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Ms Ruth Owen CBE
Taxation Ombudsman
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29 September 2026

Dear Ms Owen,

2026 systemic reviews: draft work plan refresh

CPA Australia is Australia's leading professional accounting body and one of the largest in the world. We represent the diverse interests of more than 175,000 members in over 100 countries and regions. We make this submission in response to the Tax Ombudsman's **2026 systemic reviews: draft work plan refresh**, on behalf of our members and in the broader public interest.

CPA Australia welcomes the opportunity to contribute to the draft 2026 systemic reviews work plan and assist the Tax Ombudsman in identifying priorities for its review program. Our submission draws on the experience of members across Australia, particularly registered tax agents, many of whom operate small practices and are directly affected by the ATO's systems, policies and communications.

This submission draws on practitioner feedback on the proposed review topics. Members identified recurring administrative issues affecting taxpayers, tax practitioners, executors and small businesses, particularly in circumstances involving bereavement, financial hardship, identity compromise or other urgent personal circumstances. They also highlighted the cumulative compliance costs arising from repeated information requests, limited status information, short response periods and inconsistent decision-making.

The four topics receiving the strongest support from members are:

1. ATO administration of release from tax debts,
2. ATO management of compromised accounts,
3. ATO management of deceased estates, and
4. ATO consultation arrangements.

The level of support, together with the seriousness and consistency of the reported experiences, indicates that these four topics warrant priority investigation.

Executive summary

Immediate priorities

CPA Australia recommends that the Tax Ombudsman prioritise reviews of ATO administration of release from tax debts, ATO management of compromised accounts, ATO management of deceased estates and ATO consultation arrangements, in descending order of member support. Further feedback reinforces concerns about accessibility, delay, inconsistent decision-making, fragmented case ownership, inadequate communication and limited opportunities to correct errors. It also underscores the need for direct practitioner engagement, effective escalation channels and measurable service standards.

Future investigations

CPA Australia also recommends that the Tax Ombudsman consider future reviews, targeted projects, consultations or discussion papers on the following matters, presented broadly in descending order of member support. The topics concerning TPB complaints and unpaid super received equal support:

- TPB management of complaints and alleged breaches
- ATO management of employee notifications of unpaid super
- ATO administration of early release of superannuation on compassionate grounds
- ATO management of the Research and Development Tax Incentive
- ATO management of the test case litigation program

Systemic review

Member feedback also supports a separate systemic review of ATO case management and escalation. The review should examine accountable case ownership, direct practitioner liaison for complex matters, published service standards, continuity of records, accessible escalation pathways, timely status updates and written reasons for material changes in position.

Key recommendations

Immediate priorities

- *ATO administration of release from tax debts:* Introduce specialist handling, early vulnerability assessment, reliable debt reconciliation, a single contact, clear reasons and accessible escalation.
- *ATO management of compromised accounts:* Apply risk-based restrictions, enable verified practitioner access, provide a recovery plan and restoration timeframes, and correct fraud without avoidable cost to victims.
- *ATO management of deceased estates:* Create a single, accessible process with proportionate evidence requirements, accountable case ownership, service standards and timely escalation.
- *ATO consultation arrangements:* Establish minimum standards for notice, scope, representation, response periods, publication of feedback and evaluation of outcomes.

Future investigations

- *TPB management of complaints and alleged breaches:* Improve triage, procedural fairness, timeliness, transparency, proportionality and opportunities for remediation.
- *ATO management of employee notifications of unpaid super:* Review backlogs, data use, response periods, correction opportunities, proportionality and compliance costs, particularly in the transition to Payday Super.
- *ATO administration of early release of superannuation on compassionate grounds:* Clarify eligibility and evidence requirements, improve consistency and communication, and establish service standards for urgent cases.
- *ATO management of the Research and Development Tax Incentive:* Clarify agency responsibilities, improve timeliness and consistency, provide coherent guidance and reduce unnecessary compliance costs.
- *ATO management of the test case litigation program:* Improve transparency, accessibility, timeliness, governance and evaluation of public benefit.
- *ATO case management and escalation:* Establish accountable case ownership, service standards, continuity of records, accessible escalation, reasons for changed positions and outcome-focused performance measures.

Further details are provided in Appendices A and B. We would also welcome the opportunity to discuss these issues with you and our members.

If you have any questions, please contact Jenny Wong, Tax Policy Lead, at jenny.wong@cpaaustralia.com.au, or Bill Leung at bill.leung@cpaaustralia.com.au.

Yours sincerely,

Jenny Wong

Jenny Wong
Tax Policy Lead

Appendix A

Detailed discussion

CPA Australia supports the Tax Ombudsman's proposed refresh of the 2026 systemic reviews work plan.

