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PRESS RELEASE

**INSPECTOR-GENERAL OF TAXATION ANNOUNCES TERMS OF REFERENCE FOR
REVIEW INTO OBJECTIONS TO TAX OFFICE DECISIONS**

David Vos, Inspector-General of Taxation, today released the Terms of Reference and Consultation Plan for his review into objections to Tax Office decisions.

Mr Vos said “The recent review into the Tax Office’s management of litigation found that the Tax Office concedes or settles a significant number of disputed tax decisions after the objection process but before cases are heard in the tribunal or courts”.

“This review will examine the underlying causes and the management of objections to Tax Office decisions to see whether the conduct of the Tax Office or taxpayers or the administrative system itself is creating potentially unnecessary disputes and litigation”.

The review will focus particularly upon the following matters:

- The timeliness and quality of Tax Office approaches upstream of objections will be explored including audit, communication, and technical decision-making insofar as they may be contributing to unnecessary disputes and litigation.
- The review will also examine objection resolution procedures and the administrative framework, including the laws that govern these areas.
- This review will examine the extent and reasons for the Tax Office conceding cases after the objection process, focussing on the quality of decision making and processes employed in determining taxpayers’ objections.
- In the context of potentially unnecessary litigation, it would determine whether disputes (and their associated costs) could have been prevented and whether the broad system and sequence of amended assessment, objection, and dispute resolution could be improved. The review will also examine whether the current system minimises any disproportionate effects on taxpayers, in particular corporations and encourages alternative dispute resolution processes.

Mr Vos said “The review focus is not only on the Tax Office conduct and approaches to dispute resolution but also on the tax laws that establish the administrative systems for resolving disputes between taxpayers and the Tax Office”.

“We intend to work with the Tax Office to gain a sound understanding of the range and categories of objections with a view to determining underlying causes and we seek input and submissions from the community to understand the taxpayers’ experience and perspective in relation to lodging objections” said Mr Vos.

The Terms of Reference and Consultation Plan for the review are available on the Inspector-General of Taxation website: www.igt.gov.au

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