



## If you disagree with an ATO decision

You can dispute or object to our decision if you disagree with it.

### **Which dispute or objection option is right for you**

Find the right option for your situation.

### **Dispute a decision**

Explains how we work collaboratively with taxpayers to resolve issues quickly and efficiently.

### **Object to a decision**

When and how to object to decisions we make about your tax affairs, and which decisions you can object to.

### **Dispute interest or penalties**

You can ask us to remit (reduce) interest charges or remit (reduce) or cancel penalties on unpaid tax liabilities.

### **Seek an external review of ATO decisions**

You may have ATO decisions reviewed or appealed by the Tax Ombudsman, Administrative Review Tribunal or Federal Court.

## Settlement



When and how settlement may be used to avoid or resolve disputes.

QC 44422

# Which dispute or objection option is right for you

Find the right option for your situation.

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## What is a dispute?

A dispute occurs when you disagree with a decision you believe we are likely to make, or a decision we have made. If we have:

- not yet made the decision, you may be able to use one of our [dispute resolution options](#), where we'll work with you to understand your circumstances and try to resolve issues early
- already made the decision, you may need to [lodge an objection](#). You can also use our dispute resolution options alongside an objection.

You may wish to engage a registered tax professional to discuss the best option for you. If you can't afford professional advice or representation, you may be able to use the [National Tax Clinic program](#).

## Resolving your dispute

You may be able to use one of our dispute resolution options, such as in-house facilitation (also known as mediation) or independent review, to resolve your dispute early.

These options are an opportunity for:

- you or your representative to discuss your concerns with us
- us to explain our understanding of your situation and our likely response
- you to consider our view and respond, including providing more information to see if we can reach a different decision.

By working with us to resolve your dispute early, you may be able to avoid an objection, which is a more formal process.

Find out more about [disputing an ATO decision](#).

### **Example: Using in-house facilitation to resolve an issue early**

Alicia disagrees with a decision that was made during an audit. She gives her case officer more information to explain why she disagrees, but feels he doesn't understand her perspective. Alicia asks to use in-house facilitation and the case officer agrees.

We appoint an accredited and impartial ATO facilitator with no previous involvement in the matter. The facilitator guides a discussion between the case officer and Alicia, so they can see each other's views.

The case officer considers the additional information again and comes to a new decision, which resolves Alicia's dispute, saving both parties time and money.

## **Lodging an objection**

You can lodge an objection if you think we've made the wrong decision. This may be because you:

- disagree with the way we've interpreted the law
- think we have not taken some relevant information into account (even if this is because of a mistake on your part).

You must lodge an objection in writing within the time limit. Find out more about [objecting to a decision](#).

If you want to correct or fix a mistake, [amend your tax return](#) instead of lodging an objection.

### **Example: Lodging an objection to substantiate a claim**

Claudia claims a deduction for car expenses on her tax return. During an audit, we disallow the deduction as she can't find the records to prove her claim.

When cleaning her garage a few months later, Claudia comes across the records. Realising these records substantiate her claim, she lodges an objection to have the audit decision reviewed.

## **Support for those with exceptional circumstances**

If your personal circumstances will make it hard for you to work through the objections process, you may be able to request help through [Dispute Assist](#).

Dispute Assist is a free service that helps vulnerable individuals and small businesses, who are unrepresented and experiencing significant or exceptional circumstances, with their objection.

## **How a dispute or objection affects your debt**

If you receive a tax bill, you need to pay in full and on time to avoid interest charges. Interest is accrued daily once payment is overdue and will be applied to amounts that remain unpaid.

Disputing or objecting to one of our decisions will generally not change your due date. However, we usually don't take recovery action to collect a disputed debt until after the dispute or objection is finalised.

If you are a large business, we expect that you will pay 50% of your debt or pay it in full. You may request to enter into an arrangement with us to pay 50% of the debt in dispute – known as a '50:50' arrangement. It works like this:

- you pay any undisputed debt and 50% of the primary debt in dispute up front, and agree to provide any information needed to resolve the dispute
- we will defer recovery action and remit 50% of the ongoing general interest charge that accrues on the unpaid balance of the disputed debt while the dispute is in progress.

Find out more about seeking 50:50 arrangements at [Seeking a deferral or 50:50 arrangement](#) and [PS LA 2011/4](#) *Collection and recovery of disputed debts*.

If the outcome of a dispute or objection reduces your debt to less than the amount you have already paid, we'll pay what we owe you.


