

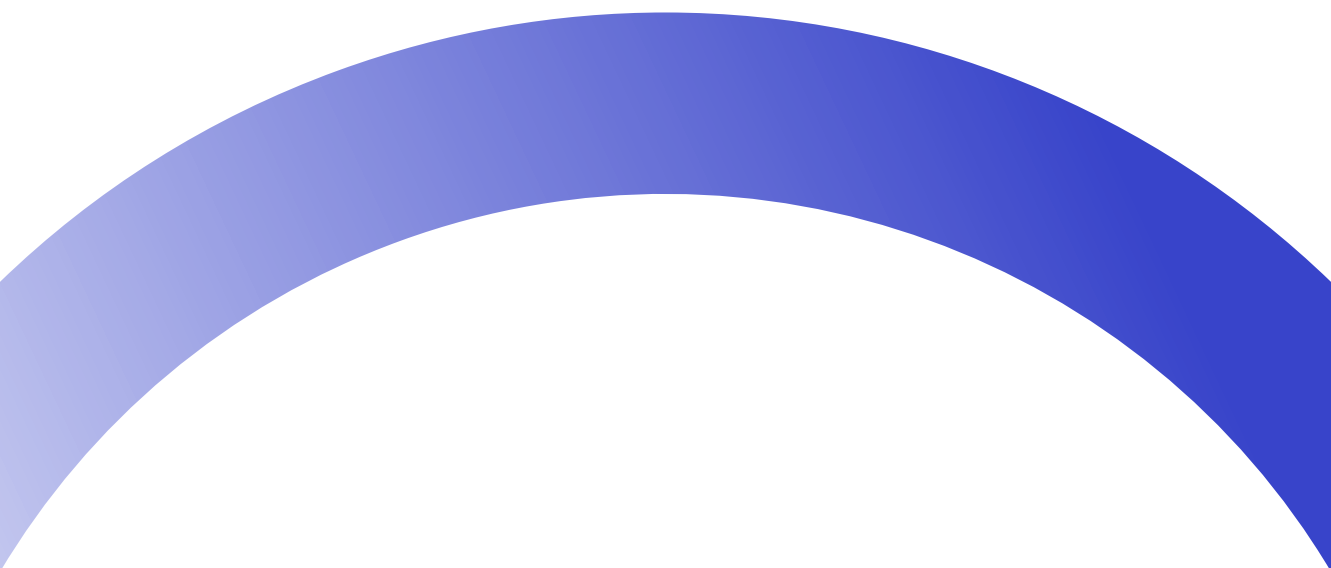


Australian Government

Australian Taxation Office

Commissioner of Taxation annual report

2025–26





Acknowledgment of Country

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them, their cultures, and Elders past and present. We recognise the unique relationship Aboriginal and Torres Strait Islander people have to Country, culture, and community, and the important role this plays in us all walking together as Australians.

We value the contribution Aboriginal and Torres Strait Islander people make to our organisation and the broader tax, superannuation and registry systems. Our Reconciliation Action Plan 2024–27 provides information about our initiatives and supports reconciliation in all areas across our entity. It is available at ato.gov.au/reconciliation.

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Printed

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This content was developed with the assistance of generative AI technology. All outputs have been reviewed and validated by a human in accordance with ATO policy.

Published

Australian Taxation Office
Canberra, October 2026
NAT 0995-10.2026 DE-81438

Acknowledgments

Thank you to all ATO, TPB and ACNC contributors.

Designed and edited

Digital Experience, ATO Corporate,
Australian Taxation Office

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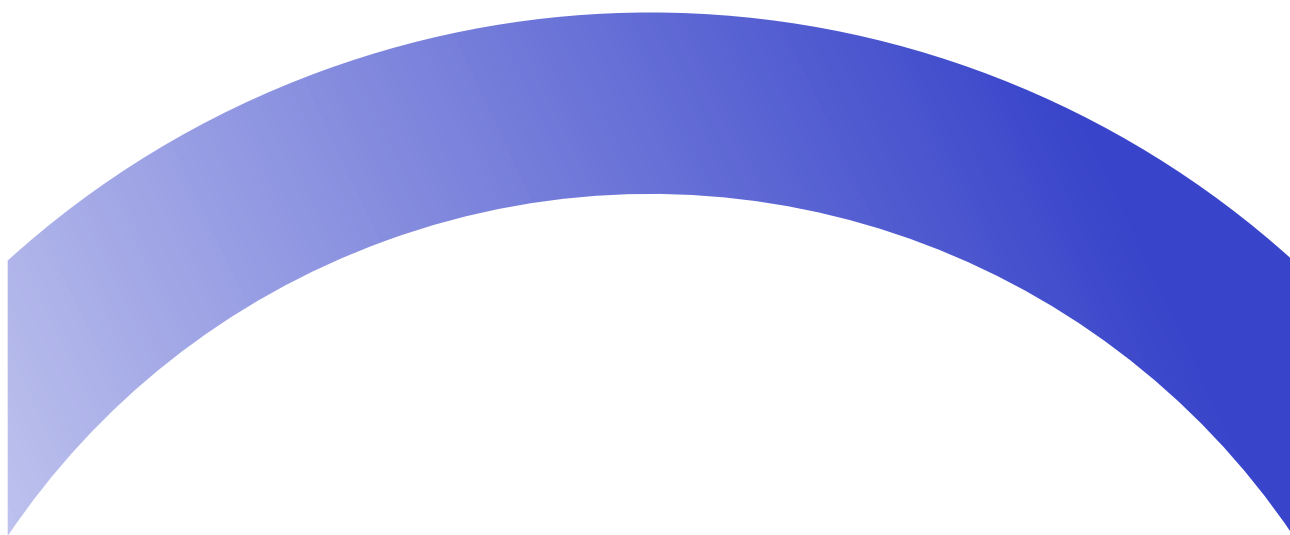


Australian Government

Australian Taxation Office

Commissioner of Taxation annual report

2025–26



Commissioner's review

Delivering for the Australian community

Over 2025–26, we maintained our focus on supporting the community, strengthening system integrity and positioning the organisation for the future.

Following the refresh of our purpose and vision last year, we released the ATO Strategy, which outlines how we will continue to respond to the challenges in an increasingly complex operating environment.

The Strategy focuses on:

- simplifying the tax experience so doing the right thing is the easiest option
- closing the payment gap so we collect what is rightfully due
- strengthening the system so it works fairly and as intended
- partnering across the ecosystem to build a more connected tax system
- equipping a future-ready workforce to succeed in a dynamic environment.

This annual report examines our work over 2025–26 with these strategic shifts in mind.

Our role is to collect the revenue that funds essential government services for the Australian community. In delivering on this role over 2025–26, we improved payment performance, supported participation and maintained the integrity of the tax system. While payment performance improved, some taxpayers and businesses continued to need tailored assistance in meeting their obligations, including those experiencing vulnerability.

Our key achievements included:

- collecting net tax of \$687.4 billion, \$32.1 billion above the 2025–26 Federal Budget forecast
- improving payment performance, with 90.1% of liabilities paid on time and in full by value, above the target of 88% and the 2024–25 result of 89.4%
- implementing the Australian Government's student loan reforms, automatically reducing eligible loan balances by 20% for 3.23 million taxpayers
- celebrating 25 years of the goods and services tax (GST), with the cost to collect every \$100 of GST revenue decreasing from around \$1.70 in the early years to around \$0.70 in 2025–26
- continuing to make enhancements to the ATO app, allowing taxpayers to access services, manage their details, and use its security features to protect their accounts; authenticated ATO app sessions increased by 18% from last year
- completing key preparations to support the commencement of Payday Super on 1 July 2026, in partnership with employers, superannuation funds, digital service providers and the Treasury, APRA and ASIC
- raising \$5.1 billion in liabilities through the Tax Avoidance Taskforce in 2025–26, bringing the total to more than \$36.0 billion since 2016
- strengthening manager capability and confidence through the ATO Manager Program, with almost 80% of eligible APS 6 to EL 2 managers completing the program by 30 June 2026.

