

Ms Ruth Owen
Tax Ombudsman
GPO Box 551
Sydney NSW 2001

By email: consultations@taxombudsman.gov.au

Dear Ms Owen,

Tax Ombudsman Review: ATO online services for agents (OSfA)

The Tax Institute welcomes the opportunity to provide feedback in response to the Tax Ombudsman's review of ATO online services for agents (**OSfA**) (**Review**), given that OSfA has been a longstanding pain point for tax practitioners.

In developing our feedback, we have worked closely with our National Technical Committees to prepare a considered response that represents the views of our broader membership.

While outside the immediate scope of the Review, we would like to highlight a significant related and longstanding concern. Legal practitioners currently have no access to OSfA, Practice mail, or any equivalent secure digital channel for communicating with the ATO. As a result, lawyers are unable to lodge objections, ruling requests, forms, or other correspondence electronically. In practice, this requires them to rely on outdated and inefficient methods such as fax or post, unless they resort to informal workarounds (for example, engaging a taxpayer's registered tax agent to lodge documents on their behalf). Our members consider this a substantial gap in the ATO's digital service offering, inconsistent with the broader move toward digital first interactions, and a barrier to timely and efficient engagement. Our legal practitioner members consider that the ATO should prioritise the development of a digital communication channel for lawyers, ensuring they have access to secure and efficient lodgment pathways as are currently available to tax agents.

We have set out below certain challenges that hinder the effectiveness of OSfA and Practice mail. We consider that it will assist the Tax Ombudsman's Review if these matters are taken into account during the course of the inquiry.

General

Our members are of the view that while tax practitioners are encouraged to use the ATO's online services, these channels are not functioning effectively in practice. In particular, members note that online messages often receive no response unless the matter is routine (such as a PAYG instalment election). Even when messages are lodged multiple times, they are frequently not actioned.

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As a result, practitioners often resort to contacting the ATO by phone to progress matters. Members report that this can be time consuming, with several follow up calls sometimes needed due to variations in ATO staff knowledge, training, or authority. In many cases, matters are only resolved after a formal complaint is lodged, an approach members consider should not be necessary simply to prompt the ATO to review and resolve a matter.

Members also note that when issues are escalated by phone, they are commonly placed into a standard '28 day response' timeframe. During this period, there are typically no updates or visibility of progress, and matters are often not resolved within the advised timeframe.

Recommendation

Members consider that improved transparency and proactive communication would significantly enhance user confidence and reduce the need for additional follow up. Also, enabling ATO staff to action matters directly from OSfA and providing clearer progress updates, including where phone escalation is required, would improve efficiency and reduce unnecessary delays for practitioners and their clients.

Recognition of different agents for compliance and for other matters

Members continue to experience difficulties when dealing with the ATO in situations where a taxpayer has more than one tax agent appointed for different tax matters. Currently, a taxpayer can only appoint one tax agent for each of corporate tax, fringe benefits tax and goods and services tax (**GST**). However, taxpayers often appoint different agents for other obligations outside these categories such as superannuation and pay-as-you-go (**PAYG**) purposes. Further, taxpayers routinely engage specialist agents for discrete issues such as Private Binding Ruling (**PBR**) applications.

Members are increasingly aware of their obligations to only provide tax advice in areas where they are competent, particularly following the introduction of the mandatory breach reporting of tax agents' obligation under the *Tax Agent Services Act 2009* (Cth). The days where a tax agent could expect to have specialist knowledge across all areas of the tax system are in the past. As a result, we expect to see greater involvement of specialist tax advisers in the future as members seek to ensure the best tax advice is provided to their clients.

The ATO's systems and frontline processes do not consistently recognise these separate authorisations. There is a pressing need for ATO systems to expand their agent of record functionality to recognise agents across a wider range of taxes and obligations. For example:

- A taxpayer may appoint Agent A as their primary compliance agent for income tax.
- The same taxpayer separately engages another registered tax agent (**Agent B**) solely to prepare and lodge Superannuation Guarantee Charge (**SGC**) statements.
- Agent B lodges the SGC statements through the Practice mail system and signs the relevant tax agent declaration.
- Despite this, the ATO often refuses to engage with Agent B, relying only on Agent A's status as the income tax agent.
- Alternatively (or in addition) the taxpayer may engage Agent C solely to act on a specific matter, such as preparing and lodging a PBR application.

- Even when Agent C lodges the PBR and signs the relevant agent declaration, ATO officers often refuse to engage with Agent C on the basis that Agent A is the agent on record.

These inconsistencies result in delays, inefficiencies, and unnecessary frustration for taxpayers and their advisers.

Recommendation

The ATO's client engagement processes should be improved to recognise that a taxpayer may legitimately appoint:

- one agent for ongoing compliance; and
- one or more different agents for specific matters such as other areas of tax, PBRs, administrative guidance, or one off lodgments.

We recommend that the ATO expands its agent recognition framework so that it aligns with modern practice, where taxpayers engage specialist advisers for discrete areas of the law. This would allow ATO officers to readily identify and engage with the correct authorised agent for the specific issue being discussed.