QC 102386

## Seek an external review of ATO decisions

You may have ATO decisions reviewed or appealed by the Tax Ombudsman, Administrative Review Tribunal or Federal Court.

**Last updated** 30 September 2025

### Tax Ombudsman

If you have a complaint about ATO administration that you've been unable to resolve with us, you can approach the [Tax Ombudsman](#)  to ask questions on your behalf. This is additional to your rights to have our actions reviewed by the courts detailed below.

The Tax Ombudsman provides independent assurance that taxation administration laws are operating effectively and consistently. They can assist with concerns or complaints you may have in relation to administrative actions we take.

## How we conduct and manage litigation


Litigation is the process of taking legal action.

The ATO strives to finalise all disputes in a fair and timely manner consistent with the law, using dispute resolution techniques to minimise litigation and related costs. ATO officers have the same professional and ethical obligations as any other legal practitioner.

We will operate as the solicitor on the record in certain cases. A solicitor on the record, in relation to any party to proceedings, means the solicitor who is, for the time being, named as the party's legal representative in the documentation for the proceedings.

Find out more about [our obligations as a model litigant](#), including how to lodge a complaint.

## External options


You have the right under tax law to go to the [Administrative Review Tribunal](#)  (ART) or [Federal Court](#) to challenge some of our decisions.

In most cases, you must lodge an objection and be dissatisfied with the outcome before seeking an external review.

The objection decision, and the reasons for that decision, will usually be provided to you in writing. If you didn't receive a written decision or you're not satisfied with the reasons, you should contact your case officer.

At the ART or Federal Court, you will:

- be expected to prove your claims with evidence in a tribunal or court review
- need to prove the decision should not have been made or should have been made differently
- need to show what you believe the correct assessment should be.

The ART is an independent body that can conduct a merits review of certain decisions we make. For example, they may confirm our decision, vary it, set it aside, or make a new decision. You can find out more, including how to apply for a review, at [Administrative Review Tribunal – Taxation](#) .

When you apply for a review, you:

- are limited to the grounds stated in the taxation objection to which the decision relates, unless the ART orders otherwise
- will be expected to prove your claims with evidence. If the decision you're seeking a review on is
  - an assessment, you'll need to prove that the assessment is excessive or incorrect, and what it should have been
  - for anything else, you'll need to prove that the decision shouldn't have been made or should've been made differently.

There are certain other decisions made by us that may be reviewed by the ART that aren't categorised as objection decisions. In these circumstances, different time limits for review will apply. The notice of decision should provide more information on your rights of review.

If you have any questions about these procedures and requirements, [contact us](#) or the [ART](#). You can also seek professional advice.

Before you go to the ART, you can also reach out to the Australian Small Business and Family Enterprise Ombudsman's [Tax Concierge Service](#) to help you navigate the ART process.

Note: the ART replaced the [Administrative Appeals Tribunal](#) (AAT) from 14 October 2024. All cases that were before the AAT automatically transferred to the ART. You don't need to do anything, and it doesn't change the timeframe to seek an external review.

## Small business litigation funding

The Small business litigation funding program ended on 30 September 2025.

Litigation funding may be available under the [test case litigation program](#) if you meet the criteria and expectations.

The Australian Small Business and Family Enterprise Ombudsman's [Tax Concierge Service](#) may provide assistance.

You can also find resources, tools and support for small businesses at [Supporting your small business](#).

## Test case litigation program

If your case may help clarify the law and provide legal precedent on a matter affecting a significant section of the public, our [test case litigation program](#) may provide financial assistance.

## Our obligations as a model litigant

As a government agency, we apply the highest standards of ethical behaviour when we are involved in litigation.

## Federal Court

If you disagree with a decision, you may be able to appeal it to the Federal Court of Australia.

## Small business litigation funding

Check your eligibility for small business litigation funding.

## Test case litigation program

How to get financial assistance if your litigation is likely to clarify Australia's tax and superannuation laws.

QC 33793

# Our obligations as a model litigant

As a government agency, we apply the highest standards of ethical behaviour when we are involved in litigation.

**Last updated** 24 June 2024

As a model litigant, we need to do the right thing, be fair and have the highest professional standards when handling claims and litigation, brought by or against us.

We can't start legal proceedings until we're satisfied that litigation is the most suitable method to resolve a dispute. We will:

- advise taxpayers and their representatives of our obligations as soon as legal proceedings start
- ensure external legal service providers and counsel who represent us are informed of their model litigant obligations at the time they are engaged.