Despite our strong performance over the year, reducing the level of collectible debt and closing the payment gap remained key challenges that will require concerted focus over the coming year.

Trust, integrity and stewardship

Trust underpins the effectiveness of the tax, superannuation and charity systems. As Accountable Authority for the Australian Taxation Office listed entity, I am responsible for reporting on the collective performance of the ATO, TPB and ACNC, while recognising their distinct statutory responsibilities and independence in the performance of their statutory functions. Each plays a distinct but important role in maintaining public confidence and trust in the systems we administer and regulate.

Tax practitioners play a critical role in Australia's tax system, helping millions of taxpayers understand and meet their obligations. During 2025–26, the TPB continued to strengthen trust and confidence in the tax profession through its registration, support, education, engagement and compliance activities. The TPB met all its performance measures, with 97% of survey respondents agreeing its guidance helped them understand the standards expected of them.

A strong and trusted charity sector is vital to Australia's social and economic wellbeing. During 2025–26, the ACNC met both of its performance measures and continued to support charities through guidance, education and regulatory oversight. At 30 June 2026, the ACNC regulated more than 66,000 charities. The Charity Register (a free online resource providing key information on registered charities) was searched more than 2.1 million times.

Looking forward

Our 2026–27 corporate plan sets out our focus for the year ahead and outlines the important functions of the ATO, TPB and ACNC. It translates the ATO Strategy into action and provides a clear blueprint for how we will deliver on our purpose and vision in an environment that is increasing in complexity.

For the ATO, these priorities include enabling a move to real-time taxation through measures such as expanding the dynamic pay-as-you-go instalment pilot and pre-fill data for business. We will strengthen payment performance and debt collection, implement Payday Super, enhance our resilience to fraud through stronger counter-fraud measures, and scale the responsible use of AI across the ATO.

We will continue to work closely with government, industry, the community, scrutineers and international partners to strengthen the tax and superannuation systems and respond to emerging challenges.

The TPB will continue its important role in strengthening trust and integrity in the tax profession through effective regulation and engagement, while the ACNC will continue to promote trust and confidence in the charities sector through guidance, education and proportionate oversight.

The ATO, TPB and ACNC each have distinct responsibilities, but share a commitment to effective administration, regulation and stewardship for the Australian community. The achievements outlined in this annual report reflect the professionalism, expertise and commitment of our people across the ATO, as well as the statutory appointees of the TPB and ACNC. I thank them for their dedication to public service and for the important contribution they make every day. Together, we enter the year ahead with strong foundations, a clear direction and a shared commitment to delivering for the Australian community.



Rob Heferen

Commissioner of Taxation
Registrar of the Australian Business Register;
Australian Business Registry Services; and
Register of Foreign Ownership of Australian Assets

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Australian Government
Australian Taxation Office

COMMISSIONER OF TAXATION

The Hon. Dr Daniel Mulino MP
Assistant Treasurer
Minister for Financial Services
Parliament House
CANBERRA ACT 2600

The Hon. Dr Andrew Leigh MP
Assistant Minister for Productivity,
Competition, Charities and Treasury
Parliament House
CANBERRA ACT 2600

Dear ministers

As the Accountable Authority for the Australian Taxation Office (ATO), Tax Practitioners Board (TPB) and Australian Charities and Not-for-profits Commission (ACNC), I present you with the annual reports for the year ended 30 June 2026 for presentation to Parliament, in compliance with section 46 of the *Public Governance, Performance and Accountability Act 2013*.

The TPB and the ACNC have produced their own annual reports as required under:

- subsection 60-130(1) of the *Tax Agent Services Act 2009* (for the TPB)
- Division 130 of the *Australian Charities and Not-for-profits Commission Act 2012* (for the ACNC).

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that we have:

- prepared fraud and corruption risk assessments and control plans
- appropriate fraud and corruption prevention, detection, investigation and reporting mechanisms that meet the specific needs of the ATO, TPB and ACNC
- taken all reasonable measures to appropriately deal with fraud and corruption.

Yours sincerely

A stylized handwritten signature in black ink.

Rob Heferen
Commissioner of Taxation
Registrar of the Australian Business Register;
Australian Business Registry Services; and
Register of Foreign Ownership of Australian Assets
30 September 2026

A stylized handwritten signature in black ink.

Peter de Cure AM
Chair
Tax Practitioners Board

A stylized handwritten signature in black ink.

Sue Woodward AM
Commissioner
Australian Charities and Not-for-profits
Commission

1 Overview

About us

Our vision is an Australia where every taxpayer meets their obligations because:

- complying is easy
- help is tailored
- deliberate non-compliance has consequences

The ATO is the Australian Government's principal revenue collection agency. Our purpose is to collect tax so that government can deliver services to the Australian community.

The ATO has a vital role in collecting tax and ensuring that unpaid and under-reported tax is effectively and efficiently pursued. Addressing risks in the tax system maintains community confidence, which in turn supports voluntary participation and compliance. In delivering on its responsibilities, a core focus for the ATO is to collect the right amount of tax in the most efficient way for government and the taxpayer.

The ATO plays an important role in administering aspects of the superannuation system, working closely with the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC) as co-regulators to protect the retirement savings of the community. The ATO ensures employers meet superannuation guarantee obligations, assists with lost and unclaimed superannuation and regulates self-managed superannuation funds.

Commissioner of Taxation's role and responsibilities

The Commissioner of Taxation, supported by the ATO¹, administers legislation governing the tax system and aspects of the superannuation system. The Commissioner is also the Registrar responsible for the Australian Business Register (ABR), director IDs and the Register of Foreign Ownership of Australian Assets².

For the purposes of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), the Commissioner of Taxation is the Accountable Authority for the Australian Taxation Office listed entity³. The listed entity comprises the:

- Commissioner of Taxation (supported by the ATO)
- Tax Practitioners Board (TPB)
- Australian Charities and Not-for-profits Commission (ACNC)
- ACNC Advisory Board.

In accordance with their respective enabling legislation⁴, the TPB, ACNC and ACNC Advisory Board maintain independence in the delivery of their statutory functions. They do, however, share a range of services, processes and policies with the ATO, including Corporate instructions and the ATO Risk Management Framework, which supports compliance with the Commonwealth Risk Management Policy.

The TPB and ACNC are assisted by Australian Public Service employees made available by the Commissioner of Taxation.

The TPB and ACNC each publish a separate annual report to meet the requirements of their enabling legislation. References are included in this report where content is relevant to, or covers, the TPB and/or the ACNC.

The roles and responsibilities of the Australian Taxation Office are set out in more detail, by agency program, on pages 3–5.

¹ In line with the PGPA Rule, the Australian Taxation Office is used when referring to the 'listed entity', with 'ATO' used when referring to the organisation that is led by the Commissioner of Taxation.

² For information about the Register of Foreign Ownership of Australian Assets, see ato.gov.au/theregister.

³ Schedule 1, section 7(a) and (b) of the PGPA Rule.

⁴ Section 60-80 of the *Tax Agent Services Act 2009* for the TPB; Section 120-5 of the *Australian Charities and Not-for-profits Commission Act 2012* for the ACNC.

Outcome and program structure

The Australian Government Portfolio Budget Statements (PBS) include outcome statements to summarise what government entities must deliver for the community.

In 2025–26, the Australian Taxation Office had one outcome and was funded to deliver this through 3 departmental programs and 15 administered programs.

Australian Taxation Office outcome

Confidence in the administration of aspects of Australia's taxation and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law; and in delivering effective and efficient business registry services.

