



INSTITUTE OF
PUBLIC
ACCOUNTANTS®

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Inspector-General of Taxation and Taxation Ombudsman
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SYDNEY NSW 2001

By email to: consultations@igt.gov.au

IGTO 2026 Draft Workplan for Systemic Reviews

The Institute of Public Accountants (IPA) welcomes the opportunity to make a submission in relation to the IGTO's 2026 draft workplan for systemic reviews.

The IPA is one of the three professional accounting bodies in Australia, representing over 50,000 members and students in Australia and in over 100 countries. Approximately three-quarters of the IPA's members work in or are advisers to small business and small to medium enterprises.

Priority areas

While we consider all 10 areas of review to be important and worthy of the IGTO's attention, we suggest that the following should be given priority:

1. *ATO's Client-Agent Linking system*

The tax professional and business communities have experienced many issues since the introduction of Client-Agent Linking for non-individual businesses. The flawed system has resulted in much loss of productivity and unrecoverable costs for businesses and their tax agents. Further, many critical tax compliance functions cannot be undertaken without successful linking. A review is urgently needed at this time before Client-Agent Linking is introduced for individual taxpayers.

2. *Payday Super readiness*

We agree with the view expressed in the draft workplan that, given the timing of the legislation (the proposed commencement date of 1 July 2026), a review in 2025 would be ideal. Payday Super will require every employer to change their payroll and administrative processes. Employers will be subject to penalties and interest if contributions are not received and allocated by their employees' superannuation funds within a short timeframe. In addition, the ATO's Small Business Superannuation Clearing House will be abolished. Therefore it is imperative that employers, employees and intermediaries can have confidence that the ATO's processes and systems are both appropriate and ready for administering Payday Super with accuracy and fairness, and that employers — and small businesses who currently use the Clearing House in

particular — will be adequately supported and educated before the change and during the initial transition period.

3. *ATO's management of remission of general interest charge*

General interest charge will be non-deductible from 1 July 2025, which will significantly increase the cost of late payment. Combined with the ATO's publicly stated intention to take a stricter approach with respect to debt collection and GIC remission, a review of this area is critical and urgent to ensure that taxpayers in similar circumstances are treated fairly, and with compassion and empathy where appropriate. Taxpayers should bear appropriate consequences for late payment of tax liabilities and other non-compliance but it must be proportionate and fair in accordance with the taxpayer's circumstances. Inconsistency in remission request outcomes particularly between client and tax practitioner as another area of concern warranting attention.

4. *ATO's Online Services for Agents (OSfA)*

It is critical for the ATO's OSfA system to function efficiently for tax practitioners so that they can assist their clients in complying with their tax obligations and for the ATO to reduce reliance on phone and in-person interactions. It is necessary to ensure that the functions within OSfA are fit for purpose and operate accurately and efficiently. The interface must be user-friendly with all functions easy to find and operate. A high-functioning OSfA system will be of great benefit to practitioners and the ATO, but one which is riddled with inefficiencies and which is inadequate for practitioners' needs will be a costly burden for practitioners and the ATO.

We particularly recommend that the functionality of Practice Mail be included within this review. Practice Mail represents the only secure mechanism for interactions between the tax practitioner and the ATO. Delays in responding to requests has reduced its effectiveness. The phone line represents the only other practical option which is inefficient as it is time consuming for both parties. A better use of Practice Mail has the potential to reduce substantially the demand on the ATO call center.

5. *TPB's management of referrals of breaches of the updated Code of Conduct*

The 8 new Code obligations will commence for smaller practices on 1 July 2025. Some aspects of the new rules are causing a lot of confusion as there are concepts which are left to the agent's professional judgment and without bright-line guidance in either the Legislative Instrument or the TPB guidance material. A review of how the TPB has managed the referrals of breaches for larger practices for which the new obligations have applied since 1 January 2025 would provide reassurance where it is found that there is a fair and reasonable approach taken to particular issues, and assist the TPB to refine and update its processes in areas where there is room for improvement. All of this would provide practitioners with transparency as to the TPB's compliance approach during this early transitional period, particularly in relation to 'grey areas'.



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Yours sincerely

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