* will be updated to reflect the law change. In relation to 50/50 arrangements whereby taxpayers receive 50% remission of future GIC if 50% of the tax liability is paid, our policy has not changed, however taxpayers will no longer receive a deduction for GIC or SIC incurred from 1 July 2025.

Member comments

Questions regarding whether interest on alternative borrowings were still deductible and when the updated PS LA 2011/14 would be published were raised. ATO members confirmed there would be no change to the general interest deductibility rules around borrowing and the ATO will advise members when PS LA 2011/14 would be updated. A member observed that different taxpayers (such as individuals or small business) may not have the option of obtaining alternative borrowings due to their financial circumstances.

A further member provided comment regarding large market taxpayer disputes and raised the point of when interest is incurred, as disputes will now have a pre and post 30 June 2025 treatment. Comments were made that the ATO should not use the law change to delay how disputes are progressed so that the GIC/SIC is incurred post 1 July 2025 and that it would be beneficial to send communications to such taxpayers regarding the change and impact. The ATO confirmed and assured members that the resolution of matters is not driven by GIC/SIC revenue outcomes. We aim to progress disputes and engage with taxpayers as efficiently and effectively as possible to ensure the right amount of tax is paid. If there are specific instances which members would like to raise where they are concerned about delays, we ask you to escalate these through the usual processes with the relevant area of the ATO. We will consider some targeted communications to large market taxpayers. In relation to small business taxpayers, a member indicated that the deductibility of interest was an incentive to pay their tax liability and by removing the ability to deduct the charges, the ATO debt book may be negatively impacted.

Other business

Member feedback was given regarding their recent experiences of the Administrative Review Tribunal (ART) timetabling of matters and use of technology for mediations. We acknowledged that the ART is still

newly formed, and we have found it to be receptive to feedback on their administrative practices.

An enquiry was raised in relation to the ATO's view of the President's referral to the responsible Ministers outlined in ART's *Notice of Systemic Issue No 1 of 2024* regarding whether an agency should apply the ART's interpretation of a statute to subsequent cases (on same provision), rather than continuing to apply its own view of the statute, unless and until the ART's decision in the primary case is set aside or varied. We are aware of the Notice and are considering the current Decision Impact Statement practice. We are transparent we seek clarity and challenge a view by way of the appeals process, and we strategically manage all subsequent cases on the same issue pending the outcome of the appeal.

Attendees

Attendees list

Organisation	Member
ATO	Amy James-Velagic (Chair), Objections and Review
ATO	Andrew Watson, Individuals and Intermediaries
ATO	Jillian Kitto, Frontline Operations
ATO	Jonathan Todd, Litigation and Legal Services
Australian Small Business and Family Enterprise Ombudsman	Craig Latham
Chartered Accountants Australia and New Zealand	Karen Liew
Corporate Tax Association	Simon Staples
CPA Australia	Jenny Wong

Law Council of Australia	Justin Byrne
National Universities Tax Clinics	Annette Morgan
The Tax Institute	Michael Wells

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Diana Bedelovski, Objections and Review
ATO	Jonathan Tang, Public Groups
ATO	Robert Thomson, Individuals and Intermediaries
ATO	Sara Darmania, Individuals and Intermediaries
ATO	Tim McIntyre, Individuals and Intermediaries

Apologies list

Apologies list

Organisation	Member
ATO	Fiona Knight, Public Groups
Law Council of Australia	Angelina Lagana

Dispute Resolution Working Group key messages 6 December 2024

Key topics discussed at the Dispute Resolution Working Group meeting 6 December 2024

Published 17 January 2025

Inspector-General of Taxation and Taxation Ombudsman report

The Inspector-General of Taxation and Taxation Ombudsman (IGTO) released the report into the ATO's administration and management of Objections on 30 October 2024. The report provided 7 recommendations across 4 topic areas: accessibility, streamlining processes, taxpayer engagement and learning from objections. The ATO has responded to each recommendation and that response was published with the IGTO's report. The ATO has established an implementation plan for each recommendation and is in the early stages of carrying out those plans. The ATO shared the plans with members at a high level and sought member feedback.

