10 April 2026

By email to: consultations@taxombudsman.gov.au

Review of Online Services for Agents

The Institute of Public Accountants (IPA) welcomes the opportunity to make a submission in relation to your review of the ATO's Online Services for Agents (OSfA).

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.

We are pleased that you are undertaking this critically important review. We have had feedback from our members that OSfA is not fit for purpose and — as expressed in recently received feedback — that it "hinders rather than helps". OSfA is the fulcrum of a tax agent's practice and it must be redesigned such that it enables agents to efficiently and effectively assist clients to comply with their tax obligations in a timely manner. It is widely known that the tax agent profession is suffering from excessive workloads, an ageing practitioner population, too few new entrants, an overload of regulatory demands and an inability to recover from clients many costs associated with bureaucratic inefficiencies. A high-functioning and robust OSfA system would benefit not only tax agents and their clients — the ATO would be able to deploy its resources to other purposes and lodgment and payment compliance may improve if irritants currently causing delays and ambiguity are removed from the system.

Broadly, the key systemic themes which have been revealed in our member feedback involve:

- limited functionality of OSfA necessitating agents to call the ATO — including that time and staff resources are unnecessarily wasted with time consuming phone calls that take place in addition to, or instead of, performing a task entirely online
- inadequate two-way communication via the practice mail channel
- lack of caller verification functionality
- deficiencies in the communication history in OSfA.

Inadequate functionality

The member feedback we received accords with the agent feedback reflected in your 2025 final report in relation to your review of the ATO's registered agent phone line[1] (the RAPL Report; specifically that while there is a wide range of tasks that can be completed online, there are limitations in their functionality which often compel agents to use the phone line to

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1 Tax Ombudsman, *Review: ATO's registered agent phone line and service offer to agents — Final report* (October 2025).

resolve their issues. Further, agents expect greater use of Application Programming Interfaces (APIs) to broaden the range of functionality and data flows to be seamlessly integrated between the ATO's and their own systems.[2] These two reviews are intrinsically linked, and it is pleasing that they are being looked at together.

Members have told us that they should be able to perform certain functions via OSfA without needing to phone the ATO. As noted in the RAPL Report, the preferred channel of both agents and the ATO is "online self-service"[3]; yet the deficiencies of the current form of OSfA prevent online self-service to be used to maximum potential. We encourage you to recommend that the ATO review the routine functions which currently cannot be completed in OSfA and where the agent must call the ATO. With an improvement in OSfA functionality, tax agents would be able to manage their clients' affairs with greater efficiency and the ATO would free up phone line staff from attending to relatively straightforward administrative matters which should be able to be done online. We note that Recommendation 2 in the RAPL Report will assist with identifying areas requiring OSfA system functionality improvements.

Below are some examples of functions which are deficient or not available at all.

Notice delivery preferences

Agents should be able to change notice delivery preferences from electronic to paper on OSfA. This is particularly an issue in relation to quarterly instalments. When a practitioner alters a client's quarterly instalment notice (e.g. due to a change in income), the notice delivery method automatically reverts from paper to electronic. Electronic notices disadvantage the computer illiterate, such as the elderly, and a change in delivery method should not occur other than by the agent changing the preference.

Members have complained that clients regularly have outstanding debts, not because they are deliberately non-compliant, but because they are not sent notices by mail and therefore they only become aware of the obligation to pay when debt collection letters are received. While this is not strictly an OSfA issue, enabling the delivery preference on OSfA would assist in resolving this issue and increase compliance and on-time payments.

We have also heard that OSfA should allow users to select electronic-only assessments. Currently, a paper assessment will be sent as well as the electronic version which is unnecessary and wasteful.

Amending activity statements

Currently, if an agent wants to amend a prior period BAS using third party software, they need to phone the ATO which is very time and resource consuming. Members have asked for an ability to generate an amended BAS on OSfA which can be imported into third party software.

Compromised clients

A member has requested that where a client has been compromised and the account has been locked, there should be a pre-lodgment warning to unlock the account. We understand

2 Page 23 of the RAPL Report.
3 Page 25 of the RAPL Report.

that there has been a recent update to the ATO app such that a lock will not prevent the client's agent from progressing work via OSfA. However, refunds will continue to not issue. A pre-lodgment reminder about unlocking the account may prevent delays in refunds.

