

20 May 2025

Inspector-General of Taxation and Taxation Ombudsman
GPO Box 551
Sydney NSW 2001
consultations@igt.gov.au

Dear Inspector-General,

RE: Forward work plan for systemic reviews (2025/26)

Mob Strong Debt Help and Super Consumers Australia appreciates the invitation to provide feedback on your forward work plan for systemic reviews in 2025/26. We recommend prioritising the *ATO's engagement with culturally and linguistically diverse taxpayers* in your 2025/26 work plan, with a focus on the experiences of First Nations peoples.

Mob Strong Debt Help is a free nationwide legal advice and financial counselling service for Aboriginal and Torres Strait Islander people. The service specialises in consumer finance, banking, debt recovery, insurance and superannuation. Super Consumers Australia is the people's advocate in the superannuation sector, founded in 2013. Super Consumers Australia advances and protects the interests of people on low and middle incomes in Australia's superannuation system.

Our submission

Super Consumers Australia recently commissioned research on First Nations peoples' experiences in the superannuation system, in partnership with Mob Strong Debt Help and Impact Economics and Policy. The research involved 99 First Nations consumers and 19 financial counsellors and caseworkers who support First Nations clients nationwide navigate superannuation challenges. Research participants consistently identified engaging with the ATO as a major challenge, which negatively impacted First Nations peoples' access and entitlements to their super or a deceased loved one's super. We recommend a systemic review into First Nations peoples experiences engaging with the ATO, in particular in relation to the ATO's superannuation related responsibilities be a priority for the 2025/26 work plan.

First Nations peoples' experiences in super.

The research report will be released in June 2025. In summary, it found that the super system is failing too many First Nations Australians. Superannuation exists to provide income in retirement. However, many First Nations peoples are shut out of the system, discouraged from managing their super, and denied access to money they are owed. Key barriers include:

- **Being denied access to their super**, even in retirement or financial hardship, often due to rigid and onerous requirements for identity (ID) verification.

- **Customer service that is disempowering** and drives people to abandon their rights. The research found widespread examples of inadequate customer service including super fund and ATO staff lacking culturally-sensitivity, limited access to interpreters or dedicated First Nations hotlines and longer-than-usual processing times.
- **Significant delays** to accessing a deceased loved one's superannuation death benefits.

The impact of this is that many First Nations peoples are excluded from the benefits of Australia's world-class super system and widens the gap in outcomes between First Nations peoples and other Australians. This also exacerbates other structural disadvantages that First Nations people face.

The main drivers of these barriers include: discriminatory and rigid policies and practices from super funds and the ATO; lack of accountability for bad customer service and outcomes; and super regulations that do not consider the cultural and kinship realities of First Nations peoples. Consequently, we propose several key reforms relating to mandatory customer service standards for the sector and a comprehensive review of the superannuation death benefit system. Specific to the ATO, our recommendations include:

- improving processes to help First Nations peoples, including better customer service and more flexible approaches to identity verification; and
- reducing barriers to the ATO telling the next of kin where a deceased's super is held.

Recommendations

A systemic review into First Nations peoples' experiences needs to be prioritised for the 2025/26 work plan, as part of the ATO's *engagement with culturally and linguistically diverse taxpayers* topic. We understand that the ATO will consult soon on a Draft Vulnerability Framework, to inform how the ATO can better respond to people experiencing hardship and vulnerability. While this review is welcomed, a focused review on First Nations peoples' experiences is required. The challenges First Nations peoples face in engaging with the ATO often go beyond experiencing hardship and vulnerability but reflect the structural barriers created by colonisation and marginalisation (for example: government practices that have denied some First Nations peoples standard identity document; legal systems that do not accommodate cultural norms; and reduced access to infrastructure and services in remote areas where many First Nations peoples live).

Yours sincerely,

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