Our PBS programs

ATO⁵

Program 1.1 Australian Taxation Office	Program 1.5–1.21 Administered programs
To administer aspects of Australia's tax and superannuation systems, providing confidence that the right amount of payments are being made and collected.	The ATO administers a range of payments and transfers on behalf of the Australian Government, including incentives and rebates delivered through the tax and superannuation systems.

The ATO's key activities are:

- Collect the right amount of tax in the most efficient way for government and the taxpayer.
- Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to.
- Manage our responsibilities in the superannuation system to support the future retirement savings of the community.
- Administer a range of payments and transfers on behalf of government.

⁵ The ATO's programs and key activities reflect the 2025–26 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2025-26.

Tax Practitioners Board (TPB)⁶

The TPB is an independent statutory body created under the *Tax Agent Services Act 2009* (TASA) and as a national body, has responsibility for the registration and regulation of tax agents and business activity statement (BAS) agents (collectively referred to as ‘tax practitioners’).

The TPB is located within the Treasury portfolio and the Chair and Board members are appointed by the Assistant Treasurer. The TPB is supported by staff, including the Secretary, provided by the Commissioner of Taxation.

The TPB supports public trust and confidence in the integrity of the tax profession and tax system by ensuring tax practitioners comply with appropriate standards of professional and ethical conduct as per the TASA, including the Code of Professional Conduct.

Program 1.2 Tax Practitioners Board

To ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.

The TPB's key activity is:

- Increase trust and confidence in the tax and regulatory system by supporting the profession and taking proportionate action to address those practitioners who do the wrong thing.

While the TPB is included in the Australian Taxation Office outcome and program structure, it operates independently in delivering its statutory functions and produces its own annual report to meet legislative reporting requirements in subsection 60-130(1) of the TASA. The TPB's annual report is available at tpb.gov.au/annual-report.

⁶ The TPB program and key activity reflect the 2025–26 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2025-26.

Australian Charities and Not-for-profits Commission (ACNC)⁷

The ACNC is established under the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) as the independent national regulator of charities.

The ACNC is led by the ACNC Commissioner, a statutory office holder. The statutory functions and regulatory powers of the ACNC Commissioner are set out in the ACNC Act, the *Charities Act 2013* and accompanying regulations. The ACNC is supported by staff provided by the Commissioner of Taxation.

The ACNC Act establishes the ACNC Advisory Board. The role of the Board is to support and advise the ACNC Commissioner. Members of the ACNC Advisory Board are appointed by the Assistant Minister for Productivity, Competition, Charities and Treasury.

The ACNC is committed to promoting confidence in charities, helping charities to understand their obligations and working across governments to reduce red tape.

Program 1.4 Australian Charities and Not-for-profits Commission

Independent national regulator of charities.

The ACNC's key activity is:

- Maintaining a free and accurate register of Australian charities (the Charity Register).

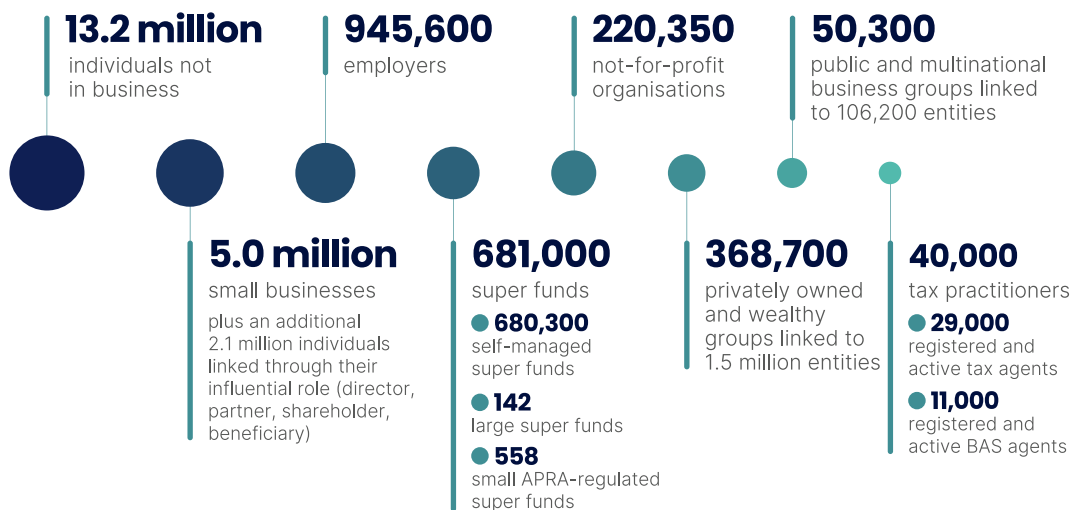
While the ACNC is included in the Australian Taxation Office outcome and program structure, it operates independently in delivering its statutory functions and produces its own annual report to meet legislative reporting requirements in Division 130 of the ACNC Act. The ACNC's annual report is available at acnc.gov.au/tools/reports.

⁷ The ACNC program and key activity reflect the 2025–26 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2025-26.

ATO landscape

The ATO interacts with a large and diverse range of taxpayers and partners across the community. Figure 1.1 shows who we interact with.

Figure 1.1 ATO landscape, at 30 June 2026



Notes

- Totals may differ from the sum of components as numbers have been rounded for presentation purposes.
- From 2025–26, the ATO revised its approach to identifying population segments. As a result, population statistics may not be directly comparable with those reported in prior years.

Our ministers

Treasury portfolio ministers in 2025–26 were:

- The Hon. Dr Jim Chalmers MP
 - Treasurer
- The Hon. Dr Daniel Mulino MP
 - Assistant Treasurer
 - Minister for Financial Services
- The Hon. Dr Anne Aly MP
 - Minister for Small Business
 - Minister for International Development
 - Minister for Multicultural Affairs
- The Hon. Dr Andrew Leigh MP
 - Assistant Minister for Productivity, Competition, Charities and Treasury
- The Hon. Clare O'Neil MP
 - Minister for Housing
 - Minister for Homelessness
 - Minister for Cities.

For more information on our ministers, see ministers.treasury.gov.au.

The ATO Executive

The Commissioner of Taxation is supported by an executive team, with each member leading an ATO group and having responsibility for key aspects of the ATO's administration and performance.

The ATO Executive sets our strategic direction and monitors delivery of our commitments to government and the community. Its focus is on strategic matters that relate to the direction and positioning of the organisation. The Executive also provides leadership, driving the right culture and capability to deliver now and for the future.

The ATO Executive consists of the Commissioner, 3 Second Commissioners, the Chief Operating Officer and the Chief Information Officer. The Commissioner and Second Commissioners are statutory appointments under the *Taxation Administration Act 1953*.

For more details about our senior leaders, see ato.gov.au/about-ato.

.....

The Commissioner of Taxation

Rob Heferen

Commissioner of Taxation
Registrar of the Australian Business Register;
Australian Business Registry Services; and
Register of Foreign Ownership of Australian Assets

Rob Heferen was appointed as the 13th Commissioner of Taxation and Registrar of the Australian Business Register, Australian Business Registry Services and Register of Foreign Ownership of Australian Assets on 1 March 2024.

In his role as Commissioner, Rob is responsible for overseeing the administration of Australia's tax system and aspects of Australia's superannuation system. In addition to these responsibilities, the Commissioner, as Registrar, is responsible for the Australian Business Register, director IDs and the Register of Foreign Ownership of Australian Assets.

Under the *Public Governance, Performance and Accountability Rule 2014*, the Commissioner of Taxation is the Accountable Authority for the Australian Taxation Office listed entity which includes the TPB and ACNC. For more details see [Part 1 Commissioner of Taxation's role and responsibilities](#).