Credit balances

Members have noted that when viewing a client's homepage in OSfA, it will show the client's debts and outstanding lodgments but it does not show if the client has a credit on any of the tax accounts (ICA, Tax or SGC). There should be full visibility of account balances, whether they are in debit or credit.

Redaction of TFNs

Members have called for an option for client TFNs to be able to be electronically and automatically redacted when a document is printed. Currently, agents use third party software to perform this task which is costly and time consuming.

We note that while the redaction of client TFNs is not explicitly required by the TPB, tax agents must take steps to comply with their obligation to maintain client confidentiality and the TPB has previously recommended redaction as one possible step.[4] Many agents redact TFNs in the course of fulfilling their TASA confidentiality obligations and at present this is often a costly and resource intensive step. Whilst we acknowledge that there are commercially available solutions, they come at a cost to the practice.

Caller verification

We support the recent implementation of the ATO app "caller verification" function for taxpayers. We urge you to make a recommendation that the ATO introduces caller verification for agents via OSfA.

Practice mail

Slow resolution

In relation to the practice mail function in OSfA, the RAPL Report concluded that[5]:

> *… practice mail is not fit for the purposes it is being used for and offers a far slower response than using the phone …*

The RAPL Report documents agents' experiences where online enquiries required multiple follow-ups, with each attempt resetting the ATO's standard 28-day response timeframe, resulting in delays over several months before the matter was resolved.[6]

The commentary in the RAPL Report reflects our members' experiences whereby they feel obliged to call the ATO to follow up and to expedite matters that originate in practice mail. This creates frustration and the excessive use of resources in trying to resolve a matter via two channels.

In addition, below are several specific practical issues noted by members.

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4 TPB(PN) 4/2021 *Use and disclosure of a client's TFN and TFN information in email communications* and TPB webpage *Protecting your clients' TFNs*.

5 Page 23 of the RAPL Report.

6 Page 23 of the RAPL Report.

Responses sent to practice inbox

Where a practitioner within a practice sends mail from their own mailbox rather than from the practice mailbox, the ATO sends replies to the practice's general inbox. The practitioner who sent the original mail does not know that the ATO has responded as it would depend on what email address has been noted (if at all) on the practice's general inbox. This results in many missed replies as the practitioner not only does not receive the reply in the originating mailbox, but they also do not receive a notification in their own inbox that a reply has been sent (albeit to the practice inbox).

Replies should be automatically sent to the originating mailbox. If this is not possible, then the reply-to address should be automatically pre-populated so that replies will be sent to the originating address. If agents must manually update their inbox account details, there should be clear instructions, notifications and/or prompts.

List of categories

When composing mail, the agent is required to select a category from the drop-down list. It has been noted that if the incorrect category is chosen, the request is not actioned and the agent is not assisted. ATO staff should be trained to address the incorrectly categorised query, by sending it onto the relevant department or by advising the sender of the correct category so that they can resend it. There also needs to be clearer descriptions and instructions in relation to the list of categories so that agents are less likely to select the wrong one.

Status of items

Members have said that OSfA should enable them to track progress of practice mail requests which would reduce the amount of phone calls to the ATO to follow up on the status of these matters.

A member has suggested, for example, support ticket numbering with a portal which shows open tickets and searchable closed tickets. Each open ticket would have a status (e.g. pending, allocated, percentage complete, finalised) with the date of each status change. There could be an option to send messages to the allocated ATO officer.

Members have noted that being able to track the progress of lodgments via OSfA is of utmost importance. Currently members spend a lot of time and resources calling the ATO to find out the status of these items and what may be delaying progress. The lack of transparency and the resulting confusion leads to a lot of frustration for both the agent and the client, and may cause further delays to finalising a lodgment or receiving a refund or paying a tax liability. This also applies to submitted requests such as private rulings and objections. A live progress report should include the expected timeline to resolution. Where there are outstanding queries or missing information hindering progress, the OSfA progress report should include details of specific action items and information to be furnished by the agent/client, and contact details. An example is the Australia Post app, which provides progress status of a parcel to the intended recipient before delivery, and notifies the recipient once the parcel has been delivered.

It has also been suggested that there should be automated weekly practice emails listing current open tickets.

Communications history

Members' feedback outlined a number of issues and challenges in relation to the communications history in OSfA.