Recommended action

This submission sets out ten recommendations to improve accessibility, proportionality, transparency, timeliness, consistency and remediation across the review topics:

1. ATO administration of release from tax debts

This topic received the strongest support from our members. The comments point to opaque processes, inconsistent outcomes and fragmented case management. Members described prolonged written exchanges, difficulty establishing the composition of a debt, changing positions during negotiations, multiple officers handling the same matter and limited visibility of available options. Some taxpayers may not need full release but require a sustainable arrangement and a clear next step where a standard payment plan is declined. Members also reported uncertainty after provisional arrangements under the ATO's fuel response payment plan were followed by further capacity-to-pay requirements and potentially shorter repayment periods.

Why an investigation is warranted:

- *Transparency:* applicants and advisers need to understand eligibility, evidentiary requirements, the treatment of tax and interest, and the reasons for the decision.
- *Consistency:* feedback suggests that outcomes can appear arbitrary, including where applicants perceive materially different approaches across comparable hardship matters.
- *Case management:* multiple officers and changing positions increase cost, delay and the risk that vulnerable applicants disengage or pursue more severe options.
- *Human impact:* serious hardship may involve financial distress, domestic abuse or other vulnerability. These matters require experienced officers, continuity and a personal rather than generic response.

Suggested scope and outcomes

The review should examine decision-making guidance, quality assurance, allocation to specialist officers, debt reconciliation, case ownership, escalation, processing timeframes, the management of collection activity while applications are assessed and the adequacy of reasons. It should consider whether hardship can be identified without requiring vulnerable taxpayers to self-identify in prescriptive terms, while maintaining safeguards against misuse. Practical outcomes should include early direct contact with an experienced case officer, proportionate evidence requirements, reliable separation of primary tax and interest, sustainable repayment options, a clear pathway where an initial plan is declined, written explanations of material changes in position and accessible escalation before hardship worsens.

Recommendation 1: The Tax Ombudsman should review the ATO's administration of release from tax debts and recommend specialist allocation, early vulnerability assessment, direct engagement with a case officer, reliable debt reconciliation, sustainable repayment pathways, clear reasons and accessible escalation before hardship worsens.

2. ATO management of compromised accounts

Our members consistently described substantial difficulty for taxpayers and tax agents after an account is identified as compromised. Identity re-verification, account lockouts and manual contact can absorb significant time, while limited status information leaves taxpayers and agents uncertain about restoration steps and timeframes. Restrictions may delay lodgments, refunds and access to records, and the resulting penalties, interest and professional costs may remain with the victim.

Why an investigation is warranted:

- *Access to assistance:* restrictions may prevent registered tax agents from acting when the taxpayer most needs professional support.
- *Proportionality:* protective controls should respond to assessed risk without unnecessarily preventing legitimate lodgments, payments, amendments or communication.
- *Communication:* taxpayers and advisers need a clear explanation of what has occurred, what can still be done and the steps and timeframes for restoring access.
- *Putting matters right:* victims should not bear avoidable compliance costs or remain indefinitely constrained because criminal activity has affected their account.

Suggested scope and outcomes

The review should examine the basis for applying and maintaining account restrictions, the reliability of compromise indicators, the timeliness and consistency of notifications, verified practitioner access, identity restoration, status updates, options for quarantining affected historical activity and the correction of fraudulent transactions. Taxpayers should receive a single recovery plan, realistic resolution timeframes, a direct escalation channel and appropriate consideration of penalties and interest caused by the compromise. Necessary security controls should not prevent verified representatives from progressing unaffected obligations.

Recommendation 2: The Tax Ombudsman should review the ATO's management of compromised accounts and recommend risk-based restrictions, verified practitioner access, a single recovery plan, defined restoration timeframes and effective correction of fraudulent activity without avoidable cost to victims.

3. ATO management of deceased estates

This topic received strong support from our members. Feedback indicates that the current administrative framework can compound the practical and personal burden placed on executors, administrators, advisers and families after a death. Members described inconsistent approaches to notifying a death and allocating or retaining tax file numbers, repeated requests for documents, delayed refunds, restricted practitioner access and uncertainty about debts classified as non-pursuit. Simple estates may remain unresolved for years, preventing finalisation and increasing professional costs.