Member feedback showed support for the delivery of a digital objection form and an online channel for taxpayers and tax professionals to lodge objections electronically under recommendation 1(a) which they consider is beneficial and likely to lead to cost savings for taxpayers. In relation to recommendation 2, members indicated a need for the ATO to identify which types of objections will suit a streamlined process and which objections will not. Members also encouraged the ATO to take account of cost savings to taxpayers and professionals in assessing the cost/benefit of potential changes to current practice.

The ATO will continue to share progress on the implementation plan with the Dispute Resolution Working Group (DRWG) and will seek member feedback in 2025.

Corporate tax transparency report

The *Corporate tax transparency report 2022–23* was released on 1 November 2024. This year marks the 10th annual report informing the public on the corporate tax system. The report population includes any entity with a total income equal to or exceeding \$100 million or entities that have a petroleum resource rent tax payable. It is the first year that data on private companies with a total income between \$100 million and \$200 million is being published. Highlights include that the total income reported by these entities was \$380 billion and the tax payable was \$97.9 billion. The report has generated great interest in the media and the community and emphasises the strong tax performance of Australia's largest tax corporates.

Disputes and settlements findings report

The ATO published the *Public and multinational business disputes and settlements findings report* for 2023–24 on 11 November 2024. This is the second year the insights on settlements have been published for this market. However, it is the first year the ATO has included information on disputes across all products: audit, objection and litigation. Highlights in the report include the ATO issuing amended income tax assessments to 24 taxpayers that raised around \$2.5 billion in liabilities. Separately, total liabilities for GST raised were approximately \$363 million. The ATO secured \$1.8 billion in tax revenue via settlements in 2023–24, with around 65% of settlements involving global profit shifting issues. Around 78% of settlements occurred at or before an audit, and on average the ATO secured 69% of the disputed amount. All settlements reviewed under the Independent Assurance of Settlements program were found to be a fair and reasonable outcome for the Australian community.

Members commented that the report is well-balanced and the ATO has done well in using data to produce such reports for the public. Members suggested the ATO increase the use of social media to reach and send messaging to individual and small business taxpayers about the amount of tax large market taxpayers are paying.

Update to PS LA 2011/4

The ATO has updated Practice Statement Law Administration PS LA 2011/4 *Collection and recovery of disputed debt*, which sets out the ATO's policy on managing the collection of disputes debts, over and above those that apply when a debt is not disputed. The ATO

considers each taxpayer's individual circumstances and the need to prevent those who do not pay on time from gaining an unfair financial advantage over those who do. Taxpayers have the right to dispute their tax liability through the objection and litigation processes, however, the ATO can take action even where a taxpayer is disputing their debt. The update to the PS LA 2011/4 states that large businesses and wealthy groups are required to pay in full or enter a 50:50 arrangement for any debt owed. Previously, PS LA 2011/4 stated taxpayers were 'encouraged' to pay in full or enter a 50:50 arrangement. Where such a taxpayer does not enter such an arrangement, the ATO may take action to secure their debt (for example by way of a security bond demand, garnishee or freezing order) before the dispute is finalised.

A member asked how a small business would be able to dispute the debt, when the debt was being pursued. The Chair responded that it would be rare for the ATO to pursue a debt when the taxpayer had lodged an objection or filed an appeal to a court or tribunal. Where the ATO does consider taking such action, it is done carefully with a focus on taxpayer engagement and is subject to increased governance controls that must be met before action is taken.

Other business

Michael Abood from the former Administrative Appeals Tribunal recently resigned as a DRWG member. The DRWG Secretariat will seek a new representative from the newly formed Administrative Review Tribunal in early 2025.

After many years of service to the DRWG, the group farewelled Chris Kinsella representing The Tax Institute, Ashley King representing Chartered Accountants Australia and New Zealand and Hugh Paynter representing The Law Council of Australia, as part of the membership refresh guidelines put in place in late 2023. These professional bodies will be represented by their new and remaining member on the DRWG. The group also farewelled Tania Sourdin of The University of Newcastle who resigned as a member.

All departing members were thanked for their contribution to the DRWG.