Executive team responsibilities

The following outlines the responsibilities of the Executive team for each of the 5 groups and their business areas shown in [Figure 1.2 ATO organisational structure](#).

Jeremy Hirschhorn

Second Commissioner,
Compliance and
Engagement Group

Jeremy Hirschhorn is the Second Commissioner with responsibility for the Compliance and Engagement Group.

The Compliance and Engagement Group fosters willing participation in Australia's tax and superannuation systems through well-designed taxpayer engagement and experiences.

Across all taxpayers – from individuals and small businesses to the very largest public and multinational businesses – the Compliance and Engagement Group uses insights from taxpayer interactions to help design a tax system that makes it easier to comply and harder not to. The group supports the integrity of the tax and superannuation systems by addressing non-compliance and ensuring there is increasing transparency about the operation of the system for taxpayers and key partners.

The group also plays an important role in working with the international tax community. Through collaborating with other jurisdictions, the Compliance and Engagement Group improves the way tax administrations work together to address arrangements used to evade and avoid tax.

David Allen

Second Commissioner,
Frontline Operations Group

David Allen is the Second Commissioner with responsibility for the Frontline Operations Group.

The Frontline Operations Group manages a broad range of the ATO's taxpayer interactions for all segments of the community, including telephony and processing, and ensuring integrity and compliance across registration, lodgment and payment.

The group is focused on ensuring our interactions are clear, accessible and effectively support a system where complying is easy. It is also responsible for reducing overall debt levels, streamlining and eliminating manual processing where possible, driving the use of digital services, and providing assistance for taxpayers in engaging with the tax, superannuation and registry systems.

Kirsten Fish

Second Commissioner,
Law Design and
Practice Group

Kirsten Fish is the Second Commissioner with responsibility for the Law Design and Practice Group.

The Law Design and Practice Group ensures the tax and superannuation laws are informed, understood, administered and applied with confidence and integrity. It is respected and trusted as the authoritative voice of the Commissioner on matters of law and revenue analysis.

The group works collaboratively with Treasury and other agencies in leading the ATO's work on design of new policies and law; providing certainty through interpretation of the law and publication of guidance to support taxpayers in getting it right the first time. The group is committed to understanding the drivers of disputes – litigating only the right cases, using insights to prevent disputes and ensuring earlier resolution where disputes do happen.

Brad Chapman

Acting Chief Operating Officer,
Enterprise Strategy and
Corporate Operations Group

Brad Chapman acted as Chief Operating Officer from 3 June to 30 June 2026, with responsibility for the Enterprise Strategy and Corporate Operations Group.

The Enterprise Strategy and Corporate Operations Group shapes enterprise strategy and brings together people management, communication, legal advice, planning, governance, finance, risk and change management to support a coordinated and effective approach across the organisation. The group also leads key relationships with scrutineers and other stakeholders.

By integrating oversight of people and resources, the group ensures the ATO has the capability and capacity to deliver on its vision and purpose and improve the experience for both taxpayers and staff.

Note

Jacqui Curtis PSM FCPHR served as Chief Operating Officer from 2016. Ms Curtis was appointed Commissioner of the Australian Public Service Commission in June 2026.

Mark Sawade

Chief Information Officer
and Chief Security Officer,
Enterprise Solutions and
Technology Group

Mark Sawade is the Chief Information Officer and Chief Security Officer, with responsibility for the Enterprise Solutions and Technology Group.

The Enterprise Solutions and Technology Group delivers reliable, intuitive, contemporary and secure technology services that underpin trust and confidence in Australia's tax, superannuation and registry systems. It works in close partnership across the ATO, the Australian Public Service and industry to equip staff, strengthen capabilities and meet rising expectations for digital service delivery.

The group drives the adoption of emerging technologies to improve services and efficiency, while safeguarding the ATO's systems and information against an increasingly complex cyberthreat environment.

Organisational structure

The ATO is structured in 5 groups, each led by a member of the ATO Executive and comprising a number of business areas.

Figure 1.2 ATO organisational structure, at 30 June 2026



The current ATO organisational chart is available at ato.gov.au/ATOorgchart.

Notes

- In September 2025, the Client Engagement Group was renamed the Compliance and Engagement Group. The responsibilities and functions of the group remain unchanged.
- The independent internal functions support the ATO Executive and, for administrative purposes, are functionally part of the Enterprise Strategy and Corporate Operations Group.

2 Year in review

Our progress in 2025–26

‘We help fund Australia’s present and future by administering a fair and effective tax system.’

ATO Strategy 2026–30

The ATO plays a vital role in a well-functioning Australian society by administering Australia’s tax system and those aspects of the superannuation system for which we are responsible. We maintained a strong focus on our purpose of collecting tax so government can deliver services for the Australian community.

In 2025–26, we focused on helping taxpayers get things right from the start, reducing the need for later intervention, providing tailored support while taking firm and timely action against those who deliberately do the wrong thing.

We also delivered significant government reform through changes to the tax and superannuation systems, while continuing to expand digital services, uplift information technology platforms, transform contact centres, and support the responsible use of artificial intelligence (AI) to improve the administration of the tax and superannuation systems.

This year also highlighted ongoing challenges in administering large and complex tax and superannuation systems. High levels of collectable debt, increasing complaints volumes in the lead-up to Tax Time 2026, and evolving fraud and identity misuse risks all required sustained management attention. These challenges reinforced the importance of balancing service improvement and taxpayer support with firm action on non-compliance, investing in system resilience, and carefully prioritising resources to protect revenue, maintain public confidence and support the community.

Our vision continued to guide our aspirations for the tax system – an Australia where every taxpayer meets their obligations because:

- complying is easy
- help is tailored
- deliberate non-compliance has consequences.

In late 2025–26, we launched our new ATO Strategy 2026–30 which sets our longer-term direction for improving taxpayer experience, strengthening system integrity and focusing effort where it delivers the greatest public value. The Strategy will guide our work from 2026–27. Our implementation of the Strategy will be guided by the following 5 strategic shifts:

1. Simplifying the tax experience so doing the right thing is the easiest option
2. Closing the payment gap so we collect what is rightfully due
3. Strengthening the system so it operates fairly and as intended
4. Partnering across the ecosystem to build a more connected tax system
5. Equipping a future-ready workforce to succeed in a changing environment.

Over coming years, we will shift deliberately and with discipline, while remaining responsive to exceptional circumstances. Significant economic or system-wide events may require us to adjust our focus or sequencing to protect revenue, maintain confidence in the tax system and support the community when it matters most. We will continue to work in the interests of the government and the Australian community.

In delivering on our new strategy and progressing our vision, we are working to ensure the tax system supports those doing the right thing, provides the right help at the right time to those who need it, and ensures fairness by addressing those who choose not to comply. Our work showed strong progress toward these aspirations.

Strong organisational capabilities, including our people, culture, systems and data, are critical to delivering our strategy and sustaining our performance. Over 2025–26, we further strengthened these capabilities to ensure they remain fit-for-purpose and responsive to changes in our operating environment, helping us to deliver on behalf of the government and the Australian community.

Delivering significant reforms

We play an important role in delivering major government reforms that keep Australia's tax and superannuation systems contemporary, fair and effective. In 2025–26 we implemented significant reforms and prepared for future changes that delivered practical benefits for taxpayers, employers and the broader Australian community.

Delivering student loan reform

The Australian Government's student loan reforms reduced eligible student loan balances by 20%, benefiting 3.23 million taxpayers, and revised the student loan repayment framework, including introducing new marginal repayment rates that enabled individuals to retain more of their income. The ATO reduced the eligible student loan balances and implemented the new repayment arrangements. Taxpayers did not need to apply or take any extra action.

