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4 September 2026

Tax Ombudsman
Review: ATO engagement with First Nations taxpayers
via email: consultations@taxombudsman.gov.au

ATO engagement with First Nations taxpayers

The Super Members Council (SMC) welcomes the opportunity to respond to the Tax Ombudsman's review of ATO engagement with First Nations taxpayers.

The super system has transformed retirement for millions of Australians, but many of its operating assumptions do not reflect the lived experience of many First Nations members. A central issue is a mismatch between standard ATO service settings and the circumstances of many First Nations taxpayers.

ATO processes commonly assume stable identity records, continuous employment, fixed addresses, reliable internet and phone access, private devices, access to official documents, trust in government systems, English language confidence, and capacity to navigate complex systems. When these assumptions do not hold, small administrative barriers such as a missing TFN or a different spelling of a name can prevent people from finding, claiming or protecting money that is theirs. This matters because such roadblocks compound existing inequities across working life and retirement. People should not be penalised for gaps in systems that were never designed around their circumstances. The shortfall sits with the process and administration of it, not the person. First Nations people on average are less likely to have superannuation and tend to have lower balances than other Australians, reflecting inequities in income, employment and access to support across working life. That gap is not inevitable, and it needs to change.

SMC advocates for the 12.5 million Australians who are members of profit-to-member super funds, pushing for a super system that works fairly for every member throughout their lives, including First Nations peoples and other groups the system hasn't always served well. SMCs March 2026 report, *A fair retirement: Removing barriers in super for First Nations peoples*, makes clear that improving retirement experiences requires more than encouraging individuals to navigate a complex system. The system must improve and lift cultural safety and service standards to make it easier for First Nations members and their families to protect, claim and enjoy the benefits of their super in retirement. SMCs July 2025 submission to the ATO's Vulnerability Framework emphasised the need for a more inclusive, fair and supportive tax and super system, including accessible service design, trusted intermediary pathways, staff capability and tailored assistance. These issues go to whether the tax and super systems are visible, usable and fair for First Nations people. To inform this submission, SMC sought feedback from super funds about how First Nations members interact with the ATO in practice. That evidence points to five connected priorities:

1. Service design should reflect the real, lived pathways First Nations taxpayers use to access support, rather than assumed ones;
2. Identity, TFN and record-matching barriers are preventing people from accessing their entitlements;
3. Lost and unclaimed super arrangements are not reconnecting First Nations members effectively;
4. Deceased estates processes are failing vulnerable families; and
5. Hardship arrangements should balance integrity, fairness and accessibility.

Some barriers raised in this submission cannot be fixed by better service delivery alone. Where needed, SMC has also identified broader legislative, regulatory or system changes that may be required. Whatever the outcome of this process, the ATO must be clear about how it will assess and publicly report on the effectiveness of changes to its engagement with First Nations peoples, including through First Nations-specific service metrics where these do not already exist. To that end, SMC has made 11 recommendations listed below. We welcome the Tax Ombudsman's review to encourage a reform agenda that treats First Nations access to tax and superannuation services as a core service design issue, not an edge case. A fair system should not require First Nations members and their families to overcome barriers the system itself has created.

