

Systemic reviews: work plan for FY2025-26

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Acknowledgement of Country



The Tax Ombudsman acknowledges the Traditional Owners and Custodians of country throughout Australia and acknowledges their continuing connection to land, sea and community. We recognise the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples. We pay our respects to the people and their Elders past, present and emerging.

About our work plan

Deciding what to review

One of the core statutory functions of the Tax Ombudsman is to “improve the fairness and integrity of the taxation and superannuation administration through [...] review investigations of systemic and broader community issues, reporting issues that are in the public interest and independent advice to the Government and its relevant entities.” We aim to complete four systemic reviews per year. Stakeholders from across the community, government and tax profession will be invited to contribute to what we review and to each review.

Our work plan sets out the areas that we have identified as suitable for broad, systemic reviews over the next 12 months. There are two types of reviews that we may undertake in respect of the Australian Taxation Office (**ATO**) or Tax Practitioners’ Board (**TPB**):

- issues reviews which seek to address specific issues of concern that have been identified; or
- assurance reviews which examine key topic areas with a view to providing assurance to the Government and broader community about the ATO’s administration of those areas.

The topics have been identified following comprehensive research, analysis and consultation that have included examination of:

Complaints Trends and issues emerging in our complaints and dispute investigations.	Environment Social and economic factors affecting the community.
Policy Areas of priority and interest for Government and Parliament.	Stakeholders Feedback from our key stakeholders.

Principles of good tax administration

We select topics for systemic review in accordance with the principles of good tax administration. These principles include:

Ease of access	Consistency (and prescribed discretion)	Getting it right
Clarity of communications	Humanity, empathy and respect	Putting it right
Certainty	Simplicity and low cost of compliance	Transparency

Consultation

Between April and June 2025, we consulted with the community and a range of stakeholders about the topics identified in our draft work plan. The stakeholders included:

- Parliament and Government
 - Assistant Treasurer
- Public sector
 - Australian Taxation Office
 - Tax Practitioners Board
 - The Treasury
 - Australian National Audit Office
 - Commonwealth Ombudsman
 - Australian Small Business and Family Enterprise Ombudsman
- Private sector /not for profit organisations
 - Tax practitioners, professional and industry bodies
 - Community organisations
 - Academics

The purpose of the consultation was to ensure that we have identified topics that are most important and likely to be of the highest impact to the broadest segments of the community. Ultimately, the issues included in the final work plan are those determined by the Tax Ombudsman to be most relevant and impactful.

This work plan outlines:

- the four priority topics which we will review in 2025-26; and
- other topics on which we consulted but ultimately did not select for review during this cycle.

Other ways we may address issues

The work plan sets out topics that we have selected for reviews under the powers defined within our legislation. Such reviews are not the only option available to us to surface issues, encourage public discourse and identify opportunities for improvement. We will continue to monitor the issues that have not been selected for review and, where appropriate, consider options to explore those issues further through other means. Some of these options include:

- direct engagement with relevant Commonwealth agencies;
- advice to Government;
- contributions to public policy debates;
- submissions to other Parliamentary and government consultations or inquiries;
- input to the work of partner organisations; and
- thought leadership articles.

Next consultation

The work plan is not a fixed document. We will consult with stakeholders to refresh and update it every six months to ensure that it remains relevant and responsive to changing environmental, social and policy priorities.

The next consultation of the work plan will be undertaken in November 2025.

Our work plan at a glance

Shortlisted priority areas for review in 2025-26

ATO's management of remission of general interest charge

ATO's Online Services for Agents

ATO's management of compromised accounts

ATO's engagement with First Nations taxpayers

Other topics

ATO's Client-Agent Linking system

ATO's engagement with culturally and linguistically diverse taxpayers

ATO's administration of disclosure of business tax debts to credit reporting bureaus

ATO's response to fraud perpetrated by known parties

TPB's management of referrals of breaches of the updated Code of Conduct

Payday Super readiness

ATO's management of small business restructuring plans

Shortlisted priority areas for 2025-26

Issues review: ATO's management of remission of the general interest charge

Compliance with taxation obligations is the responsibility of all taxpayers. A key obligation is for taxpayers to pay their tax liabilities as and when they fall due. Failure to do so may lead to the accrual of a general interest charge (GIC) on the unpaid debts. With the current rate at 11%, for some taxpayers the GIC very quickly becomes larger than the original debt.