Delivering these changes required updates to ATO systems, taxpayer communications and repayment processes to support the introduction of the new marginal repayment rates. Taxpayers were supported through online accounts, digital services and guidance explaining how the reforms affected their student loan balances and repayments. More than 3 million notifications were issued to help taxpayers understand the changes.

The reforms delivered a practical financial benefit for taxpayers while demonstrating the ATO's ability to implement large-scale changes through existing tax and digital systems.

Delivering major system reform



20%

student loan debt reduction



3.23 million

taxpayers received loan
reductions



\$17.0 billion

in student loan reductions
delivered

Preparing for the commencement of the Payday Super reform

Introducing Payday Super will help protect employees' retirement savings by requiring employers to pay superannuation at the same time as salary and wages. This will make superannuation payments more timely and give employees greater confidence that their entitlements are being paid.

Payday Super represents one of the most significant changes to superannuation administration in recent years, requiring coordinated change across a complex ecosystem comprising employers, superannuation funds, gateway operators, digital service providers and Department of the Treasury, the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC).

Throughout 2025–26, the ATO worked collaboratively with stakeholders to identify issues early, test readiness and support organisations to prepare for the change. This included coordinating guidance, communications, readiness testing and implementation activities to help organisations understand the changes required, prepare their systems and processes, and support a smooth transition to the new arrangements. Tax practitioners, bookkeepers and digital service providers were key partners in supporting employers to prepare for Payday Super, helping businesses understand the changes and make the adjustments needed to their payroll and superannuation processes.

Practical support included a dedicated Payday Super section on our website, a first-year compliance guide, webinars, videos, factsheets and checklists. We also used trusted third-party channels to reach employers and intermediaries.

Payday Super readiness



80+

direct external
engagements



55+ hours

consultation through
stewardship groups,
forums and briefings



1 July 2026

Payday Super
commencement



On track

employer, fund,
gateway, business and
technology readiness

A key focus was supporting employers to move from the Small Business Superannuation Clearing House to alternative payment options before its closure on 1 July 2026. We emailed around 182,000 active users in March and April 2026 and followed up with a final reminder to 108,000 active users or their intermediaries in June 2026.

We also provided tailored support for First Nations employers through stakeholder engagement, community representatives, tailored communication materials and a dedicated video resource.

By 30 June 2026, employers, superannuation funds, gateway operators and digital service providers had completed the key preparations required to support the commencement of Payday Super on 1 July 2026, alongside the ATO's internal business readiness activities and technology release. This extensive readiness effort across the superannuation ecosystem helped ensure stakeholders were prepared for the new arrangements, supporting the ATO's broader work to protect employees' superannuation entitlements.

Making compliance easy

We help taxpayers to better understand and meet their obligations through simpler services and processes, clear guidance, practical support and strong partnerships. This reduces effort, prevents avoidable errors and helps people get things right from the start.

Delivering Tax Time 2025

We successfully delivered Tax Time 2025, the peak period for individuals to meet their annual income tax obligations, with improved responsiveness to taxpayers and fewer complaints. Over Tax Time 2025, taxpayers waited for less time in our contact centre queues, abandoned fewer calls and made around 3% fewer complaints than the previous year. Improved workload prioritisation practices and practical enhancements to processes led to a reduction in the number of repeat contacts from taxpayers to resolve their issues, which helped deliver these improved outcomes.

Tax Time, July to October 2025 snapshot

 11.0 million income tax lodgments processed during tax time	 \$21.0 billion refunds issued during tax time	 3.0 million calls answered during tax time	 8 mins 4 secs average wait time	 24% decrease in calls abandoned
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We also used targeted communications and education to better support taxpayers to avoid common mistakes, including in record keeping, eligibility to claim, study and training loans, investments, omitted income, scams and identity protection.

Enhancements to online services and myTax made it easier for taxpayers to complete their returns correctly and with less effort during tax time. Stronger ATO app safeguards also helped taxpayers protect their accounts and confirm they were interacting with the ATO. These safeguards are explained later in 'Strengthening secure access and registration integrity'.

Additional information on lodgment, service and revenue performance is provided in [Part 3 Annual performance statements](#) and [Part 4 Revenue performance](#).

Helping individuals get it right from the start

Helping individuals confirm their information before lodging their tax return reduces avoidable mistakes, prevents delays and minimises the need for later corrections. This frees up ATO resources to help taxpayers meet their obligations. Information reported through partnerships across the tax and superannuation systems supports more accurate pre-filled data, helping individuals to report correctly before they lodge.

In 2025–26, we increased our use of pre-filled data, prompts and real-time nudges to flag common issues while taxpayers completed their 2024–25 income tax returns. We pre-filled more than 121 million data items, compared with more than 117 million in 2024–25. We also issued around 738,000 real-time prompts, compared with about 726,000 in the previous year, protecting an estimated \$66.5 million in revenue, compared with \$62.5 million in 2024–25. These prompts focused on areas where errors are common, including asset sales, crypto assets and work-related expense claims.

Use of pre-fill, informative messaging and prompts



Over 121 million
pieces of data pre-filled



About 738,000
real-time prompts issued



\$66.5 million
in estimated revenue protected

We used third-party data to identify higher-risk or repeat errors earlier, helping us focus follow-up activity where it was most needed and reduce avoidable corrections after lodgment.

Supporting small businesses

Early engagement helps small businesses understand their obligations, build good business habits and address issues before they become harder to resolve. While most small businesses try to do the right thing, small business remains the largest contributor to the overall tax and payment gaps.

In 2025–26, practical tools, data insights and focused engagement helped small businesses meet their obligations with less effort, reduce avoidable errors and address payment and lodgment issues earlier. This proactive approach helps prevent problems from escalating and supports long-term compliance.

We supported small businesses at key stages of their journey through the 'New to business essentials' suite and 'Essentials to strengthen your small business' online learning platform. These products helped owners and operators understand registration, reporting, tax deductions, GST and payment obligations. The 'Essentials to strengthen your small business' online learning platform received more than 2.5 million views and had more than 620,000 active users.

Communication campaigns reinforced practical habits, including managing cash flow, preparing for business obligations and understanding the risks of shadow economy behaviour.

The 'Preventing future GST debt' campaign encouraged businesses to keep GST separate from cash flow, with ads seen more than 10 million times and more than 115,000 visits to ato.gov.au/CashFlowTips. The 'Ready for business' campaign helped new business owners understand tax and superannuation obligations. Its ads were viewed more than 15 million times and visits to ato.gov.au/ReadyForBusiness increased by 663% compared with the same period in 2024.

Helping small businesses get it right early



2.04 million+
'New to business essentials' emails delivered



1.52 million
unique businesses reached through 'New to business essentials'



10 million+
'Preventing future GST debt' ad views



15 million+
'Ready for business' ad views

Community-based education and engagement, including Business Yarns and Reach Out, provided practical support for Aboriginal and Torres Strait Islander businesses. We also worked with culturally and linguistically diverse communities to provide business information and support that reflected their needs and circumstances.

We continued our work to make tax obligations easier to manage through the systems and software small businesses use every day. This included changes and pilots to modernise pay as you go (PAYG) instalments, improve pre-fill for individuals in business and test more timely GST reporting approaches. These improvements connect to broader support for employers to meet tax and superannuation obligations.

Additional information on GST and revenue administration is provided in [Part 4 Revenue performance](#).

Making digital services easier to use

As more taxpayers choose to manage their tax and superannuation online, reliable, secure and easy-to-use digital services are increasingly important.

In 2025–26, we improved ATO online services and the ATO app to enable taxpayers to complete common tasks more easily, manage their details securely and resolve more matters without contacting us. Together, these services supported more than 166 million digital sessions, with authenticated ATO app sessions increasing by 18% from the previous year.