Recommendations

1) Establish a formal outreach support model for First Nations taxpayers, including dedicated outreach service channels, scheduled ATO participation where possible, pre-briefing and escalation arrangements, access to staff with authority to resolve TFN, identity, MyGov and ATO-held super matters, and post-outreach follow-up.
2) Develop a First Nations action plan for reconnecting members and families with ATO-held super, including assisted pathways for funds and trusted intermediaries, flexible identity and authority settings, call back capacity for funds for ATO-held amounts where funds are best placed to assist, insurance visibility for lost or transferred accounts, a review of relevant thresholds, and recommenced publication of postcode-level lost and unclaimed super data to provide ongoing transparency about disproportionately affected communities.
3) Amend deceased estates processes affecting First Nations taxpayers by enabling the ATO to identify and disclose relevant ATO-held super to authorised beneficiaries or trusted representatives, confirm whether an amount exists before families incur legal costs, apply risk-based authority requirements for low-balance or low-risk matters, transfer ATO-held amounts to a fund already administering the death benefit where appropriate, coordinate with funds, and provide clear culturally appropriate guidance.
4) Work with Treasury to review severe financial hardship settings through a First Nations accessibility and vulnerability lens. It should include:
    a. ensuring those who make financial hardship withdrawals are notified before the withdrawal and at the time of withdrawal that tax may apply, that the net amount they receive may differ from the amount requested and that a withdrawal may have long-term impacts on retirement savings; and
    b. exploring options for more consistent oversight of hardship, including whether the ATO should have a greater assessment role.
5) Adopt a flexible, risk-based alternative identification verification framework for First Nations people and people in vulnerable circumstances more generally. This should include practical mechanisms for correcting ATO records when mismatches are identified.
6) Simplify processes for First Nations taxpayers to access TFNs and ATO-held super information. This should include:
    a. dedicated assisted pathways for confirming TFNs and correcting ATO records; and
    b. the ability for accredited or trusted intermediaries to support members through these processes.
7) Strengthen engagement with trusted community intermediaries such as registered financial counsellors and establishing formal partnerships by:
    a. incorporating frontline practitioners into consultation and service design processes;
    b. developing practical authority and information-sharing pathways for trusted intermediaries; and
    c. reporting how feedback from frontline organisations is used to improve ATO service design, communications, staff training and taxpayer support.
8) Invest in ongoing cultural capability training and support, beginning with all frontline staff and with a clear pathway to whole-of-organisation training.
9) Amend its service model for First Nations taxpayers by ensuring every key tax and super process has an accessible non-digital or assisted pathway, and by working with First Nations-led organisations, financial counsellors, community legal services and super funds to identify where digital requirements are preventing access to entitlements.
10) Review forms, letters and service channels through a language, literacy and accessibility lens, with plain-language and culturally appropriate options.
11) Assess and report on the effectiveness of changes to ATO engagement with First Nations peoples, including by developing clearer performance measures, First Nations-

specific service metrics and transparent reporting on the impact of ATO-led outreach and related service improvements where these measures do not already exist.

About the Super Members Council

We are a strong voice advocating for the interests of 12 million Australians who have over $1.9 trillion in retirement savings managed by profit-to-member super funds. Our purpose is to protect and advance the interests of those millions of super fund members throughout their lives, advocating on their behalf to ensure super policy is stable, effective, and equitable. We produce rigorous research and analysis and work with Parliamentarians and policy makers across the full breadth of Parliament.

1. Service design must reflect how First Nations taxpayers actually access support

Outreach programs in super

Community outreach can bring First Nations taxpayers, trusted local organisations, financial counsellors, super funds and government agencies together to resolve interrelated problems in one place. First Nations Foundation's Financial Wellness Outreach program is a strong example of effective, community-based support in practice. SMC member funds participate collaboratively in the program, helping community members to connect with their super regardless of which fund they belong to. This is important because the purpose of the outreach is not member acquisition or brand-specific service, but practical problem-solving for First Nations super fund members who may be dealing with any number of interrelated super and tax issues. The program demonstrates the value of meeting people on Country and in community, working with trusted local organisations, and bringing the right institutions together so issues can be identified and resolved in real time.

However, outreach loses much of its value when ATO support is not designed around the visit. In one recent four-day program, a dedicated ATO hotline was requested but not provided, leaving outreach workers waiting in standard call centre queues while community members were onsite only for a limited period. A delay in such a setting means issues that could be resolved immediately during outreach can remain unresolved, even after the limited opportunity for face-to-face support has passed. This is particularly frustrating where timely assistance is critical and the value of outreach depends on resolving problems while community members, trusted intermediaries and service providers are all in one place. This is not simply an inconvenience for service providers - outreach events may be one of the few practical opportunities to obtain assisted service.