While it is inarguable that the government and community should be compensated for deliberate late payment of tax liabilities and late payment should not be rewarded, it is also important to recognise that there may be a range of factors that hampers a taxpayer's ability to pay their liabilities on time.

Taxpayers may seek to have GIC remitted where certain criteria are met. The ATO's *Practice Statement Law Administration PS LA 2011/12* provides guidance on how those criteria are considered in the remission of GIC.

The ATO has publicly stated its intention to take a stricter approach with respect to debt collection and GIC remission and the effects of this shift in the ATO's approach has been reported widely by stakeholders and in tax and accounting publications. In addition, the law has also been amended so that GIC incurred after 1 July 2025 is no longer tax deductible. As such, it is imperative that ATO GIC decisions are supported by policies, systems and processes that align with principles of good tax administration, such as consistency, transparency and getting it right.

This review will examine:

- whether ATO communications and guidance to staff and the public about how it considers GIC remission requests are clear;
- whether remission decisions are fair and reasonable and are made consistently for taxpayers in like circumstances, regardless of whether they are represented or unrepresented, and individual circumstances are taken into account;
- whether taxpayers are given adequate reasons; and
- opportunities for the ATO to improve its administration and assessment of GIC remission alongside debt repayment arrangements.

Issues review: ATO's Online Services for Agents

Online Services for Agents (**OSfA**) is a secure system provided by the ATO for registered tax and BAS agents. It allows agents to access a range of client information and services, offering real-time visibility and control over client data.

The ATO has been encouraging agents to use self-service platforms like OSfA to streamline processes and reduce reliance on phone support. This push aims to make interactions more efficient and reduce wait times for agents.

However, feedback from recent consultation with the registered agent community has highlighted several issues and concerns with OSfA. Agents have reported inefficiencies and increased administrative burdens.

Additionally, agents have reported that they would be more likely to use OSfA if it had the capability to fulfil their key transaction requirements and could do so in a timely way to meet the needs of their clients. These issues have raised questions about the system's effectiveness and usability. As such, this review will look into whether OSfA is easy to access, provides a simple and low-cost compliance option, offers transparency to agents, and is getting it right in respect of agents' needs.

This review will examine:

- whether the system's design and functionality meet the needs of agents, addressing reported gaps in capability, lack of visibility of key information, and administrative burdens;
- whether improvements in user interface, response times and experience could increase adoption and satisfaction among agents; and
- whether the current support and training provided to agents are sufficient to help them effectively use OSfA.

Issues review: ATO's management of compromised tax accounts

In April 2024, the Tax Ombudsman published a report of our examination of one aspect of tax identity fraud. That investigation and report focused on the importance of bank account integrity and the ATO's risk management controls to prevent fraudsters from changing bank account details in legitimate taxpayer accounts. That aspect of the tax identity fraud investigation has been concluded and the ATO's response to our recommendations has been published online.

Another key aspect of tax identity fraud is the experience of taxpayers (and their representatives) when their tax account is compromised. Feedback from the community and practitioners indicate that affected individuals face significant difficulties. These include challenges in recovering tax refunds lost to fraud and in accessing their tax accounts via myGov or the ATO app, which often requires long wait times on phone calls to unblock. Accordingly, this review will seek to investigate whether the ATO's management of compromised tax accounts are consistent with the principles of good administration, such as ease of access, low cost of compliance and putting it right.

This review will examine:

- whether the ATO provides timely and adequate support to taxpayers and their representatives in assisting them to secure and restore their online tax account;
- whether the ATO's policies and processes for supporting taxpayers who have tax debts or have lost their tax refunds due to compromised tax accounts are reasonable and proportionate to the risks;
- whether the ATO's current processes to prevent future occurrences of compromise are effective and sustainable; and
- opportunities for the ATO to improve its collaboration with other agencies to strengthen coordinated responses and treatment strategies for identity fraud cases, ensuring timely resolution and support for affected individuals.