Why an investigation is warranted:

- *Unclear and inconsistent pathways:* practitioners reported difficulty identifying the correct process and evidentiary requirements, particularly for estates without probate or letters of administration.
- *Delay and repeated compliance:* executors were reportedly required to provide information more than once, while income tax and GST refunds remained outstanding beyond indicated timeframes.
- *Disproportionate impact:* administrative delay can intensify grief, prolong estate administration and contribute to disputes among family members or beneficiaries.
- *Access and authority barriers:* locked tax file numbers and demands for probate where no will exists may prevent an authorised person or adviser from resolving outstanding obligations.
- *Possible structural defects:* feedback raises questions about whether current secrecy and collection settings adequately accommodate estates administered without formal grants of representation.

Suggested scope and outcomes

The review should map the end-to-end experience from notification of death to finalisation of liabilities and refunds. It should test the clarity and consistency of guidance, identity and authority requirements, practitioner access, treatment of estates without formal representation, finalisation of non-pursuit debts, escalation pathways, service standards and communication with executors and advisers. Recommended improvements should include a single, clearly explained pathway; proportionate evidence requirements; appropriate authority for registered tax agents; accountable case ownership; published service standards; and written confirmation when liabilities are finalised or no longer pursued.

Recommendation 3: The Tax Ombudsman should review the ATO's end-to-end administration of deceased estates and recommend a single, accessible pathway with proportionate authority requirements, appropriate practitioner access, accountable case ownership, published service standards and clear finalisation of liabilities and refunds.

4. ATO consultation arrangements

Our members questioned whether the current consultation framework provides a transparent, consistent and meaningful opportunity for stakeholders to influence administration. The comments distinguish between extensive consultation architecture and demonstrable impact. Members reported that short or irregular consultation periods can disadvantage smaller practices, that practitioner and small-business perspectives may be under-represented, and that published feedback often does not show how input changed the final approach.

Why an investigation is warranted:

- *Predictability:* inconsistent timeframes make it difficult for professional bodies and practitioners to obtain evidence, consult members and formulate practical advice.
- *Transparency:* stakeholders need to know the purpose of consultation, the matters open to change and how feedback affected the final position.
- *Representation:* consultation groups should draw on a sufficiently broad range of taxpayers and practitioners, including those affected by implementation and compliance costs.
- *Accountability:* the effectiveness of consultation should be measured by outcomes rather than the number of meetings or participants.

Suggested scope and outcomes

The review should assess how topics are selected, how participants are appointed and rotated, whether affected practitioners and small businesses are adequately represented, whether timeframes are proportionate, and how the ATO records, analyses and responds to feedback. It should examine whether consultation changes administrative design and whether outcomes are measured through published summaries, participant feedback or other indicators. The review should also consider practical channels for ongoing practitioner liaison and ensure that the increased use of automation is supported by sufficient staffing to resolve complex or disputed matters.

Recommendation 4: The Tax Ombudsman should review ATO consultation arrangements and recommend minimum standards for notice, scope, representation and response periods; transparent participant selection and rotation; published outcomes for significant consultations; and measures of whether feedback improved administrative design and reduced compliance costs.

Additional matters for investigation

In addition to the four priority topics, CPA Australia considers that the remaining ranked matters warrant further examination through systemic reviews, targeted projects, consultations or discussion papers. Their administrative significance, the vulnerability of affected taxpayers and the potential impact of emerging reforms justify further work. The matters are presented broadly in descending order of member support. The topics concerning TPB complaints and unpaid super received equal support.

5. TPB management of complaints and alleged breaches of the *Tax Agent Services Act 2009*

Confidence in the Tax Practitioners Board depends on complaints and alleged breaches being managed fairly, consistently, transparently and within reasonable timeframes. Members supported firm action in response to serious or repeated misconduct, while emphasising that initial correspondence should not imply fault before the relevant facts have been established. They also called for clearer distinctions between fee disputes, inadvertent errors and genuine conduct failures; better visibility of progress and outcomes; and proportionate opportunities for remediation.

The review should assess complaint intake, triage and closure criteria; evidentiary thresholds at each escalation point; investigation timeframes; procedural fairness; progress communication; publication of aggregated outcome data; consistency of sanctions for comparable conduct; and opportunities to correct less serious failures. It should also examine whether guidance keeps pace with emerging risks, including artificial intelligence and the protection of client data, and establish a baseline before new regulatory powers operate at scale.

Recommendation 5: The Tax Ombudsman should review the TPB's management of complaints and alleged breaches of the *Tax Agent Services Act 2009* and recommend transparent triage and closure criteria, reasonable investigation timeframes, procedural fairness, published outcome data, consistent and proportionate sanctions, and appropriate opportunities for remediation.