The ATO should treat outreach as a distinct service environment, rather than requiring outreach workers and First Nations taxpayers to navigate ordinary call centre and digital pathways. A fit-for-purpose outreach model should include planned ATO participation where possible; dedicated support channels where physical attendance is not possible; pre-briefing on likely issues; access to staff authorised to resolve TFN, identity, MyGov and ATO-held super matters; and clear escalation for trusted intermediaries assisting community members. This would allow time-limited outreach visits to focus on resolving issues, rather than overcoming administrative barriers.

Trusted intermediaries should be formally embedded in ATO service delivery

Trusted community intermediaries are central to effective engagement with many First Nations taxpayers. Financial counsellors, community organisations, First Nations-led organisations, community legal services, and local support workers are the bridge between government systems and people who may otherwise struggle to access tax and superannuation services. These intermediaries often have established relationships, local knowledge and the trust needed to support people through complex tax and super processes.

These relationships are likely to deliver better service experiences and resolutions than broad awareness campaigns or centralised information products alone. Many First Nations taxpayers, particularly in regional, remote and very remote communities, may be more willing and able to engage when assistance is provided through a person or organisation they already know and trust. Frontline practitioners also have the clearest visibility of recurring barriers, including where forms are not understood, identity records do not match, digital channels are inaccessible, authority arrangements prevent assistance, or a person gives up because the process is too difficult.

SMC considers that the ATO should move from ad hoc engagement with these intermediaries to a more formal partnership model. This should include regular engagement with financial counsellors, First Nations-led organisations, community legal services, local outreach providers, community progress associations and super funds that are supporting First Nations members directly. Consultation should not be limited to senior stakeholder groups or peak bodies. While those perspectives are important, frontline workers are often best placed to identify the practical service failures that prevent people from resolving tax and super issues.

There is also a practical case for clearer authority, information-sharing and escalation arrangements for trusted intermediaries. Trusted intermediaries often know what needs to be resolved but cannot progress matters because they cannot speak with the ATO on the taxpayer's behalf, confirm relevant information or correct records efficiently. A streamlined authority model, potentially including accredited access arrangements for trained outreach workers, financial counsellors and fund representatives, would allow trusted intermediaries to undertake specified activities with appropriate safeguards. This would reduce the need for vulnerable taxpayers to repeatedly retell their circumstances, navigate multiple agencies or manage complex administrative steps without support.

Digital exclusion remains a core driver of poor service delivery

Digital exclusion is a key driver of poor service experiences for First Nations taxpayers. It needs to be treated as a core service design problem for the ATO. Digital channels improve access for people who have access and confidence using them, but they should not become the default or only practical pathway for resolving tax and superannuation issues.

Many First Nations members face limited internet access, unsuitable or shared devices, prepaid phones, changing mobile numbers, MyGov difficulties and low digital literacy. Digital inclusion gaps are greatest in remote and very remote communities, where limited infrastructure, patchy mobile coverage, low household connectivity, and affordability pressures make digital access unreliable.

Digital exclusion is more than a matter of convenience. In the tax and super systems, inability to use digital channels can become an access and rights issue. Where critical services are designed around digital self-service, taxpayers who cannot reliably get online may be unable to obtain information, meet documentation requirements, respond to correspondence, or complete time-sensitive processes. For First Nations taxpayers who already face identity verification, language, literacy and trust barriers, digital exclusion compounds disadvantage and increases reliance on trusted intermediaries.

The ATO should not treat digital uptake as a substitute for accessible service. The ATO should maintain and strengthen assisted and non-digital service channels, including face-to-face outreach, specialist phone support, paper-based options, interpreter-supported services, trusted intermediary pathways and practical support for MyGov and digital identity issues where online access is required.

Language, literacy and communication barriers are not sufficiently accommodated

Language, literacy and communication barriers are a significant obstacle to effective engagement with the ATO and the super system. Some First Nations people speak multiple languages, with English not necessarily their first language. Where a member cannot understand or complete an ATO form without assistance, the process may stall even if the underlying issue could be resolved quickly.

Interpreter and translation services are important, but First Nations taxpayers often need support that also explains tax, super, identity verification and government service requirements in plain language. The ATO should look at all its services through an equity lens and ensure it simplifies key forms and letters; confirm guidance is available in plain and simple English and culturally appropriate formats and expand interpreter and translation support for First Nations languages.