Assurance review: ATO's engagement with First Nations taxpayers

All Australians are entitled to services and support that enable them to engage effectively and fairly with the tax system. However, First Nations taxpayers may face distinct and systemic barriers in doing so, including lower levels of digital access, financial literacy, access to key identity documents and trust in government institutions.

According to the 2021 census, 812,728 people identified as Aboriginal and/or Torres Strait Islander, representing 3.2% of the Australian population. There are 167 indigenous languages used at home by 76,978 Aboriginal and Torres Strait Island people. Over one-third (34%) of the First Nations population live in outer regional or remote areas, where access to government services can be limited.

Given these factors, it is important that the ATO's services and communication strategies are culturally safe, accessible, and aligned with the principles of good administration, such as humanity, empathy and respect, ease of access and clarity of communication.

Stakeholders have highlighted this as an important area of focus, particularly in relation to systemic disadvantage and access to culturally appropriate support. While this topic was not initially included in our draft work plan, we have decided to add it in our final work plan in response to this feedback.

We will work in partnership with Aboriginal and Torres Strait Island led community organisations to support us to engage with the community effectively and in a culturally safe way.

This review will examine:

- the challenges faced by First Nations taxpayers and their representatives in engaging effectively with the tax system;
- how the ATO consults and partners with First Nations communities to inform service design and delivery; and
- whether the ATO's current programs and outreach efforts are appropriately targeted and effective in supporting First Nations taxpayers.

Other topics

As part of our consultations on the draft work plan, we sought feedback on a range of other topics. Due to our limited review resources, it is not possible for us to review every topic brought to our attention. We have briefly set out below why we have not been able to shortlist those topics for the 2025-26 work plan. These topics will remain on our list of potential review topics.

We will consult with stakeholders again in November 2025 to refresh our work plan.

Issues review: ATO's Client-Agent Linking system

While this topic received moderate support, other recent topics are already focusing on intermediary-related issues, for examples, the current review of ATO's registered agent phone line and Online services for agents is a review topic for 2025-26. We propose allowing the ATO time to address our recommendations relating to aspects of the Client-Agent Linking system from the registered agent phone line review before reviewing it again.

Assurance review: ATO's engagement with culturally and linguistically diverse taxpayers

Multiple stakeholders have asked us to expand the scope of this topic to include First Nations peoples. We have added 'ATO's engagement with First Nations taxpayers' as a priority topic for review in 2025-26. The ATO's engagement with the CALD community has been partially covered by the recommendations in our review of the ATO's written communications and letters. We will re-visit the ATO's engagement with culturally and linguistically diverse taxpayers in a subsequent workplan refresh.

Assurance review: ATO's administration of disclosure of business tax debts to credit reporting bureaus

While this topic received moderate support, we note that the disclosure of business tax debts regime is governed by clear legislative criteria, limiting discretion and reducing the risk of error. Given the low complaint volumes and the very small number of cases where we have identified ATO error, a review does not appear warranted at this time in the absence of stronger stakeholder support.

Assurance review: ATO's response to fraud perpetrated by known parties

This topic has received moderate support.

We understand work is underway within Government to improve supports for victim-survivors of financial abuse. Following the completion of our review into the ATO's management of financial abuse within the tax system, we continue to inform Government thinking on how to permanently remove tax debts arising from financial abuse.

This topic will remain on our list of potential reviews, noting that a similar topic, being the ATO's management of compromised accounts, has been prioritised for review in the next 12 months.

Assurance review: TPB's management of referrals of breaches of the updated Code of Conduct

This topic remains on our list of potential review topics noting that it has received general support from stakeholders. We are aware that the tax profession has outstanding concerns about the application of the changes in the Code of Conduct from 2024. We plan to work alongside the TPB to identify how best to address the profession's nervousness as breach reporting expands during 2025. An end-to-end review would not be possible until FY27, but we will look to see how we can provide assurance or identify any early issues during the year ahead.

Assurance review: Payday Super readiness

While this topic received moderate support, several stakeholders recommended deferring the review, arguing it was premature until legislation was passed and implementation clearer.

Assurance review: ATO's management of small business restructuring plans

This topic remains on our list of potential review topics noting that it has received general support from stakeholders and is increasing in the number of complaints we receive.

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