



**Australian Government**  
**Inspector-General of Taxation**

**PRESS RELEASE**

**INSPECTOR-GENERAL TO EXAMINE  
ATO LITIGATION PRACTICES**

David Vos, Inspector-General of Taxation, today released the Terms of Reference and Consultation Plan for his review into aspects of the Tax Office's management of tax litigation.

The Tax Office's administration of tax litigation has been raised by taxpayers and their representatives as a key concern throughout the Inspector-General's scoping study and subsequent consultations.

The Inspector-General stated, "This review will examine the nature and circumstances of tax litigation which arises in respect of an appeal to a court or tribunal against a tax assessment. It will examine the Tax Office's approach to litigation in such cases, including the policies and procedures applied. It will also examine the Tax Office's test case program, and the Tax Office's application of outcomes of finalised court and tribunal decisions."

Mr Vos said, "Taxpayers and their advisers tell me that the Tax Office does not always act appropriately in cases being litigated with taxpayers."

"The Commissioner of Taxation has at his disposal resources to fight a case which are not available to the average taxpayer. There are concerns that, as a result of these resources, the Tax Office adopts a "win at any cost" approach to litigation."

Mr Vos said, "Clarification of tax law is an important aim of tax litigation. However taxpayers must be satisfied that the Tax Office in administering tax litigation is not abusing its position and is not acting in breach of its obligations to be a model litigant. In our review, we will be examining the concerns of taxpayers and their representatives on these matters and the extent to which they are valid."

Mr Vos also said "The Tax Office has a test case funding program to help taxpayers fund litigation costs in certain cases. However, there are concerns with the manner in which this funding is made available and about the nature of the costs which will be reimbursed."

"Other issues associated with the Tax Office's litigation program, such as settlement processes, alternative dispute resolution and litigation involving administrative law review mechanisms have been raised by taxpayers and their representatives. While these issues are not the focus of this current review, they may be included in the Inspector-General's future work program."

"I am actively seeking community feedback for this review" said Mr Vos.

The Terms of Reference and Consultation Plan for the review are available at [www.igt.gov.au](http://www.igt.gov.au)

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