

# Dispute management plan

This is an Australian Government initiative



## VISION

### Our objectives

- reduce the time we take to resolve disputes
- lower your costs
- lower our costs.

### Our commitment

We will evaluate and review our dispute management performance each year to identify areas requiring improvement.

### Our approach

In resolving various types of disputes we are required to maintain a level playing field for taxpayers in similar situations. This means that we can only resolve disputes in a principled way, not arbitrarily.

### Our plan

This plan relates to tax and superannuation disputes. However our approach and key principles apply to other disputes including debt, complaints, access to information, compensation claims and procurement, as well as disputes with our employees.

### Our key principles

We will work with you to:

- avoid disputes where possible
- resolve disputes in the simplest and most cost-effective manner taking into account the merits and the risks
- resolve disputes as early as possible
- clarify disputes by listening to each others' views and considering all resolution options
- manage disputes in a courteous and fair manner.

### Income tax disputes in 2011–12



## KEY FOCUS AREAS AND STRATEGIES FOR 2012–13

### Communication

#### Improved communication

In audit, review and objection communications, we will continue to seek out and act on feedback from external stakeholders to make sure our communications are clear and timely.

In our more complex cases we will also:

- make sure you understand the nature of our concerns and our interpretation of the facts
- give you an opportunity to present your own views
- adopt and promote a policy of open and informal information sharing with you where possible.

#### Tax professionals

We have made the Professional-to-Professional service more widely available to registered tax practitioners and extended the service to legal practitioners. This service provides direct access to one of our senior technical advisers to facilitate a response on complex technical issues that have not been resolved through research and enquiry.

#### Having a decision maker present

We will make sure a decision maker with the authority to settle attends all assisted dispute resolution processes. This may be either by phone or video conference, however, this will only occur if approved by a senior officer.

### Our aims

Our aims are:

- to increase the percentage of disputes being resolved at the earliest stage possible
- to decrease the cost of managing disputes
- to make sure all relevant ATO officers are skilled in the techniques and processes of dispute resolution
- to increase satisfaction with the dispute process for both taxpayers and tax professionals
- to increase the number of people using dispute resolution processes such as negotiation, case conferencing, mediation and conciliation.

### Capability

#### Training

We will enhance the dispute knowledge skills of our officers by:

- differentiating our training between simple and complex disputes
- ensuring our training includes the techniques and processes for dispute resolution including
  - recognising emerging disputes
  - managing difficult situations
  - client service skills
  - negotiation and influencing skills
  - relationship management.

#### Support

We will increase the number of our experienced officers available and engage them earlier to support other officers that manage disputes.

#### Involving experts early

On request, we will arrange independent reviews of position papers for large market cases. This is facilitated by our technical specialists to make sure the facts are correct and our view of the law is correctly applied.

#### Improvements

We have an ongoing relationship with our consultative groups to identify areas for improvements and promote best practice, for example piloting the use of our officers to act as facilitators to help resolve smaller, less complex disputes.

### Opportunities to resolve a dispute

Dispute resolution processes may help to resolve a dispute at any stage including:

- after we issue a position paper during an audit
- under a legislative process and as part of an independent review at the objection stage before a final decision is made
- under a legislative process and as part of a further independent review at the litigation stage.

Early engagement and direct negotiation are our primary means of avoiding, minimising and resolving disputes early. We also fund some litigation under our *Test case litigation program* to clarify the law.

### Collaboration

#### Common understanding

We will publish our *Dispute management plan* and all of the following:

- dispute management processes
- other key data and analysis including statistical trends in litigation
- updates to the *Taxpayers' charter*.

We will promote these products to our stakeholders including:

- taxpayers
- tax professionals: accountants, lawyers, tax agents, bookkeepers and BAS agents, and their professional associations
- National Tax Liaison Group
- ATO employees
- external scrutineers, for example the Inspector-General of Taxation and the Ombudsman
- courts and tribunals
- other Commonwealth government agencies.

#### Update our policy

We will comprehensively review and update our Practice Statement 2007/23 on our use of dispute resolution processes.

#### Plain English guide

We will publish a comprehensive guide to tax dispute resolution processes in non-technical language.

### We operate on a principled basis

- Most, but not all disputes are suitable to resolve early.
- We deal consistently with taxpayers in the same circumstances.
- We will only resolve tax disputes on the basis of legal principle, not on a commercial basis.