Attendees

Attendees list

Organisation	Member or Attendee
ATO	Andrew Orme, Objections and Review (Chair)
ATO	Fiona Knight, Public Groups
ATO	Jonathan Todd, Litigation and Legal Services
Australian Small Business and Family Enterprise Ombudsman	Dr Craig Latham
Chartered Accountants Australia and New Zealand	Ashley King
Corporate Tax Association	Simon Staples
CPA Australia	Jenny Wong
Law Council of Australia	Angelina Lagana
Law Council of Australia	Hugh Paynter
National Tax Clinics	Annette Morgan
The Tax Institute	Michael Wells
The University of Newcastle	Tania Sourdin

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Dan Byrnes, Objections and Review

ATO	Diana Bedelovski, Objections and Review
ATO	David Mendoza, Individuals and Intermediaries
ATO	Jonathan Tang, Public Groups
ATO	Marielle Delgado, Frontline Compliance
ATO	Michael Ingersoll, Public Groups
ATO	Tim Rowe, Objections and Review

Apologies list

Apologies list

Organisation	Member
ATO	Andrew Watson, Individuals and Intermediaries
ATO	Jillian Kitto, Frontline Compliance
Chartered Accountants Australia and New Zealand	Karen Liew
The Tax Institute	Chris Kinsella

QC 103705

Dispute Resolution Working Group key messages 13 August 2024

Key topics discussed at the Dispute Resolution Working Group meeting 13 August 2024.

Objections, third party fraud and identity theft

The Australian Taxation Office (ATO) is actioning objections with claims of third-party fraud or identity theft. A common scenario is that a refund is claimed fraudulently and when detected by the ATO, the taxpayer asserts this was done by a third party or through coercion. The taxpayer argues they are not responsible for payment of the consequent amended assessment.

Objections and Review (O&R) investigate contentions of third-party fraud or identity theft and these objections are often complex. Following an investigation, if O&R suspect third-party fraud, the taxpayer is referred to the relevant part of the ATO for consideration and action, such as account protections or account remediation. If third-party fraud is confirmed, then the victim is not held liable for the debt and the ATO will seek to recover the fraudulent amount from the third-party. If we find the taxpayer has committed the fraud, or was complicit in the fraud, we will take firm action to recover debts directly from the taxpayer.

Some objections have been lodged by taxpayers who present as vulnerable; providing details of domestic violence, mental health, incapacity or are minors. These taxpayers are supported through the objection process by our Dispute Assist service. In relation to any outstanding obligations, we take a tailored approach to supporting these taxpayers. We are developing a Vulnerability Framework in partnership with key industry, advocates and support groups, as part of an ongoing focus on improving our approach for vulnerable taxpayers.

Member comment

Taxpayers, often vulnerable are seeking support from national tax clinics and representatives are seeking advice from professional bodies, on these issues and interacting with the ATO on these issues.

Litigation

Key issues for the ATO in recent litigation cases include transfer pricing, diverted profit tax, integrity of trusts, dividend stripping and Division 855 of the *Income Tax Assessment Act 1997* regarding testing the meaning of real property.

We noted the recent procedural changes of the High Court of Australia in relation to the disposition of special leave applications which will now be based on written submissions only. The high court has stated that oral hearings for special leave will be rare.

For matters lodged before all courts and tribunals, most of the ATO's litigation matters originate from action taken by the private wealth audit area and most appeals lodged are by taxpayers from the small business client experience.

In relation to litigation outcomes, almost three-quarters of decisions and judgments are favourable to the ATO. In matters where the taxpayer is successful, it is often due to previously requested information being provided at the litigation stage.

Objections

The ATO received and finalised a record number of objections in the 2023–24 year. Almost 29,000 objections were received, an increase of 65% in 3 years and more than 30,000 objections were finalised.

Most of the increased objection receipts were in scale markets however, there was an increase across all objection markets impacting on the client experience. The increased receipts and resourcing challenges lead to peak backlogs in late 2023 and early 2024. O&R implemented a suite of efficiency measures to maximise workflow and enhance the intake of objections, leading to a reduction in allocation delays and officers resolving objections. By 30 June 2024, stock on hand had reduced to business-as-usual levels. O&R will continue to focus on the health of our objections stock but note that it is often difficult to predict the number of incoming objections.