Cultural capability should be embedded as a core service capability

Cultural capability is essential to effective, respectful and practical engagement with First Nations taxpayers. Service experiences can vary significantly depending on whether staff understand the practical barriers outlined in this submission and can apply processes with judgement, flexibility and respect.

Cultural capability training is important because it equips staff to recognise when a taxpayer may require additional support. It enables staff to ask appropriate questions, communicate clearly, use interpreter or translation services where needed, and avoid creating further frustration or disengagement for people who are already facing barriers.

There are examples of highly flexible and supportive ATO staff, including staff who have assisted during outreach or through specialist service lines, such as the Compassionate Release line. However, the evidence also indicates that support is not always consistent. In an outreach setting, inconsistency can consume limited engagement time while staff determine how they can assist. In routine interactions, it can result in markedly different level of support depending on which staff member answers a call, processes a form, or responds to an enquiry.

Cultural capability should be treated as a core service capability, not an optional or one-off training exercise. At a minimum, all frontline ATO staff who interact directly with taxpayers or trusted intermediaries should regularly receive practical training covering common barriers experienced by First Nations taxpayers, outreach environments, identity verification challenges, cultural contexts, interpreter use, and trauma-informed communication.

Over time, the ATO should extend this training to all its staff, recognising that decisions made by executives and specialist areas can also affect the experience of First Nations taxpayers. Cultural capability is most effective when it is embedded throughout an organisation.

2. Identity, TFN and record-matching barriers are preventing people from accessing entitlements

Rigid identity settings can exclude people who are identifiable in practice

Identity verification is one of the most significant systemic barriers preventing many First Nations taxpayers from effectively engaging with the ATO and the super system. Standard identity processes can be too rigid where records, names or documents do not align neatly across government and super systems.

These issues can arise for reasons that are particularly relevant to First Nations peoples, including the use of cultural names, multiple names or "also known as" names, spelling variations, inconsistent recording practices across agencies and limited access to standard identity documents. Individuals can be readily identifiable in practice but unable to meet verification requirements because records do not match precisely across ATO, Medicare, Centrelink, MyGov or other systems. As a result, taxpayers can be prevented from accessing assistance even supported by a trusted intermediary.

These barriers can prevent First Nations people from resolving TFN issues, locating lost or ATO-held super, updating records, progressing hardship or compassionate release matters and dealing with deceased estates. While particularly evident during outreach activities, they can arise across digital, telephone, paper-based and face-to-face interactions.

TFN access is a critical gateway issue

Access to a TFN is often a prerequisite for engaging with the super system. Where a member cannot locate or confirm their TFN basic super and tax matters can be delayed or prevented altogether, particularly in regional and remote communities.

For many members, confirming a TFN or accessing ATO-held information can become the primary barrier to resolving an otherwise straightforward issue. During outreach activities, opportunities to resolve issues are frequently missed because TFNs and ATO-held information cannot be confirmed at the point of engagement.

The ATO should treat access to TFNs and ATO-held superannuation information as an essential assisted-service function for First Nations taxpayers, rather than as a process that depends primarily on digital self-service. This should include specialist support during outreach activities, clear escalation pathways for super funds and community organisations, and practical alternatives where members cannot access MyGov or complete standard identity checks.

Alternative identification pathways

The ATO should adopt more flexible, risk-based identity verification approaches for First Nations taxpayers and for trusted intermediaries assisting them. Super funds already apply alternative identification processes under AUSTRAC's *Alternative Forms of Identification* framework. The ATO should adopt similar approaches that reduce unnecessary exclusion while maintaining appropriate tax integrity, TFN confidentiality, privacy and anti-fraud safeguards. This should allow ATO staff to consider contextual evidence, known aliases or "also known as" names, corroborating information held by funds, and confirmation provided through accredited community organisations and other trusted representatives. Clearer procedures are also needed to correct ATO-held records where discrepancies are identified.

