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Ms Ruth Owen CBE
Inspector-General Taxation and Taxation Ombudsman
GPO Box 551
Sydney NSW 2001

Email: consultations@igt.gov.au

1 April 2025

Dear Ms Owen,

Systematic review of the effectiveness of the ATO's registered agent phone line

CPA Australia is Australia's leading professional accounting body and one of the largest in the world. We represent the diverse interests of more than 175,000 members in over 100 countries and regions. We make this submission in response to the inquiry into **Systematic review of the effectiveness of the ATO's registered agent phone line** on behalf of our members and in the broader public interest.

CPA Australia welcomes the opportunity to contribute to the systematic review of the effectiveness of the ATO's registered agent phone. Efficient, reliable, and well-supported phone services are critical for tax professionals to meet their clients' obligations and provide accurate advice to their clients.

A common theme from our members is the persistent challenges with the registered agent phone line that impact their ability to engage effectively with the ATO. Specifically, our members have expressed significant concerns, including:

- the long wait times
- the limited knowledge and skill levels and accountability of ATO phone line staff depending on the query
- the 'hang up' disconnection often occurs by ATO phone line staff
- transferring the call to the incorrect areas within the ATO
- Fast Key code connecting to the incorrect ATO area
- Issues with locked down taxpayer accounts
- Issues with client agent linking phone line

Further details are outlined in Appendix A. If you have any queries, please contact Jenny Wong, Tax Policy Lead on jenny.wong@cpaaustralia.com.au or Bill Leung on bill.leung@cpaaustralia.com.au

Yours sincerely,

Jenny Wong
Tax Policy Lead

Appendix A

A common theme from our members is the persistent challenges with the registered agent phone line that impact their ability to engage effectively with the ATO. The feedback overwhelmingly suggests a significant mismatch between the expectations of registered agents and the service provided by the ATO registered agent phone line. The issues raised directly relate to the skills, training, and support of ATO officers working on the phone line. The inconsistencies and inefficiencies highlight that the current service standards do not align with agents' expectations. Furthermore, the difficulties encountered with the client-agent linking process clearly indicate that the phone line support for this function is inadequate and issues need to be addressed.

We have set out below some of the specific issues based on our members' feedback:

Inconsistent knowledge and training of ATO staff

a) Members report that ATO staff answering technical queries are frequently unfamiliar with tax concepts, even when contacted through the relevant fast key codes.
b) For example, staff seemed to lack understanding of closely held trust withholding despite being contacted through the correct activity statements and withholding fast key codes.

Lack of logical problem-solving and reliance on scripts

- Some ATO staff seem rely heavily on scripts and struggle to address issues that fall outside predefined responses. If a script does not provide an answer, agents are often unable to escalate matters appropriately.

Call disconnections and transfer loops

c) Frequent reports of calls being disconnected when staff do not know how to answer a query. Calls are often transferred between departments without resolution, creating unnecessary delays.
d) For example, enquiries about deceased estates are transferred between multiple departments without clarity on the appropriate contact point.

Inefficiency in reinstating tax file numbers (TFNs)

e) Members report that deactivated or locked TFNs frequently require escalation to a specialist, delaying resolution by 10+ working days. Some agents have reinstated TFNs on calls in the past, but this practice lacks consistency.

Fast Key Code system directing calls to incorrect areas

f) Despite using the correct fast key codes, calls are often misdirected to the wrong teams, leading to frustration and inefficiency.

Variable service quality

Some feedback from our members noted the competence and attitude of ATO phone operators vary significantly, impacting the quality of interactions. Some staff demonstrate rude or dismissive behaviour, disregarding tax agents' expertise.

Inconsistent advice from ATO staff

Members frequently receive conflicting advice on identical issues, leading to confusion and inefficiencies. Some practitioners find that lodging a formal complaint is more effective than using the phone line.

Client-agent linking process is inefficient and excludes certain clients

- The requirement for clients to call the ATO for linking can be particularly challenging for those with limited English proficiency or digital literacy.
- For example, Chinese nationals without Australian passports face significant barriers when attempting to link to their tax agent.
- Three-way conference calls for agent assistance were previously allowed but have now been rejected due to privacy concerns.

Barriers for non-digital clients in agent linking

g) Many clients, including long-standing business owners, lack access to computers, smartphones, or digital accounts (e.g., MyGov).
h) For example, a self-employed mechanic with no email or smartphone cannot complete agent linking under current ATO requirements.

Call wait times and lack of alternative contact methods

i) The ATO frequently disconnects calls due to "peak demand," leaving agents without service.
j) The ATO does not offer email or chat-based support options.

Recommendations

The effectiveness of the ATO's registered agent phone line is critical to maintaining an efficient tax system and ensuring that registered agents can access the support they need to assist their clients. CPA Australia urges the ATO to address the issues raised, implement targeted improvements, and ensure that phone support remains a viable and reliable service for tax professionals.

The registered agent phone line should be used for:

- Assistance with tax return lodgment issues
- Enquiries regarding tax obligations and due dates
- Resolution of straightforward administrative matters (e.g., TFN reactivation, account verification)
- Clarifications on ATO online services and access issues

The registered agent phone line should not be used for:

- Complex technical tax advice, which requires written ATO guidance
- Fraud and tax evasion reporting (should follow a formal reporting process similar to lost or stolen credit card reporting at financial institutions)
- Matters requiring legal interpretation or binding rulings
- Issues involving multiple levels of ATO verification that require in-depth review

We recommend that IGOT's review should include a recommendation that the ATO should provide clear and specific guidance on what types of queries can be addressed over the phone and establish alternative, more efficient channels for complex matters.

- Issues involving the reliance on scripts

Regardless of the staff experience or lack thereof and our comments around scripting, we recommend the need for the ATO to improve their scripting to more meaningful and useful scenarios that both assist the ATO staff in dealing with the matters and resolving the agent issues. As always, scripting can be a useful tool to assist the ATO officer in applying their knowledge and commonsense, but as highlighted in our previous comments, too often the scripting falls short or the officer lacks the knowledge and experience to resolve anything outside the script.