Member comments

A change of objection officer can lead to delays in case progress and in large cases, there is interaction between objection and audit teams.

We acknowledged that in some instances a change in objection officer cannot be avoided. In relation to the interaction between objection and audit teams, the ATO follows the guidance set out in Practice

Other business

The government announced in December 2022 that the Administrative Appeals Tribunal (AAT) would be abolished and replaced by a new federal administrative body the Administrative Review Tribunal (ART). Legislation to abolish the AAT and replace it with the ART passed the Parliament in May 2024. Consultation on the new ART has been undertaken by the Attorney-General's department with key stakeholders. The ART will commence on 14 October 2024. The Honourable Justice Emilios Kyrou AO is the inaugural President of the ART.

Attendees

Attendees list

Organisation	Member
ATO	Andrew Orme (Chair), Objections and Review
ATO	Fiona Knight, Office of the Chief Tax Counsel
ATO	Jillian Kitto, Frontline Operations
ATO	Jonathan Todd, Office of the Chief Tax Counsel
Administrative Appeals Tribunal	Michael Abood
Australian Small Business and Family Enterprise Ombudsman	Dr Craig Latham
Chartered Accountants Australian and New Zealand	Ashley King

Chartered Accountants Australian and New Zealand	Karen Liew
Corporate Tax Association	Simon Staples
CPA Australia	Karen Wong
Law Council of Australia	Angelina Lagana
Law Council of Australia	Hugh Paynter
National Universities Tax Clinics	Annette Morgan
The Tax Institute	Chris Kinsella
The Tax Institute	Michael Wells
University of Newcastle	Tania Sourdin

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Alexander Mossman, Office of the Chief Tax Counsel
ATO	Debra Goldfinch, Small Business
ATO	Diana Bedelovski, Objections and Review
ATO	Elissa Walker, Individuals and Intermediaries
ATO	Michael Jones, Objections and Review
ATO	Ram Pandey, Office of the Chief Tax Counsel
ATO	Scott Bradford, Frontline Operations

CPA Australia	Jenny Wong
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Apologies

Apologies list

Organisation	Member
ATO	Andrew Watson, Individuals and Intermediaries

QC 103186

Dispute Resolution Working Group key messages 5 December 2023

Key topics discussed at the Dispute Resolution Working Group meeting 5 December 2023.

Published 27 February 2024

Lodge and pay reset

The Australian Taxation Office (ATO) is focused on addressing unpaid tax debt, in accordance with the Corporate Plan 23–24. The increase in the collectible debt book post COVID-19 requires the ATO to shift behaviour back to an engagement and a payment culture, to ensure fairness to those who pay on time. The focus areas include unpaid superannuation guarantee surcharge, refund fraud, audit programs, aged and high value tax debts and employers with new debts. For some clients, firmer action will be required, for example the imposition of director penalties and disclosure of tax debts. The ATO will continue to provide support to clients who need it with options such as payment plans, deferrals and remission of penalty and interest. Clients who contact the ATO early will be best placed to discuss such options.

Objection service principles

The ATO has developed objection service principles aligned to the new Taxpayer Charter, that outline staff and client expectations when engaging in the objection process. For staff, these principles include being:

- client focused
- fair and reasonable
- accountable
- professional.

For clients, these principles focus on:

- timely engagement
- being open and transparent
- preparedness.

The aim is to highlight best practice and a greater understanding of what a client can expect when participating in the objection process. The service principles will be published on ato.gov.au in 2024.

Small business independent review expansion

As announced in the May 2023 budget, the ATO will be trialling an 18-month expansion of the Small Business Independent Review (SBIR) service, to businesses with an aggregated turnover between \$10 million and \$50 million from 1 July 2024. This is part of the government's new measures aimed at driving collaboration with small business to reduce the time complying with tax obligations. The expansion of the SBIR means that the delivery of the service will expand into the private wealth client experience and has required the ATO to review the current criteria to ensure that it and the associated processes are fit for the expanded program in readiness for commencement in 2024.