3. Lost and unclaimed super arrangements are not effectively reconnecting First Nations members

Lost and unclaimed super is concentrated in communities already facing access barriers

Lost and unclaimed super arrangements disproportionately affect First Nations members. As of 18 August 2026, Australia has more than $21.2 billion in lost and unclaimed super across just over 7.5 million accounts, including $14.7 billion in fund-held lost super and $6.6 billion in ATO-held super.[1] The last postcode-level data release showed concentrations of lost and unclaimed super in areas with significant First Nations populations, suggesting these communities are disproportionately affected. Factors such as fragmented employment, casual or seasonal work, mobility between communities, and changing contact details increase the likelihood that accounts become lost, inactive or transferred to the ATO, and make it harder to recover without assisted support.

SMC has previously called for the ATO to recommence publishing postcode-level data on lost and unclaimed super and again recommends that it do so as a priority, to improve transparency about which communities are most affected.

System assumptions do not reflect lived experience

Once money is transferred to the ATO as lost or unclaimed, the system relies on assumptions that often do not reflect the circumstances of First Nations members. The process assumes members have accurate records, a linked TFN, MyGov access, current contact details and standard identity documentation. Name variations, record discrepancies, outdated contact details remoteness and limited access to documentation can make it difficult for members to find and reclaim their super. In many cases, reconnecting members becomes more difficult once accounts have been transferred to the ATO than under super fund processes that allow more flexible, risk-based assistance.

Super funds are required to transfer lost and unclaimed super to the ATO by prescribed dates. However, once a fund subsequently identifies the member, or a beneficiary or estate representative contacts the fund, the process should allow enough flexibility for the money to be called back or otherwise reconnected through the fund where that is the most effective pathway. This would help keep the money within the part of the system best placed to match people with their super and support them through flexible, risk-based member or beneficiary assistance.

Insurance attached to transferred accounts should not become invisible

Lost and unclaimed super arrangements should also recognise that insurance benefits may be attached to transferred accounts. For many members, insurance held through superannuation may be the only life insurance protection they have. Where an account has been transferred to the ATO, families may recover the account balance without realising that insurance cover may have existed with the former fund. This risk is particularly acute where families do not know which fund previously held the account.

Lost and unclaimed super processes should do more than return the account balance. The ATO should also help identify the former fund and prompt appropriate enquiries about whether insurance cover existed, particularly where the ATO is dealing with a deceased member's family, dependant or estate.

A de-identified fund example illustrates the point. Following a small refund of insurance premiums to exited accounts, a fund received ATO information indicating that some members were deceased. The fund had not known those members had died when their small account balances were transferred to the ATO as lost or unclaimed super. Rather than treating the ATO notification as relevant only to the refunded amount, the fund reviewed whether those members had insurance cover at the time of death. It identified a small cohort of deceased members who had been insured, proactively traced families and

[1] Australian Taxation Office, Total lost (fund-held) and ATO-held super, 19 August 2026

beneficiaries, and ultimately facilitated the payment of around $2 million in insurance benefits that may otherwise have remained unidentified. This included substantial death benefit payments to First Nations families in circumstances where the account had previously been treated as lost.

This example highlights why ATO processes should support better visibility of former fund information and facilitate coordination with trustees where a deceased member may have had insurance cover attached to an account before it was transferred.

Thresholds, data and proactive matching should be reviewed

The current thresholds for lost and unclaimed super warrant review. Funds must transfer money to the ATO for lost members with balances below $6,000, while the amount the Commissioner must pay directly to a person remains $200 in specified circumstances. The $200 threshold has not kept pace with the practical value of small balances or the barriers many people face in claiming them. Raising the direct-payment threshold, for example to $500 or $1,000 with appropriate safeguards, could help reunite more Australians with their super, helping people with small ATO-held balances and reducing the pool of money that remains unclaimed.

SMC welcomes the ATO’s new Special Interest Working Group on First Nations issues and lost and unclaimed super. The group should focus on practical service barriers as well as policy settings, including how lost and unclaimed super is identified, communicated, transferred, consolidated and claimed by First Nations members and their families.

The ATO should adopt a more proactive and assisted approach for reconnecting First Nations members with lost and unclaimed super, including better use of data, clearer pathways for trusted intermediaries to help members locate and claim amounts, and faster resolution of identity and record-matching issues.