Inclusion of all communications

The communication history in OSfA should show all communications which have been sent to either the client's agent or directly to the client. In addition, a communication made directly to a client should be added to their communications history at the same time that it is sent to the client. The agent should receive notifications when communications are sent.

Currently tax agents receive panicked phone calls from their clients who receive an unexpected communication but the agent has no awareness of the delivery or content of the communication. Anecdotally these communications appear to mainly be campaign letters although by no means exclusively. Our members have experienced the clients receiving late lodgment notices directly, bypassing the agent completely, despite the nominated postal address. While the source of this issue may not entirely be within OSfA, a more robust OSfA platform may assist in ensuring that correspondence is appropriately directed.

Visibility for more than one month

It has been observed that on the Tax agent home page, the communication in the client inbox drops off after around a month, even if it has not been read. This should be visible for a minimum of three months.

Manually marking a communication

While items in the communications list changes from bold to not bold when they have been read, it would be useful to be able to manually re-mark a read item.

Reporting function

Members have provided feedback that the reporting function needs to be improved and expanded.

Timeliness

Currently, the limited reports available are not able to obtained in real time. The agent must request the report and wait for delivery. A wide selection of the most useful reports should be able to be automatically generated on demand from within OSfA for download or printing. Further, data in these reports must be timely to increase their usefulness — they should be updated in real time or at least daily. Out of date information and reports which have a time lag are less useful to the agent, who often has to attend to a client query on the spot and needs up to date, accurate and instantly available information to be able to provide the highest quality of services to their clients.

Range of reports

The types of available reports should be expanded, including debts owing (both overdue and not yet due) and clients with compromised TFNs. The existing debit/credit report is updated only once a week — this needs to be more timely to be useful to agents. Whole-of-practice reports also need to be made available.

Inbound and outbound calls

Members have noted that the amount of calls they receive from the ATO as a hamper to their productivity and identified that OSfA could be utilised to address this issue.

Callback function

OSfA should have a function for agents to leave a request for a callback from the ATO. The ATO should also be able to use OSfA to leave a message for agents to call about a specific client and issue.

Replacing outbound calls with OSfA messages

Outbound phone calls from the ATO to agents could in many instances be replaced by a message or notification sent via OSfA with contact details of the ATO officer, area or office to make contact with if a call back is required. Only where the query cannot be addressed by the agent online should there be a follow up call with the ATO, arranged via OSfA.

Members have said that they receive too many calls about clients' tax debts. It has also been suggested that instead of the ATO constantly calling an agent because a client has overdue lodgments and payments, there could be a prominent notice at the top of OSfA for the agent to check and action.

Recordings or transcripts of calls

We have also heard a suggestion that recordings and/or transcripts of phone calls between agents and ATO officers could be made available on OSfA.

Other issues

Interactive chat

A member has suggested an interactive chat function where agents can connect with a real person. This would save agents a lot of time calling the ATO and tasks can be closed off quicker.

IASs

Electronic IASs need to be improved so that they can be printed with all necessary details contained in one single form. Currently they do not include payment details which have to be separately obtained and printed.

Response times

While not strictly an OSfA issue, members have observed that they are frequently asked to respond to queries within a short timeframe, such as 48 hours. Members find this frustrating as the ATO has much longer to reply to an agent query and the short timeframes are not reasonable. This is exacerbated by issues identified above, such as not realising the ATO has responded to a practice mail message to the practice inbox and not being able to complete tasks online without a time-consuming call to the ATO. An OSfA platform with vastly improved functionality could assist in mutually efficient completion of tasks and queries.

OSfA instruction

Members have identified that there needs to be comprehensive training and instruction on how to use OSfA and its functions and capabilities. There could be help buttons attached to each specific function containing comprehensive information. While there is a user guide on the ATO website (QC 54079), the document and its content could be integrated into the OSfA platform so that agents can quickly and easily find the relevant guidance.

Consultation and co-design with tax agents

Given that OSfA is central to a tax agent's daily operations and their ability to assist clients to comply, we urge you to recommend that in refining OSfA, the ATO should engage in co-design with a wide range of agents who personally use OSfA daily at every step of the review, design and testing processes. OSfA is not used internally by ATO officers so it is the external perspective — i.e. that of the practitioner — that needs to be front and centre.

If you have any queries or require further information, please don't hesitate to contact Tony Greco, Senior Tax Advisor, either at tony.greco@publicaccountants.org.au or mobile: 0419 369 038

Yours sincerely

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