

15 May 2025

Ms Ruth Owen  
Tax Ombudsman  
Office of the Inspector-General of Taxation  
GPO Box 551  
Sydney NSW 2001

By email: [consultations@igt.gov.au](mailto:consultations@igt.gov.au)

Dear Ms Owen,

### **Tax Ombudsman systemic reviews: draft work plan**

The Tax Institute (TTI) welcomes the opportunity to contribute to the Tax Ombudsman's consultation on the Tax Ombudsman systemic reviews: draft work plan for 2025/26 (**work plan**).

In the development of this submission, we have consulted with our National Technical Committees to provide feedback that is representative of our broader membership.

We welcome the proposed review topics and recognise the significance of all identified areas. However, concerning the proposed assurance review of Payday Super (**PDS**) readiness, we consider that the review should be deferred until the proposed measure is legislated.

The [Joint Professional Bodies' submission on the PDS exposure draft](#) has recommended postponing the start date of the PDS by a minimum of 12 months, or ideally by two years, due to the lack of preparedness among key stakeholders, including the Australian Taxation Office (**ATO**), software providers, superannuation funds, clearing houses, and employers. This delay is necessary as these stakeholders have been awaiting the enactment of laws relating to PDS before making the necessary changes.

Feedback from members regarding the implementation of Single Touch Payroll indicates that many necessary activities, particularly those related to the ATO's communication strategies with employers, were not addressed until just before the implementation date. We expect that it will be only after the PDS legislation is enacted that the ATO will begin to address its communication strategies and system frameworks. If the start date for PDS is delayed, we would recommend that the assurance review is deferred accordingly.

### **Priority areas**

Of the review topics set out in the work plan, the following topics have been identified as priorities by our members, listed in no particular order:

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

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- Issues review: ATO's Online Services for Agents.
- Assurance review: Payday Super readiness.
- Issues review: ATO's management of compromised accounts.
- Issues review: ATO's Client-Agent Linking system.
- Assurance review: ATO's management of small business restructuring plans

### **Proposed review topics**

Our members are of the view that it would be worthwhile considering adding the following review topics:

- the effectiveness of the ATO's interaction with other government agencies and what opportunities exist to maximise efficiencies in information sharing (such as via memorandums of understanding (**MoUs**), and whether MoUs restrict inter-agency effectiveness). We note that this was identified as a potential additional area of review in our feedback on the work plan for 2024-25; and
- the Commissioner's power to issue a default assessment under section 167 of the *Income Tax Assessment Act 1936* (Cth) and the significant burden of proof placed on taxpayers.

We have been pleased to work with the office of the Tax Ombudsman for many years and look forward to providing further input as the proposed reviews progress.

The Tax Institute is the leading forum for the tax community in Australia. We are committed to shaping the future of the tax profession and the continuous improvement of the tax system for the benefit of all. In this regard, The Tax Institute seeks to influence tax and revenue policy at the highest level with a view to achieving a better Australian tax system for all.

If you would like to discuss any of the above, please contact The Tax Institute's Head of Tax & Legal, Julie Abdalla, on (02) 8223 0058.

Yours faithfully,

**Julie Abdalla**

Head of Tax & Legal