4. Deceased estates processes are failing vulnerable families

Deceased estate processes are placing unnecessary burdens on families

Deceased estates processes create significant and avoidable barriers for vulnerable families, including First Nations families seeking to identify and claim super and ATO-held amounts after a person’s death. Families may not know which fund or agency holds relevant information, particularly where claims commence sometime after death due to cultural obligations such as sorry business.

ATO-held amounts should be easier to identify, confirm and transfer where appropriate

Where unclaimed money is with the ATO, documentation requirements can create unnecessary burden for grieving families. Families may be required to prove authority and gather information before receiving meaningful assistance. While formal legal documents such as death certificates, probate, letters of administration may be appropriate in higher-risk cases, they can be disproportionate where balances are small, there is no apparent dispute, the family is experiencing hardship, or obtaining documentation is costly, slow or practically difficult.

In contrast, super funds are generally able to apply more flexible, risk-based approaches in these circumstances. Where the risk is low, ATO staff should also be empowered to make flexible, risk-based decisions, including waiving probate or letters of administration requirements and providing practical assistance based on certified documents, proof of identity and other reliable evidence. This discretion should be supported by clear operational guidance and staff training.

Using existing information more effectively

Super funds notify the ATO of account information and, in relevant circumstances, may notify that a member has died. Where a fund is actively managing a death benefit claim and the ATO holds lost or unclaimed super for the same deceased person, the ATO should be able to work directly with the fund, or to transfer the ATO-held balance to the fund administering the claim, rather than requiring beneficiaries to navigate a separate process. Where ATO-held amounts are transferred to a fund administering death benefits, tax component information and relevant beneficiary tax status information should be preserved so that death benefit taxation outcomes remain correct.

Current referral processes the ATO has in place can be ineffective for vulnerable families. Where assistance is only available at a specific time, such as during an outreach visit or while a trusted intermediary is present, a call-back process may mean the opportunity for assisted support is lost.

Deceased estates reform is both an access to justice issue and a practical service delivery issue. For low-balance matters, a simplified transfer or confirmation pathway between ATO and the relevant fund could avert small amounts of ATO-held super from becoming effectively inaccessible. The fund may already have contact with potential beneficiaries, may already be undertaking dependency and claims assessment processes, and may be better placed to communicate with family members than a separate government process. This would reduce duplication, trauma and delay for families.

5. Hardship arrangements should balance integrity, fairness and accessibility

Tax awareness and fairness

Members who qualify for financial hardship release are, by definition, experiencing significant financial distress and may not appreciate that a withdrawal can have tax implications. Financial hardship release is generally assessed by super funds directly and the tax outcome may vary depending on the member's age, tax components, preservation status and personal circumstances. The ATO's role should therefore be to support clear, consistent and accessible tax information and system settings. Consideration should be given to how the ATO, and super funds might work together to provide consistent, culturally appropriate education and disclosures. This may include standardised guidance, point-of-decision disclosures and tools that help members understand both the tax consequences and longer-term impact on retirement savings before accessing benefits. Clear information would help ensure people are fully informed and may assist some members to keep their savings in the super system, where they can continue to benefit from long-term investment growth and the compounding returns that are central to retirement adequacy. This issue is not specific to First Nations peoples. It can affect any member who is experiencing acute hardship. When the system is uplifted for people facing the greatest barriers, the benefits are broader than that cohort.

Integrity controls should not add unnecessary friction for people in genuine hardship

Current hardship administration lacks sufficient system-wide visibility and consistency. There may be merit in either expanding the ATO's role in financial hardship assessments or improving centralised reporting and data sharing while improving trustee decision making. Both approaches could support greater consistency and provide better visibility of hardship withdrawals across the system.

Improved visibility would assist in identifying situation where members may move between funds to access more than one hardship payment within a 12-month period. Better data sharing could help manage integrity risks without imposing additional barriers for members in genuine hardship. Any reform should distinguish between deliberate misuse and vulnerable members whose circumstances are complex, unstable or poorly captured by existing systems.