2026-27 work plan for systemic reviews

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Tax Ombudsman

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Acknowledgement of Country



We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, sea and community. We pay our respects to First Nations people and their Elders past, present and emerging.

Artwork used with permission from Tarni Morris, a Djab Wurrong, Kirrae Wurrong and Peak Wurrong artist.

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

In August and September 2026, 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.

Feedback was provided through written submissions as well as a poll.

This work plan outlines:

- the two priority topics which we will review in 2027;
- two reserve topics that we will review pending resources becoming available and evaluation against other priorities that may emerge between now and mid-2027; and
- other topics, which have not been selected for review and include those that stakeholders have suggested for our future consideration.

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. 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 on the work plan will be undertaken in May-June 2027 to re-evaluate priorities and determine whether any new or emerging issues warrant more immediate examination.

Our work plan at a glance

Priority areas for review in 2026-27

ATO's administration of release from tax debts
ATO's management of deceased estates

Reserve list

ATO's management of compromised accounts
TPB's management of complaints and alleged breaches of the *Tax Agent Services Act 2009*

Priority areas for review 2026-27

Stakeholders have told us that these are the highest areas of priority for review and we will commence these reviews in 2027.

Issues review: ATO's administration of release from tax debts

The Commissioner is empowered to permanently remove certain tax debts of an individual, in whole or in part, if requiring them to pay the debt would result in them suffering serious hardship. This is generally referred to as release from tax debt. This power differs from other debt-related discretions available to the Commissioner because a decision to release a tax debt means that it no longer appears on the taxpayer's account and cannot later be recovered in any circumstances.

In recent years, following the pandemic and with a changing economic environment, the ATO has reported an increase in contact to its hardship helpline and financially counselling organisations around Australia are also observing similar trends.

Although it is not the panacea for all instances where a taxpayer is unable to pay their tax debts, the appropriate and consistent operation of the release provisions is important to support taxpayers who are experiencing genuine hardship to get back on track. Feedback received by the Tax Ombudsman has suggested that ATO communications and guidance about release are not clear, decisions may be inconsistent and may not always take into account the taxpayer's circumstances.

This review would examine:

- whether ATO's public guidance on the release provisions is sufficient to help inform taxpayers about the release provisions, how to apply and evidence they may need to provide;
- ATO policies and procedures for receiving, considering and determining release applications including any internal reconsideration or review processes; and
- the ATO's policies and processes for managing release of debts less than $10,000.

Assurance review: ATO's management of deceased estates

In 2020, the Tax Ombudsman published a report examining the legislative bases and administrative approaches adopted by the ATO to administer tax laws insofar as they applied to deceased estates. Since that review, the ATO implemented a range of improvements in this area and has undertaken a post-implementation review of its work in this area.

Notwithstanding this significant body of work, the Tax Ombudsman continues to receive complaints and community feedback that the ATO's administration of deceased estates remains inefficient, inconsistent and difficult to navigate. A new review into the ATO's practices around managing deceased estates would examine processes that it has implemented since the last review as well as how it has improved its services in relation to receiving and processing death notifications, its telephony service and guidance materials to taxpayers managing deceased estates and the consistency with which its officers are sharing information to help people manage deceased estates.

This review will not be re-examining the legislative framework underpinning the ATO's secrecy obligations and the associated need or requirement to obtain probate or letters of administration. Those issues were examined our earlier review and fundamentally turn on legislative settings in the tax law and the range of state and territory laws governing wills and estates. However, our review would examine how the ATO's current processes are applied to meet the needs of next of kin within its existing frameworks without breaching the secrecy provisions.

This review would examine:

- whether the changes implemented by the ATO since 2020 improved the experience of taxpayers managing deceased estates;
- whether the ATO's services, communications and guidance are accessible, clear and responsive to the needs of people administering deceased estates;
- whether the ATO has appropriate processes and controls to ensure consistent administration and advice in relation to deceased estates, including disclosure of information to people managing deceased estates.

Reserve list

These topics received high levels of stakeholder support and represent key areas within the tax system that warrant consideration as part of a review. We will closely monitor and evaluate the need for reviews in these areas in mid-2027, against any other priorities that may emerge between now and then.

Issues review: ATO's management of compromised 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) where they have been affected by tax identity fraud and their account is compromised. The ATO has made significant improvements, mostly through the development of its app. But not all taxpayers can use the app. Feedback from some community members and practitioners indicate that taxpayers are experiencing difficulties when their accounts become compromised, including long wait times on phone calls to unblock accounts. Accordingly, this review will seek to investigate whether the ATO's management of compromised accounts are consistent with the principles of good administration, such as ease of access, low cost of compliance and putting it right.

This review would examine:

- whether the ATO provides timely and adequate support to taxpayers and their representatives in assisting them to secure their account;
- 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 on operational matters to address identity fraud and the weaknesses exploited by fraudsters.

Assurance review: TPB's management of complaints and alleged breaches of the *Tax Agent Services Act 2009*

Under the *Tax Agent Services Act 2009*, the Government has issued a determination to extend the ethical obligations of tax practitioners under the Code of Professional Conduct. This arose from an independent review into the TPB in 2019 which recommended new powers to address emerging or existing behaviours and practices.

There have also been recent consultations to enhance the TPB's sanctions framework building on earlier consultations following the PwC matter as well as recommendations in the 2019 review. Proposed new sanctions include new criminal offences for unregistered preparers, new and increase civil penalty amounts and the introduction of infringement notices, contingent suspensions and interim suspensions.

Members of the community may also lodge complaints with the TBP about the actions and conduct of agents.

Given the TPB's responsibility to regulate tax and BAS agents, it is essential that it has stringent processes in place for the management of referrals, including investigating potential Code breaches and the imposition of sanctions. This is crucial in upholding professional standards, providing protections to taxpayers and maintaining the integrity of the profession and tax system.

Stakeholders have raised concerns about the TPB's approach and whether it is responsive and proportionate. Accordingly, this review will consider whether the TPB's management of Code of Professional Conduct referrals and complaints are consistent, transparent and in imposing sanctions, whether the TPB is getting it right and putting it right.

This review would examine:

- whether the TPB's processes for managing complaints and referrals about potential breaches on the *Tax Agent Services Act* 2009, including the Code of Professional Conduct, are appropriate;
- whether the TPB's current approach to determining whether there has been a breach of the *Tax Agent Services Act* 2009, including any potential Code of Professional Conduct breaches, strikes an appropriate balance between addressing major and minor breaches; and
- whether the TPB's processes and systems support appropriate and consistent sanctions being applied in response to breaches of the *Tax Agent Services Act 2009*.

Other topics

This section lists topics that we have not selected for review, but nonetheless have emerged through our complaint data and/or stakeholder feedback. They are listed below to inform the community and, resources permitting, we will explore opportunities to surface these issues for broader discussion or action through other work types.

- ATO's consultation arrangements
- ATO's management of employee notifications of unpaid super
- ATO administration of private rulings
- ATO's publication of binding public advice and guidance
- ATO's administration of early release of superannuation on compassionate grounds
- ATO's management of payment arrangements
- ATO's implementation of payday super
- Cost of compliance for small businesses and tax practitioners
- ATO's management of audit timeframes
- ATO's use of default assessments
- ATO's administration of the Pay-As-You-Go Instalments system
- ATO administration of the Safe Harbour provisions
- TPB's processes for identifying and responding to reports of unregistered preparers
- ATO's administration of the first home super saver scheme
- ATO's management of the test case litigation program