

04 April 2025

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

By email: consultations@igt.gov.au

Dear Ms Owen,

IGTO review: Systemic review of the effectiveness of the ATO's registered agent phone line

The Tax Institute welcomes the opportunity to contribute to the Inspector-General of Taxation and Taxation Ombudsman's (**IGTO**) consultation on the review of the effectiveness of the ATO's registered agent phone line (**Review**).

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

We are pleased that the IGTO is conducting a review of the ATO's registered agent phone service, which has been a source of frustration for both taxpayers and practitioners. Feedback from our members indicates that they have longstanding and ongoing concerns about the inefficiency of this service, underscoring the need for improvement. We understand that tax practitioners encounter significant challenges when interacting with the ATO via the registered agent phone line, primarily due to lengthy wait times and inconsistent service quality.

The ATO's 28-day service standard for inquiries, such as GST Grouping forms, frequently results in dissatisfaction, as this standard is often not met, necessitating multiple follow-ups and escalations. Despite these efforts, requests are sometimes not addressed until a complaint is threatened or filed, highlighting a perceived imbalance in the relationship between the ATO and taxpayers. Further, while the ATO imposes tighter deadlines for taxpayer responses to requests for information, feedback from our members indicates that taxpayers often experience delays in receiving interest income on overdue tax refunds, suggesting that the ATO and taxpayers may not be held to the same standards of accountability.

Our members' experiences with ATO representatives are inconsistent, advising that some ATO representatives have in their dealings provided prompt and knowledgeable assistance, while others rely on scripted responses and lack a deep enough understanding of tax matters, resulting in ineffective service. This inconsistency is evident in the varying levels of familiarity among ATO staff with processes and technical matters, both of which can hinder

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effective communication and resolution of issues. A recent example is where ATO staff are not adequately aware of specific programs, such as the tax agent lodgement program and its extended deadlines.

Further, when issues are not addressed properly after written submissions are made through Online Services for Agents (**OSfA**), ATO staff on the tax agent phone line often appear unable to assist and seem to lack the authority to take action. Feedback from our members indicates that ATO staff often show reluctance to provide updates on the status of applications or assist with processes that can be completed online, even in cases where using the online systems has been attempted by the agent but unsuccessful, for example due to system issues or authority limitations. This reluctance complicates interactions, as ATO officers may be hesitant to provide status updates or undertake actions over the phone, even when the website indicates that calling is an option. A recent case study provided through member feedback illustrates this. Through a written submission on OSfA, a member requested that the ATO deregister entities for GST, effective from the same date they exited the group (31 December 2024), as part of the removal process. While the ATO successfully removed the relevant entities from the group, it only correctly cancelled the GST registration for one of the six entities. For the remaining five entities:

- three had their GST registrations cancelled on an arbitrary date in February 2025, including one that also had its ABN cancelled; and
- two entities have yet to have their GST registrations cancelled.

When the member contacted the ATO registered agent phone service for clarification, the officer was unable to provide assistance, indicating that it was beyond their capacity to address the issue over the phone and lacked insight into the cause of the problem. The only recourse was to escalate the matter for review by a more senior ATO officer to amend the GST statuses of the affected entities.

Some other examples provided by our members include instances where there seem to be inconsistencies in obtaining information about the status of non-resident GST registration processing, particularly when additional proof of identity has been requested and submitted. Ideally, the registered agent phone service should be able to offer updates from the relevant team, at a minimum confirming whether the submitted information has been received. Similarly, regarding GST Grouping and GST Joint Venture processing, gaining clarity from the registered agent phone service about the formal status of applications proves to be difficult. This issue is exacerbated when there is no option to submit these applications through Standard Business Reporting (**SBR**) or online platforms, as they typically must be sent via PDF forms, either faxed or uploaded through the Mail/Message function in the portal.

Further, the practice of directing authorised representatives who are not registered agents to OSfA without sufficient support or contact information further limits effective engagement. The limited support available to these authorised representatives compounds these challenges, as they are unable to use OSfA and have to navigate general ATO phone lines that are not tailored for complex inquiries.

While resources like Fast Key Codes (**FKC**) and the [Tax Agent Phone Services \(Fast Key Code\) guide](#) are available and somewhat helpful, the lack of direct communication options, such as specific phone numbers for certain categories of inquiries, impedes the efficient resolution of taxpayer matters. For example, ATO has been contacting tax agents by email to review their client lodgement obligations for rental property income. There is no phone number listed in the email to discuss this with the ATO, and no dedicated FKC is available.

Taxpayers and practitioners had to use the general FKC for individual tax returns and are transferred to another department, often with long wait times. Even when utilising FKC to connect with specific departments, ATO officers sometimes demonstrate limited knowledge in their respective areas. This results in prolonged interactions where agents are frequently transferred between ATO representatives, causing frustration and leading to increased wait times for support. Communication issues are also prevalent, as representatives often lack access to previous notes or information. This situation requires agents to repeatedly articulate their concerns during each call.

Finally, we note consistent member feedback that there is a significant lack of support for the client-agent linking process. The only identified workaround involves taxpayers emailing an outdated ATO address (Phase1_agentlinking@ato.gov.au), which results in manual updates by the ATO without notification. This lack of communication means that tax agents are often unaware when a client nomination has been processed, highlighting the need for improved notification systems, such as updates via OSfA, to inform agents of new nominations.

These systemic issues underscore the urgent need for enhanced training, clear communication protocols, and accessible support for both taxpayers and practitioners.

We look forward to providing further input as this Review progresses.

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,

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Tim Sandow

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