For example, we need to be consistent across cases to avoid:

- relying on technical arguments (such as minor details), unless disregarding them would put the government at a disadvantage
- taking advantage of taxpayers who don't have the same resources to pursue a claim.

Our obligations don't prevent:

- the Australian Government and government agencies from acting firmly and properly to protect their interests
- the testing or defending of claims against the Australian Government and government agencies
- litigation from being used to clarify a significant point of law, even if the other party wishes to settle the dispute.

You can find out more about:

- [PS LA 2009/9](#) *Conduct of ATO Litigation and engagement of ATO Dispute Resolution*, which sets out our approach and philosophy to litigation
- [Legal Services Directions 2025](#) , which are a set of binding rules about the performance of Commonwealth legal work, issued by the Attorney-General through the Office of Legal Services Coordination (OLSC)
- our responsibilities as a model litigant through [Dispute Resolution Instruction Bulletin DR IB 2013/10](#).

## Lodging a complaint

We are committed to investigating alleged breaches of our obligations.

If you have a complaint alleging a breach, send a letter detailing your concerns to:

**General Counsel  
Model Litigant Complaint  
Australian Taxation Office  
GPO Box 4899  
SYDNEY NSW 2001**

## **Assessing a complaint**

Complaints will be assigned to investigating officers within our General Counsel who have had no previous involvement in the matter, to ensure that issues are investigated in an impartial manner.

We will:

- review your complaint along with any other material provided by you and information we hold
- contact you if we need more information after we have received your complaint
- assess the complaint in light of the *Legal Services Directions 2025*, existing relevant court processes and rules (for example, the *Federal Court Rules 2011*), and existing relevant ATO litigation processes and procedures.

## **Processing your complaint**

We aim to process complaints within 56 days of receiving them. However, complaint investigations regarding model litigant obligations are often complex and, in some cases, may take several weeks or more. If we can't process your complaint within 56 days, we'll contact you and advise you of an expected timeframe.

Once your complaint has been investigated, we will let you know the outcome of your complaint. If there has been a breach, we will consider if any action is necessary to address the breach.

Following an investigation of a complaint, we'll also send a report to the OLSC for their review.

# Federal Court

If you disagree with a decision, you may be able to appeal it to the Federal Court of Australia.

**Last updated** 14 October 2024

## Appealing a decision

You can appeal to the Federal Court:

- to review our decision on your objection
- if you disagree with a decision of the Administrative Review Tribunal (ART) on the basis of a question of law, rather than a disagreement about the facts.

Your appeal must be:

- in writing
- lodged within 60 days of the date of the notice advising you of our decision on your objection
- lodged within 28 days of the date of an ART decision.

After you file an appeal with the Federal Court, we'll send you a statement that sets out the facts, the issues and our contentions. We'll also send you a copy of our documents relevant to the case.

You can appear in court in person or be represented by a legal practitioner.

## Court powers

Under the *Administrative Decisions (Judicial Review) Act 1977*, the [Federal Circuit and Family Court of Australia](#) and the [Federal Court of Australia](#) have the power to review many of our decisions.

Decisions that can be reviewed under the Act include our decisions on:

- applications for additional or deferring time to lodge
- penalties and charges for lodging or paying late
- permitting payments by instalments.

The courts can set aside the decision and refer the case back to us for further consideration. They can also look into a case if we have failed to make a decision, and direct us to make a decision.

Requests for reviews under the Act must be lodged within 28 days of the date of when you were given our decision.

## **Fees**

Court proceedings are more formal and costly than tribunal hearings. Your case may involve a variety of fees. If your appeal is unsuccessful, you may also have to pay our legal costs.

## **Further action**

If you're dissatisfied with the decision of a single judge of the Federal Court, you have the right to appeal to the Full Court of the Federal Court of Australia.

If you're still dissatisfied after a Full Court decision, you may be able to appeal to the High Court of Australia, but only with permission from the High Court.

## **Decision impact statements**

A decision impact statement (DIS) advises the community of our view on the implications of a particular court or tribunal decision. The statement provides information for taxpayers and advisers, and includes:

- details of the case
- a brief summary of facts
- issues decided by the court or tribunal
- relevant legislation and case law
- relevant rulings and determinations
- our view of the decision and administrative treatment
- implications on current public rulings, determinations and law administration practice statements.

Usually a DIS will not be published until all appeals have ended and there's a final decision. In some circumstances we will publish an interim DIS.

QC 33829

## Small business litigation funding

Check your eligibility for small business litigation funding.

**Last updated** 30 September 2025


### Small business program has ended

The small business litigation funding program closed to new referrals on 30 September 2025. Funding referrals are no longer being considered.