Administrative review tribunal

The Australian Government announced in December 2022 that the Administrative Appeals Tribunal would be abolished and replaced by a new federal administrative body; the Administrative Review Tribunal (ART). The ART is expected to commence on 1 July 2024 however the date is dependent on the timing of the enquiry’s report and the consequent passage of the Bills through parliament.

Post meeting comment

On 7 December 2023 the government introduced the Administrative Review Tribunal Bill and the Administrative Review Tribunal (Consequential and Transitional Amendments No.1) Bill (together 'the Bills') into the House of Representatives. The Bills have been referred to the House of Representatives Standing Committee on Social Policy and Legal Affairs to scrutinise the Bills 'to ensure they achieve the Government’s policy objectives and do not have any unintended consequences'.

Attendees

Attendee list

Organisation	Member
ATO	Andrew Orme (Chair), Objections and Review
ATO	Fiona Knight, Public Groups
Administrative Appeals Tribunal	Michael Abood
Australian Small Business and Family Enterprise Ombudsman	Craig Latham
Chartered Accountants Australian and New Zealand	Ashley King
Chartered Accountants Australian and New Zealand	Karen Liew
CPA Australia	Bill Leung

Law Council of Australia	Angelina Lagana
Law Council of Australia	Hugh Paynter
The Tax Institute	Chris Kinsella
The Tax Institute	Michael Wells

Guest Attendees

Guest attendee list

Organisation	Attendee
ATO	Alicia Bennett, Objections and Review
ATO	Daniel Nesci, Objections and Review
ATO	Diana Bedelovski, Objections and Review
ATO	Farisha Ali, Objections and Review
ATO	Jillian Kitto, Lodge and Pay
ATO	Jo Torrens, Objections and Review
National Tax Clinics	Annette Morgan

Apologies

Apologies list

Organisation	Member
ATO	Michael Morton, Small Business
ATO	Rebecca Saint, Public Groups

QC 101244

Dispute Resolution Working Group key messages 31 August 2023

Key topics discussed at the Dispute Resolution Working Group meeting 31 August 2023.

Last updated 3 October 2023

Charter and purpose

The Chair welcomed new members and led a discussion about the purpose of the group. The group is focussed on issues relating to dispute resolution and would not generally cover specific tax topics, even if there are some disputes on those issues. Topics generally covered by the Dispute Resolution Working Group (DRWG) can span the dispute resolution spectrum and members are encouraged to be active participants in shaping the agenda for each meeting.

Disputes landscape and previous items presented

The ATO is very busy across the disputes landscape, particularly noting several objections on-hand in the middle market, and small business and individual areas. This is resulting in some delays and the ATO is working on process improvements to bring objections stock-on-hand back to optimum levels.

Some matters of note in the dispute's environment included:

- the Inspector General of Taxation Ombudsman's review into the management of objections

- the recently published updates to the practice statement on extensions of time to object
- a forthcoming communications protocol practice statement.

Small business funding changes in the AAT

The small business litigation funding program, the 'Program' was previously funded by the Federal Government supported by Appropriation Bill No. 3 (2018–19). This budget measure concluded on 30 June 2023. The ATO's general budget will fund the Program from 1 July 2023 and considers this Program contributes to a fair and effective tax system and supports trust and confidence in both the tax system and our administration.

As such, the ATO is recommending that the current small business litigation funding policies be better aligned with the policies and practices observed in the test case litigation program, to better protect the integrity of the program and give greater certainty to small businesses.

Small Business alternative dispute resolution

The ATO has a focus on preventing audit getting to dispute, providing a timelier and more cost-effective experience for taxpayers and their intermediaries. There are a few channels for dispute resolution under the ATO charter and the ATO encourages raising disputes with the audit team in the first instance. Taxpayers and intermediaries always have the right to ask for another officer or manager.

The ATO offers a Small Business Independent Review service to eligible small businesses who disagree with our audit position, to help them achieve an early and fair resolution. Small business with a turnover of less than \$10 million may be eligible, and there are certain disputes which are excluded from the service including superannuation, fringe benefits tax, fraud and evasion findings and interest.

