

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 2013

5 June 2013

Question: BET 313

Topic: Objection targets and benchmarks

Written

Senator Waters asked:

The ATO responded (AET 17) to a question at the previous estimates that it has no “formal target” for the proportion of objections to its assessments being upheld. Does it have any “informal target” or “aspirational benchmark”? Could this put pressure on ATO officers not to concede to taxpayers even when the taxpayer is right in their objection?

Answer:

Previous media coverage focused on an ATO document outlining an aspirational benchmark, in the ATO Small and Medium Enterprise business line, that 20 percent or less of objections to our audits and interpretive decisions would be upheld in favour of the taxpayer.

The context of the document was that by continually improving the quality of decision making in audits and promoting the early resolution of disputes, the ATO could aim to reduce the percentage of decisions that were upheld in favour of the taxpayer. Such an approach reduces the number of formal disputes and associated costs to the taxpayer and the ATO.

ATO policy is to explore all avenues for discussion and mediation with taxpayers before reaching a point where a formal objection is lodged. Each individual case is decided on merit, taking into account the taxpayers’ individual circumstances.

The intent of the document and the ATO approach to early dispute resolution was communicated to staff. There were no formal reporting measures around these aspirations.