6. ATO management of employee notifications of unpaid super

This topic warrants timely examination because Payday Super will increase the frequency and immediacy of compliance activity while the ATO continues to manage pre-existing employee notifications. Members questioned whether a separate notification process remains necessary where the ATO already receives near-real-time data. They also raised concerns about short response periods, payroll or fund errors outside an employer's control, limited progress updates for employees and disproportionate impacts on small businesses with constrained cash flow.

The review should examine the backlog, triage and investigation of notifications; the use of available reporting data to identify non-payment; communication and progress updates for employees; realistic response periods for employers and advisers; and the distinction between inadvertent error and deliberate non-compliance. It should also consider correction opportunities, the treatment of errors arising from employee data or superannuation funds, proportionate enforcement and whether transitional relief could support prompt rectification without weakening employee entitlements.

Recommendation 6: The Tax Ombudsman should review the ATO's management of employee notifications of unpaid super before and after the introduction of Payday Super, including its use of data, management of backlogs, communication with employees, response periods, correction opportunities and proportionate treatment of inadvertent errors.

7. ATO administration of early release of superannuation on compassionate grounds

This topic directly affects people experiencing serious personal, medical or financial circumstances. Members reported inconsistent administration, limited opportunities to correct minor errors, inaccessible supporting documents and applications expiring before information could be rectified. They also observed that current thresholds may require circumstances to become acute before assistance is available, even where earlier intervention could prevent eviction, foreclosure or other serious harm.

The review should examine eligibility and evidentiary requirements, consistency of decision-making, processing times, communication with applicants and authorised representatives, and escalation arrangements for urgent cases. Applicants should have a reasonable opportunity to correct minor errors or resubmit inaccessible documents before an application is refused. The review should also consider whether the current grounds and urgency thresholds appropriately balance immediate hardship with the preservation of retirement savings.

Recommendation 7: The Tax Ombudsman should review the ATO's administration of early release of superannuation on compassionate grounds and recommend clear eligibility and evidence requirements, consistent decision-making, service standards for urgent cases, effective communication and proportionate safeguards against inappropriate access.

8. ATO management of the Research and Development Tax Incentive

A review of this specialised area is warranted because overlapping agency requests, reviews commencing years after lodgment, withheld refunds, uncertain guidance and inconsistent administration can materially affect cash flow and investment. Members emphasised the need to distinguish legitimate innovation from ineligible claims without adopting an unduly documentation-focused approach that overlooks commercial context, business systems and genuine experimental activity. Proposed reforms from 1 July 2028 may require the ATO to administer two regimes concurrently, increasing the importance of establishing a clear baseline.

The review should assess coordination and accountability between the ATO and Industry Innovation and Science Australia; duplication of information requests; the timeliness of reviews and objections; the treatment of refunds while reviews are underway; consistency in the analysis of eligibility and expenditure; and the effectiveness of

compliance outcomes. It should clarify the respective roles of each agency, improve guidance on evidentiary expectations and ensure reviews consider the commercial context and substance of claimed activities while maintaining the integrity of the incentive.

Recommendation 8: The Tax Ombudsman should review the ATO's management of the Research and Development Tax Incentive and recommend clearer agency boundaries, coordinated information requests, timely reviews and objections, coherent eligibility guidance, proportionate evidence expectations and transparent measurement of compliance outcomes.

9. ATO management of the test case litigation program

The program serves an important public function by supporting judicial clarification of uncertain tax law. A review would provide assurance that case selection, funding and governance arrangements deliver benefits to the broader community and remain accessible to taxpayers who could not otherwise fund litigation.

The review should examine the transparency of selection criteria; application volumes and approval rates; funding levels; decision timeframes; governance; and accessibility for taxpayers outside large-firm practice. It should also consider how often decisions depart from panel advice, how exclusions operate where anti-avoidance provisions themselves require clarification, how institutional conflicts are managed, and whether completed cases deliver broadly applicable legal guidance. Program-level outcomes should be published in addition to individual case entries.

Recommendation 9: The Tax Ombudsman should review the ATO's management of the test case litigation program and recommend transparent selection criteria and program-level reporting, timely and accessible funding decisions, independent governance, published reasons and systematic assessment of whether funded cases clarify the law for the wider community.

Broader systemic review

ATO case management and escalation

The comments across several topics indicate a recurring systemic concern that extends beyond any single program. Our members described matters being handled by multiple officers, repeated requests for information, changing positions, unclear responsibility, inadequate communication and limited escalation options. These features increase compliance costs, prolong uncertainty and can have particularly serious consequences for people experiencing bereavement, financial hardship or identity compromise.