Attachment limits for online PBR requests

Members report that the online system for lodging PBR requests imposes a limit of six attachments. Complex matters often require significantly more supporting documents. For example, a member reported that a recent PBR request contained 22 attachments, requiring the member to revert to postal lodgment.

Members also highlighted that, in addition to the number of attachments, the allowable size of correspondence needs to be increased. While Kiteworks (secure file transfer platform) appears to permit larger volumes of documents, external users can only utilise this system if they already have the contact details of an ATO officer, as documents must be emailed directly to them. If a folder is required for uploading documents, this must be created by an ATO case officer, which can delay the process and limit accessibility.

Recommendation:

We recommend improving both the attachment capacity and the file size capability of the online PBR lodgment system. This would significantly enhance usability and reduce the need for alternative or manual lodgment pathways.

Inability to cancel an ABN via OSfA

Feedback from our members indicate that while OSfA allows agents to cancel GST, PAYG withholding and other registrations, there is currently no ability to cancel a client's ABN. The only workaround is for the client to authorise the agent through Relationship Authorisation Manager (**RAM**). However, the administrative effort required to set up RAM authorisation is often greater than the effort for the client to simply deregister the ABN themselves. Members consider this a significant gap in OSfA functionality.

Recommendation:

We are of the view that the ATO should allow registered agents to cancel a client's ABN directly through OSfA, consistent with other registration cancellations. This would reduce administrative burden and improve efficiency for both agents and the ATO.

Income tax lodgment status report – Delays and reliability issues

Feedback from our members suggest that the income tax lodgment status report takes 24 hours to generate, limiting its usefulness for real time client management. Members also report that the results are not always reliable, with some entries showing blank filing due dates.

Recommendation:

It would be helpful if the ATO could introduce on demand generation of the lodgment status report where possible, and improve data integrity so that filing due dates and lodgment information are consistently accurate.

Client search function not returning results

Our members' feedback indicates that searching for a client by name in OSfA sometimes returns no results, even when the client is correctly linked. In these cases, the only way to locate the client is by using their tax file number (TFN).

Recommendation:

We recommend improving the OSfA search functionality to ensure that client searches by name return accurate and complete results, reducing reliance on TFNs and improving workflow efficiency.

Delayed access to client home page after adding a client

Our members report that after adding a new client to OSfA, the client's home page is not immediately available and may only appear the following day. This delays and disrupts workflow, particularly when agents need to act promptly after onboarding a client.

Recommendation:

We recommend enabling real time activation of client access within OSfA so that agents can view and manage the client's home page immediately after linking.

Instalment activity statement correspondence initially sent by paper

Members have observed that the first instalment activity statement (IAS) correspondence letter is issued in paper form, with subsequent notices delivered via the portal. This inconsistency often results in missed notices, especially where the client's postal address is not current.

Recommendation:

We recommend that the ATO deliver all IAS correspondence digitally via OSfA from the outset, unless the client has explicitly opted for paper communication. This would reduce the risk of missed notices, and ensure consistent communication channels and support accurate record-keeping.

Tax agents are not notified when ATO correspondence preference change

Feedback from our members indicate that tax agents are often unaware when a client's ATO correspondence preferences are automatically changed to myGov, which typically occurs when a client links their ATO account. This results in important notices, such as Notices of Assessment or PAYG instalment notices being delivered only to the client's myGov inbox. Many clients do not regularly check myGov, meaning critical correspondence may go unnoticed by both the client and the agent and can result in unpaid or late payment of liabilities.

Members also note that when a Notice of Assessment is not received, there is no automated way for agents to identify the issue. Agents must instead access OSfA and manually review each client's account to find missing assessments, which is inefficient and time consuming.

Recommendation:

Our members are of the view that the ATO should introduce a mechanism that:

- notifies tax agents whenever a client's correspondence preference changes to myGov; and
- allows agents to retain access to key ATO correspondence, even when a client links their myGov account.

This would prevent missed notices and reduce unnecessary non-compliance risks.

Connecting payroll software to the ATO via Practice mail does not occur in real time

Connecting Single Touch Payroll (**STP**) software to the ATO via Practice mail is not suitable when immediate activation is required. The only real time option is to phone the ATO, which is time consuming and inefficient. When setting up a client's STP enabled payroll software, practitioners can either:

- contact the ATO by phone during the process, though this is time-consuming. Currently, this is the only option which allows the software connection in real time and payroll reporting can start immediately; or
- submit an STP Bulk Request spreadsheet via Practice mail. This option is unsuitable when payroll processing must begin immediately.

Recommendation:

Our members recommend developing a real time digital STP connection process within OSfA or another secure online channel, eliminating the need for phone calls or delayed Practice mail processing.

Timeliness of key data updates when using Practice mail

Members report delays in the processing of lodgments submitted through Practice mail, particularly for SGC statements. SGC statements lodged via Practice mail can take approximately one week to be processed and reflected on the client's superannuation guarantee employer account. This delay affects the ability of agents to manage client obligations promptly. In a digital environment, far quicker processing should be expected rather than timeframes resembling a paper based system.