Attendees

Attendee list

Organisation	Attendee
ATO	Andrew Orme, Objections and Review (Chair)
ATO	Fiona Knight, Office of the Chief Tax Counsel
ATO	Michael Morton, Individuals and Intermediaries
ATO	Rebecca Saint, Public Groups
Administrative Appeals Tribunal	Michael Abood
Australian Small Business and Family Enterprise Ombudsman	Craig Latham
Chartered Accountants Australian and New Zealand	Ashley King
Chartered Accountants Australia and New Zealand	Karen Liew
Corporate Tax Association	Simon Staples
CPA Australia	Bill Leung
Law Council of Australia	Angelina Lagana
Law Council of Australia	Hugh Paynter
The Tax Institute	Michael Wells

Guest Attendees

Guest attendee list

Organisation	Attendee
ATO	Andrea Jennings, Office of the Chief Tax Counsel
ATO	Benjamin Murphy, Superannuation and Employer Obligations
ATO	Emma Tobias, Small Business
ATO	Leigh McCarthy, Objections and Review
ATO	Robert Kwan, Small Business

Apologies

Apologies list

Organisation	Member
The Tax Institute	Chris Kinsella

QC 73327

Dispute Resolution Working Group key messages 4 April 2023

Key messages from the Dispute Resolution Working Group meeting held 4 April 2023.

Last updated 19 July 2023

Alternative Dispute Resolution in the ATO

The ATO recognises and supports the use of Alternative Dispute Resolution (ADR) as a cost effective and timely way to resolve disputes

and has services clients can engage in based on their suitability to participate. These services include in-house facilitation, Dispute Assist and independent review for small business.

The Resolution Services Director presented an overview of the above-mentioned ADR products (including the use of facilitated conversations) highlighting the eligibility criteria, the process and the key roles involved for each service.

Communications Protocol

The ATO recognises the importance of independence between audit as the original decision makers and objections. A communications protocol has been in place between the two areas since 2015.

The ATO is seeking to improve the existing communications protocol. The improvements will not change the core principles but will provide more clarity and transparency regarding engagement and communications with audit areas/audit officers at the objection stage. There will be a clear delineation of roles and responsibilities of both audit and objection officers, and an explanation of where a modified approach may be needed, such as where there is the provision of significant new information at objection.

The Protocol will not limit reduce the contact or communications with taxpayers.

Law Administration Practice Statement for out of time objections

The ATO is refreshing Law Administration Practice Statement PSLA 2003/7 *How to treat a request to lodge a late objection* (PSLA 2003/7). The refresh has been initiated given the time passed since PSLA 2003/7 was released and to consider whether the ATO's current policy on the discretion to accept late lodged objections is consistent with the current case law.

Following the case law review, the main change to PSLA 2003/7 is to remove the presumption in favour of the Commissioner exercising the discretion unless there are exceptional circumstances. This is because that presumption and the reference to exceptional circumstances is not supported by existing case law. The proposed changes intend to provide ATO staff, taxpayers and representatives with greater clarity in

the treatment of late lodged objections and application of the discretion in PSLA 2003/7.

Attendees

Attendee list

Organisation	Attendee
ATO	Andrew Orme, Objections and Review (Chair)
ATO	Faith Harako, Public Groups
ATO	Fiona Knight, Office of the Chief Tax Counsel
ATO	Hoa Wood, Private Wealth
Chartered Accountants Australian and New Zealand	Ashley King
Federal Court of Australia	Catherine Forbes
Law Council of Australia	Hugh Paynter
Law Council of Australia	Paul Sokolowski
The Tax Institute	Chris Kinsella
The Tax Institute	Sue Williamson

Guest Attendees

Guest attendee list

Organisation	Attendee
ATO	Daniel Nesci, Objections and Review

ATO	Jeneata Segaram, Objections and Review
ATO	Joanne Dunne, Objections and Review
ATO	Leigh McCarthy, Objections and Review
ATO	Tia Puxley, Objections and Review

Apologies

Apologies list

Organisation	Member
ATO	Rebecca Saint, Public Groups
Administrative Appeals Tribunal	Kim Richardson
Chartered Accountants Australia and New Zealand	Paul McNab
CPA Australia	Andrew O'Bryan
Corporate Tax Association	Paul Suppree

QC 73049

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