



Looking at tax audit risk  
in a new light

## Tax controversy and today's tax audit environment

The Australian Taxation Office (ATO) and overseas revenue authorities face diminishing tax revenues due to the global economic downturn. In response we are seeing more sophisticated enforcement and compliance programs being implemented to secure tax receipts. Taxpayers should, accordingly, take a fresh look at their risk exposure.

### Meeting your needs at any stage of the tax audit process

Our team of chartered accountants, professional tax advisors, lawyers, and former senior ATO officers provides you with sound advice throughout the tax audit and litigation process. We have helped many of our clients achieve a successful outcome without going to court.

However, we recognise litigation is sometimes unavoidable in complex tax matters, and Ernst & Young Law represents clients in these circumstances.

We have acted for Australian taxpayers in a broad range of disputes, including the following reported decisions:

AXA Asia Pacific Holdings Limited v Commissioner of Taxation [2008] FCA 1834 (3 December 2008)  
GST apportionment methodology

Avon Products v Commissioner of Taxation (2006) 230 CLR 356  
Sales tax

Sterling Guardian Pty Ltd v Commissioner of Taxation (2005) 59 ATR 84  
GST margin scheme

Platypus Leasing Inc & Ors v Commissioner of Taxation (2005) 189 FLR 441  
GST second-hand goods credit

Commissioner of Taxation v Asiamet Resources (No 1) Pty Limited (2004) 55 ATR 239  
Utilisation of losses

### Ernst & Young's global Tax Policy and Controversy network

- ▶ Offers clients an integrated approach to legislative, regulatory and enforcement issues across 47 jurisdictions.
- ▶ Shares insights on global trends in tax audits.
- ▶ Allows clients to leverage effective relationships we have established with local authorities.

## Mitigating tax audit risk

### Ernst & Young Tax Controversy

#### Pre-controversy

Anticipate and prepare for audit through effective business and tax planning under legal professional privilege

#### Audit process

Manage information gathering and disclosures under legal professional privilege and the Accountants' Concession

#### Assessments and objections

Manage the objection process, respond to position papers and negotiate settlement of tax disputes

#### Litigation and mediation

Act on behalf of taxpayer in tax courts and tribunals

### Ernst & Young Law

#### Protecting taxpayer rights

## Advice founded on experience and skill

Our national Tax Controversy team brings together highly technical skills, experience and a strategic perspective to help you plan and manage your approach to tax administration; tax audit; strategies for the settlement of tax disputes; and, where necessary, litigation.

We work closely with both in-house tax functions and external tax advisors to provide issue-specific advice, minimising disruption to your business. Our experience in managing disputes concerning historical tax matters enables you to focus your resources on addressing current tax issues and future opportunities.

We form part of Ernst & Young's global Tax Policy and Controversy network, sharing practical insight and extensive experience with clients affected by cross-border tax matters and disputes.

Our experience will assist you with:

- ▶ The management of ATO and state revenue authority inquiries, risk reviews and audits
- ▶ Tax litigation and mediation services, including representation in tax courts and tribunals
- ▶ Negotiations with revenue authorities involving reductions in tax, penalties and interest
- ▶ Tax enforcement proceedings, including insolvency actions and third party garnishee notices
- ▶ Tax accounting advice including public and regulatory disclosures, such as IFRS and FIN 48
- ▶ Requesting private rulings and lodging notices of objection to ATO decisions
- ▶ Submissions to and appearing on behalf of taxpayers before the General Anti-Avoidance Rules Panel
- ▶ Pre-audit and audit advice under legal professional privilege and Accountants' Concession

## Contacts

**Tax controversy leader  
Asia-Pacific**  
Howard Adams  
Tel: +61 2 9248 5601  
howard.adams@au.ey.com

**Brisbane**  
Damien Bourke  
Tel: +61 7 3011 3591  
damien.bourke@au.ey.com

**Melbourne**  
Peter van den Broek  
Tel: +61 3 8650 7560  
peter.van.den.broek@au.ey.com

**Perth**  
Scott Grimley  
Tel: +61 8 9429 2265  
scott.grimley@au.ey.com

**Sydney**  
Glenn Williams  
Tel: +61 2 9248 4920  
glenn.williams@au.ey.com

Ernst & Young

Assurance | Tax | Transactions | Advisory

#### About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 135,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit [www.ey.com/au](http://www.ey.com/au)

© 2009 Ernst & Young Australia.

SCORE No. AUNZ00000055

This communication provides general information which is current as at the time of production. The information contained in this communication does not constitute advice and should not be relied on as such. Professional advice should be sought prior to any action being taken in reliance on any of the information. Ernst & Young disclaims all responsibility and liability (including, without limitation, for any direct or indirect or consequential costs, loss or damage or loss of profits) arising from anything done or omitted to be done by any party in reliance, whether wholly or partially, on any of the information. Any party that relies on the information does so at its own risk.

Liability limited by a scheme approved under Professional Standards Legislation.

#### Australia

Adelaide  
Ernst & Young Building  
121 King William Street  
Adelaide SA 5000  
Tel: +61 8 8417 1600  
Fax: +61 8 8417 1775

Brisbane  
1 Eagle Street  
Brisbane QLD 4000  
Tel: +61 7 3011 3333  
Fax: +61 7 3011 3100

Canberra  
Ernst & Young House  
51 Allara Street  
Canberra ACT 2600  
Tel: +61 2 6267 3888  
Fax: +61 2 6246 1500

Gold Coast  
12-14 Marine Parade  
Southport QLD 4215  
Tel: +61 7 5571 3000  
Fax: +61 7 5571 3033

Melbourne  
Ernst & Young Building  
8 Exhibition Street  
Melbourne VIC 3000  
Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777

Perth  
Ernst & Young Building  
11 Mounts Bay Road  
Perth WA 6000  
Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436

Sydney  
Ernst & Young Centre  
680 George Street  
Sydney NSW 2000  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959

#### New Zealand

Auckland  
41 Shortland Street  
Auckland 1010  
Tel: +64 9 377 4790  
Fax: +64 9 309 8137

Christchurch  
34-36 Cranmer Square  
Christchurch  
Tel: +64 3 379 1870  
Fax: +64 3 379 8288

Wellington  
100 Willis Street  
Wellington 6011  
Tel: +64 4 499 4888  
Fax: +64 4 495 7400