ATO online services now support a single electronic domestic tax return for multinational enterprise groups, reducing the effort required to meet new reporting obligations under the Global Anti-Base Erosion rules. A new digital form also enables individuals to lodge objections securely online.

We continued the procurement process for a new platform to replace ageing contact centre technology and provide a more connected service across phone and digital channels. The new platform will help direct taxpayers to the right service and give staff better information to resolve enquiries more efficiently, while maintaining tailored assistance for people who need it. A new service provider is expected to begin onboarding in 2027.

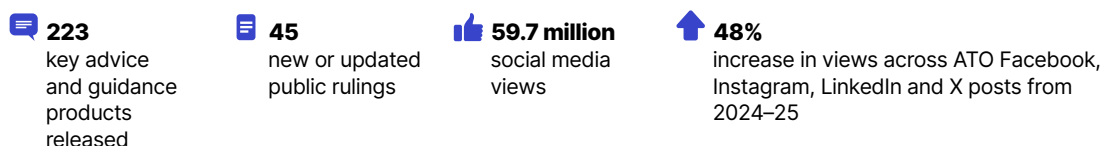
We supported tax agents to prepare for changes under the Modernisation of Tax Administration Systems program ahead of Tax Time 2026, including new trust reporting requirements and expanded pre-fill arrangements for individual beneficiaries through pre-fill services and myTax. Our ongoing work to expand the use of pre-filled data will further help taxpayers to report more accurately when lodging, reducing avoidable errors.

Assisting taxpayers to better understand their obligations

We have maintained a strong focus on helping taxpayers better understand and meet their obligations by providing clear and timely public advice, guidance and targeted communications on priority tax and superannuation matters.

In 2025–26, we published advice and guidance products on priority issues, including public rulings and guidance for Payday Super, rental properties and holiday homes. These products helped taxpayers and intermediaries better understand what the law requires and how to apply it correctly.

Helping taxpayers get it right



We have increasingly used digital, media, social and third-party channels to provide practical information to taxpayers and intermediaries to enable them to effectively engage with the tax and superannuation systems. We also adopted tailored approaches to ensure we connect with taxpayers. For example, communications on the treatment of rental properties and holiday homes for taxation purposes were directed to tax professionals and industry audiences through newsletters, newsroom content and professional and real estate industry channels.

We also improved our provision of public information through the adoption of plain language, simpler formats and accessible content – providing taxpayers with clearer information to better inform their taxation decisions.

Additional information on public advice and guidance is provided in [Part 5 Management and accountability](#).

Partnering with tax practitioners and intermediaries

Tax practitioners and intermediaries help millions of taxpayers meet their obligations each year. In 2025–26, we worked with tax practitioners and intermediaries to inform major system changes, improve guidance and advice, and strengthen integrity across the tax and superannuation systems. Their feedback informed Payday Super readiness, new digital features and broader service improvements before changes were introduced. We also co-designed phone service navigation changes with the tax practitioner community, helping agents reach the right area more quickly.

Practitioner insights also strengthened fraud prevention. Through stewardship groups, working groups and targeted agent engagement, tax practitioners contributed to the Counter Fraud Program's Digital Foundations Project. Their feedback informed new online features for agents, including visibility of whether a taxpayer was using the ATO app and whether their account was locked.

Consultation with tax practitioners also guided our engagement approach. Factsheets on ATO app security features were designed with tax practitioners, and 'Show me how' sessions were delivered with professional associations and promoted by the Tax Practitioners Board (TPB) to increase practitioner awareness of myID, online access strength and ATO app security features.

Partnering with tax practitioners and intermediaries

 **8,000+**

tax practitioners reached with practical information about ATO app security safeguards

 **800,000+**

taxpayers who use a tax practitioner registered a trusted device in the ATO app, enabling access to its security safeguards

We continued to work with the TPB through the ATO–TPB Memorandum of Understanding, supporting coordinated action on practitioner services and system integrity. In 2025–26, this collaboration resulted in 608 evidence-based referrals, 275 intelligence-based referrals to the TPB and 1,384 information exchanges between the 2 bodies.

We also strengthened collaboration with digital service providers by uplifting the long-standing Digital Service Provider Strategic Working Group to establish the Digital Partners Stewardship Group. The group brings digital partners together to address shared risks, improve services and identify opportunities across the digital ecosystem, recognising the important role their products, platforms and services play for taxpayers, businesses and practitioners.

Help is tailored

We provide additional support where needed, helping taxpayers participate confidently in the tax and superannuation systems. This includes identifying those who needed extra support earlier, supporting businesses and employers to meet their obligations, and protecting taxpayers from fraud and scams.

Helping people access support earlier

People may need extra support because of their personal circumstances, access needs or the complexity of the tax and superannuation systems. In 2025–26, we continued to embed the ATO's Vulnerability Framework and delivered education and capability initiatives to help staff recognise when taxpayers may need additional support and respond earlier in a practical and proportionate way. We trained more than 8,000 staff to better identify and support taxpayers experiencing financial hardship and vulnerability.

We also launched the Tailored Support Hub, giving taxpayers experiencing financial hardship or vulnerability a clearer pathway to reach trained ATO staff and additional support services.

We also continued to enhance our support channels, communication products and outreach to better support taxpayers to access tax and superannuation information in ways that better met their needs.

Tailored support also extended to taxpayers experiencing temporary financial challenges, including through payment plans, deferrals and support following natural disasters. Further detail is provided in 'Encouraging on-time payment and ensuring debt is effectively managed'.

Providing help through trusted channels

In 2025–26, community-based and specialist support programs provided taxpayers with access to free, practical help in trusted settings. These programs included Tax Help, the National Tax Clinic program, hardship support, specialist support teams and First Nations Foundation's Financial Wellness Week events. Through these programs, taxpayers received practical help to lodge returns, obtain advice and reconnect with their superannuation.

First Nations Foundation's Financial Wellness Week events supported taxpayers in remote and regional communities in Far North Queensland, including reuniting more than \$4.1 million in superannuation with members.

Providing help through trusted channels



9,799

taxpayers assisted through Tax Help in 2025–26



8,575

income tax returns lodged through Tax Help



862

advice-only appointments held through Tax Help



184

taxpayers assisted through First Nations Foundation's Financial Wellness Week events



More than \$4.1 million

superannuation reunited with members through First Nations Foundation's Financial Wellness Week events



64

tax returns lodged through First Nations Foundation's Financial Wellness Week events

Making information accessible and relevant

Accessible information tailored to people's circumstances helps taxpayers find the right support earlier and better understand what they need to do to meet their obligations.

In 2025–26, we provided information in more accessible and tailored formats, including dedicated guidance for Aboriginal and Torres Strait Islander taxpayers on tax, superannuation and scams. Key information was translated into First Nations languages, including Pitjantjatjara, Yolngu Matha and Yumplatok, and made available in audio format to support different communication preferences and accessibility needs.

We also used multilingual campaigns, translated tax time resources and trusted community networks to help culturally and linguistically diverse, First Nations and disability communities access practical tax and superannuation information.

We promoted support options including the Indigenous Helpline, Translating and Interpreting Service through TIS National, and the National Relay Service for people who are d/Deaf, hard of hearing, or have a speech or communication difficulty. Outreach to more than 1,600 community organisations and contacts helped extend information across culturally and linguistically diverse, First Nations and disability communities.

Accessible information snapshot



12 languages

Tax and Super Basics campaign delivered across multiple channels



19 languages

tax time resources promoted



40,000+

downloads of tax time resources in other languages



1,600+

community organisations and contacts reached across culturally and linguistically diverse, First Nations and disability communities

Learning from complaints to improve service delivery

We continued to focus on improving our regulatory services by learning from taxpayer complaints and addressing the issues that gave rise to them. We used complaints data to identify where taxpayers needed clearer information, earlier support or better resolution pathways, and to improve complaint handling and service delivery.