Recommendation:

The ATO should improve the processing timeframes for Practice mail submissions, particularly SGC statements and provide status tracking so agents can see when a submission has been received, is being processed, and has been finalised.

New format of activity statement account not helpful

Members have raised concerns about the new format of client account transactions on OSfA particularly within the activity statement account. The updated layout is complex and significantly increases the difficulty of reconciling client accounts and determining accurate closing balances. As illustrated in the attached example (with client identifiers removed), the new display lists each Business Activity Statement (**BAS**) item separately without showing a running balance alongside each amount. Only the final total BAS figure is accompanied by a running balance. In addition, payments are broken down and matched to individual BAS items and the total BAS amount payment is also shown as a separate line item, adding further confusion. The new presentation introduces unnecessary complexity, increases the risk of reconciliation errors, and adds to agent frustration when attempting to manage client accounts efficiently.

Recommendation

Members note that the previous format was clear, logical and easy to navigate. It would be helpful if the ATO could consider reverting to the old format.

We trust that these comments are helpful to the Tax Ombudsman's Review. We welcome the opportunity to discuss these matters further and to provide additional examples or case studies if required.

The 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 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 our Tax Counsel, John Storey on (03) 9603 2003.

Yours faithfully,

Julie Abdalla

Head of Tax & Legal

Tim Sandow

President



Agent

Activity statement 001

Date generated	17/03/2026
Overdue	\$0.00
Not yet due	\$0.00
Balance	\$0.00

Transactions

16 results found - from 17 March 2024 to 17 March 2026 sorted by processed date ordered newest to oldest

Processed date	Effective date	Description	Debit (DR)	Credit (CR)	Balance
03 Mar 2026	02 Mar 2026	Payment received		\$5,056.00	\$0.00
03 Mar 2026	02 Mar 2026	Payment received		\$2,188.00	
03 Mar 2026	02 Mar 2026	Payment received		\$1,467.00	
03 Mar 2026	02 Mar 2026	Payment received		\$1,401.00	
11 Jan 2026	03 Mar 2026	Original Activity Statement for the period ending 31 Dec 25	\$5,056.00		\$5,056.00 DR
11 Jan 2026	03 Mar 2026	- GST	\$2,188.00		
11 Jan 2026	03 Mar 2026	- PAYG Withholding	\$1,467.00		
11 Jan 2026	03 Mar 2026	- PAYG Instalments	\$1,401.00		

25 Nov 2025	24 Nov 2025	Payment received		\$5,423.00	\$0.00	^
25 Nov 2025	24 Nov 2025	Payment received		\$2,555.00		
25 Nov 2025	24 Nov 2025	Payment received		\$1,467.00		
25 Nov 2025	24 Nov 2025	Payment received		\$1,401.00		
15 Oct 2025	25 Nov 2025	Original Activity Statement for the period ending 30 Sep 25	\$5,423.00 ↑		\$5,423.00 DR	^
15 Oct 2025	25 Nov 2025	- GST	\$2,555.00			
15 Oct 2025	25 Nov 2025	- PAYG Withholding	\$1,467.00			
15 Oct 2025	25 Nov 2025	- PAYG Instalments	\$1,401.00			
25 Aug 2025	22 Aug 2025	Payment received		\$4,357.00	\$0.00	^
25 Aug 2025	22 Aug 2025	Payment received		\$2,890.00		
25 Aug 2025	22 Aug 2025	Payment received		\$1,467.00		
03 Jul 2025	25 Aug 2025	Original Activity Statement for the period ending 30 Jun 25	\$4,357.00 ↑		\$4,357.00 DR	^
03 Jul 2025	25 Aug 2025	- GST	\$2,890.00			
03 Jul 2025	25 Aug 2025	- PAYG Withholding	\$1,467.00			
26 May 2025	23 May 2025	Payment received		\$4,844.00	\$0.00	^

26 May 2025	23 May 2025	Payment received	\$3,377.00		
27 Apr 2025	26 May 2025	Original Activity Statement for the period ending 31 Mar 25	\$4,844.00	\$4,844.00 DR	^
27 Apr 2025	26 May 2025	- GST	\$3,377.00		
27 Apr 2025	26 May 2025	- PAYG Withholding	\$1,467.00		
27 Feb 2025	26 Feb 2025	Payment received	\$3,330.00	\$0.00	^
27 Feb 2025	26 Feb 2025	Payment received	\$1,863.00		
27 Feb 2025	26 Feb 2025	Payment received	\$1,467.00		
03 Jan 2025	28 Feb 2025	Original Activity Statement for the period ending 31 Dec 24	\$3,330.00	\$3,330.00 DR	^
03 Jan 2025	28 Feb 2025	- GST	\$1,863.00		
03 Jan 2025	28 Feb 2025	- PAYG Withholding	\$1,467.00		
21 Nov 2024	20 Nov 2024	Payment received	\$4,355.00	\$0.00	^
21 Nov 2024	20 Nov 2024	Payment received	\$2,888.00		
21 Nov 2024	20 Nov 2024	Payment received	\$1,467.00		
01 Oct 2024	25 Nov 2024	Original Activity Statement for the period ending 30 Sep 24	\$4,355.00	\$4,355.00 DR	^