CPA Australia recommends that the Tax Ombudsman consider a broader review of complex and vulnerable case management. The review should examine whether such cases should have one accountable case owner, direct practitioner liaison, published service standards, clear escalation pathways, complete records of earlier decisions and communications, regular status updates and written reasons for material changes in position. Performance measures should assess resolution quality, taxpayer impact and compliance cost, rather than relying principally on processing volumes or closure rates.

Recommendation 10: The Tax Ombudsman should conduct a systemic review of complex and vulnerable case management and recommend one accountable case owner, published service standards, continuity of records, clear escalation channels, written reasons for material changes in position, and performance measures focused on resolution quality, taxpayer impact and compliance cost.

Cross-cutting considerations

Across the priority topics and additional matters, the feedback points to common administrative themes: unclear pathways, inconsistent decisions, fragmented ownership, inadequate communication, limited opportunities to correct minor errors and costs falling on those least able to manage them. CPA Australia recommends that each review assess the lived experience of taxpayers and practitioners against accessibility, proportionality, transparency, timeliness, consistency, procedural fairness and effective remediation. Reviews should also test whether authorised agents can act effectively, whether digital and automated processes are supported by

accessible human assistance, and whether performance measures reveal the duration and impact of unresolved cases.

Conclusion

Member rankings and comments support prioritising reviews of ATO administration of release from tax debts, ATO management of compromised accounts, ATO management of deceased estates and ATO consultation arrangements, in that order. They also support further work, broadly in descending order of member support, on TPB management of complaints and alleged breaches, ATO management of employee notifications of unpaid super, ATO administration of early release of superannuation on compassionate grounds, ATO management of the Research and Development Tax Incentive and ATO management of the test case litigation program. The topics concerning TPB complaints and unpaid super received equal support. A broader review of ATO case management and escalation would address recurring issues across these areas. Collectively, the recommendations provide a practical program of measurable reforms focused on accessible pathways, accountable case ownership, proportionate administration, transparent decision-making, effective practitioner engagement and timely resolution.

Appendix B

Review topics ranked by CPA Australia members		
Rank	**Review topic**	**Number of top four rankings***
1	ATO administration of release from tax debts	23
2	ATO management of compromised accounts	19
3	ATO management of deceased estates	18
4	ATO consultation arrangements	14
5	TPB management of complaints and alleged breaches of the *Tax Agent Services Act 2009*	11
6	ATO management of employee notifications of unpaid super	11
7	ATO administration of early release of superannuation on compassionate grounds	8
8	ATO management of the Research and Development Tax Incentive	6
9	ATO management of the test case litigation program	5
10	ATO administration of the First Home Super Saver Scheme	0

*CPA Australia members were asked to identify their four highest-priority topics from the ten systemic review topics proposed by the Tax Ombudsman. This approach reflects the Tax Ombudsman's intention to undertake four reviews each year and to focus resources on matters of greatest importance to taxpayers, tax practitioners and the broader community. The ten topics presented for feedback were:

1. **ATO administration of release from tax debts.** This review would examine how the ATO considers applications from taxpayers seeking release from tax debts because of serious hardship.
2. **TPB management of complaints and alleged breaches of the *Tax Agent Services Act 2009*.** This review would consider whether the Tax Practitioners Board's processes and systems support the appropriate, consistent and transparent management of complaints and alleged breaches, including the proportionate imposition of sanctions.
3. **ATO consultation arrangements.** This review would consider whether the ATO's consultation framework, consultation groups and measures of effectiveness are fit for purpose.
4. **ATO administration of early release of superannuation on compassionate grounds.** This review would examine the ATO's processes for considering and determining applications for early release and its efforts to prevent inappropriate access to superannuation.
5. **ATO management of deceased estates.** This review would examine whether the ATO's services, guidance and processes are clear and consistent for people managing the tax affairs of a deceased person.
6. **ATO management of compromised accounts.** This review would examine whether the ATO's management of compromised taxpayer accounts is consistent with the principles of good administration, including accessibility, low compliance costs and effective remediation.
7. **ATO administration of the First Home Super Saver Scheme.** This review would examine the ATO's application and approval processes, governance arrangements and the clarity and accessibility of its guidance.

8. **ATO management of the test case litigation program.** This review would examine the program's operation and governance, whether it operates as intended and whether it delivers community benefit through clarification of the law.
9. **ATO management of employee notifications of unpaid super.** This review would examine the ATO's management of existing employee notification cases and its processes for identifying and responding to non-compliant employers before and after the introduction of Payday Super.
10. **ATO management of the Research and Development Tax Incentive.** This review would examine whether the incentive is administered in a timely, consistent and proportionate manner that maintains program integrity, supports efficient compliance and encourages innovation.