While complaints were lower during Tax Time 2025 than during Tax Time 2024, overall complaint volumes increased across the full year. This increase was concentrated in the second half of 2025–26 and in the lead-up to Tax Time 2026, alongside sustained demand for ATO services and growth in taxpayer interactions. The number of complaints on hand was also significantly higher at year end, requiring a concerted focus in 2026–27 to support timely resolution and address recurring service issues through targeted business improvements.

Complaints



Timeliness remained the main driver of complaints finalised in 2025–26, particularly delays in requests for copies of documents and income tax return processing. While complaints related to processing income tax (including enquiries about the progress of returns, amendments and refunds) remained a significant driver, volumes decreased by 26.2% compared with the previous year. This reduction was supported by targeted business improvements, including clearer communications to tax agents to reduce common errors, additional self-service options and increased automation. However, increases in complaints about requests for copies of documents, along with growth in complaints relating to interest and penalty remission, offset this improvement and contributed to higher overall complaint volumes.

In November 2025, we introduced an authenticated complaint form in Online services for individuals. The new authenticated form helps connect complaints to the correct taxpayer record more efficiently, supporting faster triage, more accurate routing and more efficient resolution.

Additional information on complaint drivers, topics and outcomes is provided in [Part 5 Management and accountability](#).

Helping employers meet tax and superannuation obligations

Employers need to pay superannuation entitlements for their employees and meet their withholding tax and fringe benefits tax obligations. In 2025–26, we continued to support employers to do this through timely guidance, proactive communication and risk-based compliance action.

We expanded our use of reminders, nudges, reviews and audits to help employers understand when action was needed. We also interacted with tax agents and intermediaries to help them support taxpayers to understand and meet their reporting obligations correctly from the start.

This support helped employers meet current obligations and prepare for Payday Super, which will change how regularly superannuation is required to be paid from 1 July 2026.

Supporting employers to get it right



243,000

super guarantee reminders and nudges sent to employers



\$467 million

super guarantee charge raised from reminders and nudges



\$26 million

fringe benefits tax liabilities raised after employer contact

Protecting employee superannuation entitlements

In 2025–26, we helped protect employees' superannuation by identifying unpaid superannuation earlier, encouraging employers to meet their obligations and reconnecting people with lost and unclaimed superannuation.

Compliance activity and improved data matching helped us detect unpaid superannuation earlier and take risk-based action where employers had not met their obligations.

Protecting employee super entitlements



\$2.2 billion

super guarantee charge liabilities raised



1 million

employees covered by liabilities raised



More than \$1.1 billion

distributed to employee superannuation funds and individuals

We also reconnected people with unclaimed superannuation, helping them build their retirement savings over time.

Reconnecting people with unclaimed superannuation



4.7 million unclaimed superannuation accounts
matched to their owners



\$5.3 billion in unclaimed superannuation
matched to account owners



More than \$1.1 billion in unclaimed superannuation

reunited with individuals through consolidation into superannuation accounts and direct payments to eligible individuals



1.77 million visits
to the Super health check

Our online tools and guidance helped people make more informed decisions about their superannuation. The Super health check, which helps people find and reunite with lost and unclaimed superannuation, recorded 1.77 million visits during the year. The YourSuper comparison tool recorded 1.4 million visits, helping people compare MySuper products and make informed choices about their superannuation.

We also supported reforms that allow access to an offender's superannuation in limited circumstances, where a victim or survivor of child sexual abuse has an unpaid compensation order. These reforms recognise that superannuation is generally preserved for retirement, while allowing limited access in exceptional circumstances.

Together, these actions helped protect employee entitlements, reconnect people with their superannuation and support better retirement outcomes over time.

Strengthening secure access and registration integrity

Secure digital identity and registration processes help protect access to tax and superannuation systems. They reduce opportunities for fraud and misuse and help protect taxpayer information.

In 2025–26, we strengthened identity and registration checks to help ensure only eligible people and entities could register for and access tax and superannuation accounts. We also reviewed existing records to identify registrations that were inaccurate, no longer valid or potentially being misused. This work covered Australian business numbers, tax file numbers, director IDs and Digital ID services.

During the year, we cancelled 1.19 million ABNs that should no longer be active and undertook 13,453 register integrity entitlement reviews.

We enhanced the security of our online services by enabling taxpayers who use a Digital ID to set their preferred access strength. This allows them to restrict access to services to their Digital ID, reducing the risk of unauthorised account access and helping protect against identity misuse. At 30 June 2026, more than 2.58 million taxpayers had set their online access strength, up from 1.16 million at 30 June 2025. Over the same period, fraud referrals to the Client Identity Support Centre decreased by 58%.

Digital identity and account protection

 **2.58 million+**
taxpayers had set their
online access strength
at 30 June 2026

 **124% increase**
in taxpayers who had set their
online access strength since
30 June 2025

 **58% decrease**
in identity fraud referrals to the
Client Identity Support Centre

Western Australia's addition of driver licence verification to the National Facial Verification Service gave more Western Australians, including people without a passport, a way to achieve a stronger Digital ID and access higher levels of digital identity assurance.

We also strengthened registration integrity in the superannuation system. New self-managed superannuation fund (SMSF) registrations increased by 22% in 2025–26. During 2025–26, there were 52,133 new SMSF registrations, an increase of 9,424 from 30 June 2025. We reviewed new registrations before they appeared on Super Fund Lookup to determine whether they could proceed, required education or further review, or should be cancelled. Of the 4,848 registrations identified for review:

- 4,321 funds were listed after applicants received further education
- 361 remained withheld
- 166 had their ABNs cancelled.

These checks helped prevent ineligible registrants entering public registers and made it harder for identities to be misused to access tax and superannuation services. They also complement broader efforts to help taxpayers recognise scams, protect their accounts and avoid identity misuse.

The ATO app provided additional safeguards to help taxpayers securely manage their affairs online. By registering a device through the ATO app, taxpayers could use safeguards including security messages alerting them to key account activity. The account lock feature also allowed taxpayers to restrict access if they suspected their account had been compromised.

ATO app security features

 **1.8 million+**
taxpayers registered
a device using the
ATO app

 **1.9 million+**
security messages
sent to taxpayers

 **5,400+**
account locks used where taxpayers suspected
their account may have been compromised

For selected higher-risk online requests, taxpayers were asked to confirm the request in the ATO app before it could proceed. This included requests to transfer or consolidate superannuation. The app also helped taxpayers confirm they were interacting with the ATO before sharing personal information.

Preventing fraud and helping taxpayers recognise scams

In 2025–26, we strengthened fraud prevention and scam awareness to reduce harm from identity misuse and impersonation scams. Earlier detection and intervention helped stop suspicious refunds before they were paid, protecting taxpayers and revenue. Public warnings and practical tools also helped taxpayers recognise and respond to scams.

Fraud prevention outcomes

 **\$344 million**
suspected fraudulent refunds contained

 **90,000**
taxpayers protected

The 'Take a sec to check' advertising campaign reminded taxpayers to pause and verify interactions claiming to be from the ATO. The campaign recorded more than 19 million impressions, a 20% increase from the previous year, and visits to scam-related content on ato.gov.au increased by nearly 30%.

Together, earlier intervention, public warnings and practical guidance helped protect taxpayer information, prevent suspected fraudulent refunds and strengthen taxpayer awareness of scams. Where risks involved deliberate misuse of the system, we used compliance and enforcement action to protect taxpayers and the tax and superannuation systems.

Deliberate non-compliance has consequences

A fair tax and superannuation system depends on willing participation and clear consequences for deliberate non-compliance. We support taxpayers who need help, while taking firm, proportionate and timely action on non-compliance.