Under the program, funding covered some or all of an eligible small business' reasonable legal costs related to progressing a funded matter in the Administrative Review Tribunal. Tax agent or accountant fees were not covered, and funding was paid at the discretion of the ATO.

If you had a current funding agreement with us under the program as at 30 September 2025, you will continue to receive funding in accordance with your agreement until your matter has finalised in the tribunal.

### Further assistance

- Litigation funding may be available under the [test case litigation program](#) if you meet the criteria and expectations.
- The Australian Small Business and Family Enterprise Ombudsman's [Tax Concierge Service](#)  may provide assistance.
- You can also find resources, tools and support for small businesses at [Supporting your small business](#).

- If you disagree with an ATO decision, you may be able to [seek an external review](#).


## Contact us

For more information about small business litigation funding:

- phone **13 28 69** between 8:00 am and 5:00 pm Monday to Friday and ask for the Small Business Litigation Program
- email [ATOLitigationFunding@ato.gov.au](mailto:ATOLitigationFunding@ato.gov.au)
- write to  
**SMALL BUSINESS LITIGATION FUNDING**  
**AUSTRALIAN TAXATION OFFICE**  
**GPO BOX 4889**  
**SYDNEY NSW 2001**

If you don't speak English well and need help from us, phone the Translating and Interpreting Service on **13 14 50**.

If you're deaf or have a hearing or speech impairment, phone us through the National Relay Service (NRS) on the following numbers and ask for the ATO number you need:

- TTY users, phone **13 36 77**.
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727**.
- Internet relay users, connect to the [NRS](#) .

QC 59545

## Test case litigation program

How to get financial assistance if your litigation is likely to clarify Australia's tax and superannuation laws.

**Last updated** 18 September 2025

## About the program

The test case litigation program funds cases that have tax implications beyond the particular taxpayer dispute.

The program provides financial assistance to taxpayers to help them meet some or all of their reasonable litigation costs.

The funding criteria and expectations have been revised following a review of the program.

## Funding criteria

For a case to be approved for test case litigation program funding, it must:

- involve issues where there's uncertainty or contention about how the taxation or superannuation law operates
- be in the public interest to be litigated.

Uncertainty or contention about how the law operates means that either:

- the law is not clear and the issue hasn't been clarified through the courts
- there is disagreement on what the law means or how it operates. This does not include disputes that depend solely or predominantly on questions of fact.

## Expectations

In addition to meeting the funding criteria, we will consider whether your case:

- has either significance to a substantial section of the public, or significant commercial implications for an industry
- is likely to provide legal precedent as a principle of law, capable of being used to decide other cases with similar facts
- involves a tax avoidance scheme or a scheme to avoid superannuation regulatory provisions – funding will generally not be provided for tax avoidance, tax evasions or cash economy matters

- appears to be an attempt to gain a windfall or an outcome contrary to the intent of the legislation and public policy – funding is not provided where the outcome being sought is clearly not an outcome intended by the law.

In addition to these expectations, we will also consider:

- your financial capacity to pursue litigation
- whether you have demonstrated a willingness to progress the dispute in a timely manner
- your past and present compliance behaviour (for example, lodgment and payment history).

Cases before the Administrative Review Tribunal (ART) may be funded, subject to the above criteria and expectations, particularly if the matter:

- is to be heard by a presidential member or the Guidance and Appeals Panel
- involves issues that impact a large number of taxpayers, or a particular market segment (for example, small business), in relation to issues such as statutory interpretation
- required the Commissioner to engage external legal representation because of the significance or legal complexity of the matter.

## How to apply

If you believe you meet funding criteria and expectations, you can apply for test case funding using the [Application for test case litigation funding](#) form (NAT 75585).

Applications are considered by a panel of 3 external experts and 2 senior ATO officers.

See the [test case litigation register](#) for:

- the next meeting dates and closing dates for applications
- a list of past and current cases approved for test case funding
- a list of cases declined for test case funding and the reasons why they were declined.

## More information

For more information about the test case litigation program, you can:

- email us at [ATOLitigationFunding@ato.gov.au](mailto:ATOLitigationFunding@ato.gov.au)
- [phone us](#) on **13 28 69** between 8:00 am and 5:00 pm, Monday to Friday, and ask for the test case litigation program
- write to

**TEST CASE LITIGATION PROGRAM  
AUSTRALIAN TAXATION OFFICE  
GPO BOX 4889  
SYDNEY NSW 2001**

QC 27175

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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