Encouraging on-time payment and ensuring debt is effectively managed

Most taxpayers pay on time, ensuring revenue is available to fund services for the Australian community. We support taxpayers to pay on time by focusing on improving payment performance to limit new debt and applying a risk-based approach to our debt recovery actions.

Payment-on-time performance improved in 2025–26, with 90.1% of tax liabilities paid on time and in full, up 0.8 percentage points from 89.4% in 2024–25 and above the target of 88%. The proportion of tax liabilities paid within 90 days increased to 95.3%. However, collectable debt remained a significant pressure, particularly among small businesses, which accounted for approximately two-thirds of the total collectable debt. The level of collectable debt reflected new unpaid liabilities arising from taxpayer lodgments and compliance activities, interest charges added to older debts, and work to improve account accuracy that returned debt previously placed on hold to active recovery.

Payment and debt outcomes ^(a)			
Measure	2024–25	2025–26	Change ^(b)
Liabilities paid on time and in full	89.4%	90.1%	↑ 0.8 percentage points increase
Tax liabilities paid within 90 days	95.1%	95.3%	↑ 0.2 percentage points increase
Net tax collections resulting in an 8.5% ratio of collectable debt to net tax collections at 30 June 2026	\$636.3 billion	\$687.4 billion	↑ \$51.2 billion increase
Collectable debt	\$54.2 billion	\$62.2 billion	↑ \$7.9 billion increase

Notes

- (a) More detailed debt figures are provided in [Appendix 7 Debt management](#).
- (b) Change is calculated using unrounded figures and may differ from calculations using the figures shown.

During the year, we continued to engage earlier with taxpayers on outstanding liabilities and improved our ability to identify which taxpayers needed support and which debts required firmer action. Our debt recovery actions prioritised high-risk and high-value debts using data-driven approaches, so we could focus our efforts where non-payment posed the greatest risk to revenue and system fairness.

For taxpayers experiencing short-term financial challenges, including those affected by natural disasters, our tailored communications encouraged early contact and helped maintain engagement with the tax system, including through tailored payment plans and deferrals. We also provided around 17,300 flexible payment plans to eligible businesses unable to meet payment obligations due to high fuel costs.

Where taxpayers chose not to engage or deliberately avoided their obligations, we used firmer action, including director penalty notices, departure prohibition orders and legal recovery action.

Director penalty notices encourage company directors to engage and address unpaid pay as you go withholding, GST or superannuation guarantee charge liabilities. In 2025–26, we issued 89,842 director penalty notices to individual directors, around 6% more than the 84,529 issued in 2024–25. The notices covered company liabilities totalling \$5.1 billion, compared with \$5.5 billion in the previous year. At 30 June 2026, \$1.5 billion of these liabilities had been collected against the liabilities covered by the notices issued during the year, compared with \$1.2 billion at 30 June 2025, with further collections expected over time.

We also increased the number of departure prohibition orders in 2025–26, with 82 orders issued (compared with 14 in 2024–25), preventing those taxpayers from leaving Australia without meeting their outstanding tax obligations, and protecting the interests of the community.

Our activities supported the recovery of \$756.3 million in unpaid liabilities from large taxpayers under the Tax Integrity Program, up \$215.9 million or 40.0% from \$540.4 million in 2024–25. The snapshot below outlines selected recovery activities during the year.

Selected recovery activities^(a)

Activities	2024–25	2025–26	Change ^(b)
Director penalty notices issued to individual directors	84,529	89,842	↑ 6.3% increase
Company liabilities covered by notices issued during the year	\$5.5 billion	\$5.1 billion	↓ 7.4% decrease
Amount collected against liabilities covered by those notices at 30 June	\$1.2 billion	\$1.5 billion	↑ 20.7% increase
Departure prohibition orders issued	14	82	↑ 485.7% increase
Tax Integrity Program recoveries	\$540.4 million	\$756.3 million	↑ 40.0% increase

Notes

(a) For more information, see [Part 3 Annual performance statements](#), and [Appendix 7 Debt management](#).

(b) Change is calculated using unrounded figures and may differ from calculations using the figures shown.

Detecting and disrupting serious tax fraud

Serious tax fraud requires a strong response. Our work in 2025–26 focused on the deliberate abuse of the tax and superannuation systems, including organised attempts to obtain refunds or benefits for which taxpayers were not entitled. Tax crime is increasingly connected with other criminal activity, including identity crime-enabled fraud, money laundering, cryptocurrency-related fraud, offshore arrangements and misuse of emerging technologies such as AI.

We actively worked with domestic and international partners, including through the Phoenix Taskforce and Shadow Economy Program, as well as the Serious Financial Crime Taskforce (SFCT) and J5 Joint Chiefs of Global Tax Enforcement (J5) to share intelligence, support enforcement action and disrupt serious non-compliance. In 2025–26, the SFCT operations resulted in 29 convictions and meaningful sentencing outcomes for serious tax crime.

Through the Counter Fraud Program, we focused on earlier intervention and the highest-impact fraud risks, and we improved fraud monitoring in ATO online services to enhance detection. We progressed civil and criminal responses, including 14 investigations and 7 referrals to the Commonwealth Director of Public Prosecutions. Significant sentencing outcomes were achieved, including a 4-year sentence, with 1 year and 9 months to serve, in relation to an employee of a registered tax agent fraudulently accessing systems to undertake GST fraud.

The program also tested additional legal approaches to address emerging fraud risks in the digital environment. Incitement offences were used to address the promotion of tax fraud through social media. Offences relating to the dishonest obtaining or dealing of personal financial information were also used to address cases where another person's financial information was misused to commit tax fraud online for their own benefit.

We also continued to respond to Operation Protego matters, progressing compliance, recovery and prosecution pathways for deliberate false GST refund claims. This reinforces that large-scale attempts to exploit the system will continue to be pursued.

Together, these actions made it harder to abuse the system and reinforced that serious tax fraud will be identified and addressed.

Additional information on crime in the tax and superannuation systems, fraud and corruption management, and information sharing with law enforcement agencies is provided in [Part 5 Management and accountability](#).

Tackling the shadow economy

In 2025–26, we delivered a range of initiatives to address shadow economy behaviour. This behaviour adversely impacts taxpayers and businesses that do the right thing, contributes to the growth in the tax gap and presents a growing compliance risk.

Our work included a focus on high-risk sectors such as labour hire and agriculture, where non-compliance can spread through supply chains and create an unfair competitive advantage. We combined education, tip-off intelligence and compliance action to respond to these risks.

Community tip-offs helped identify suspected tax avoidance and shadow economy behaviour. Almost 1,000 tip-offs each week informed targeted compliance action and field operations, helping us focus our activities where non-compliance was more likely to occur.

We also delivered a paid media partnership targeting higher-risk industries, to raise awareness of the risks and consequences of participating in the shadow economy. The partnership encouraged businesses and individuals to meet their tax and superannuation obligations, report suspected non-compliance and support

fair competition. This was complemented by increased media engagement on our compliance activities and enforcement action in partnership with other Shadow Economy Taskforce agencies, helping deter non-compliance and strengthen community confidence in the tax system.

In 2025–26, targeted shadow economy compliance action raised \$2.6 billion in liabilities, bringing total program liabilities raised to \$13.2 billion. These results show the continued value of combining community intelligence, education and compliance action to address behaviour that undermines fairness in the tax system.

Stopping promoters and others who enable non-compliance

Promoters and enablers can undermine the integrity of the tax and superannuation systems by encouraging taxpayers to enter arrangements that are not lawful or that misuse concessions and entitlements. In 2025–26, we acted early to warn taxpayers, disrupt inappropriate arrangements and pursue consequences where people promoted or enabled deliberate non-compliance.

We focused on arrangements that posed a risk to system integrity, including inappropriate access to superannuation and schemes involving tax exploitation. We worked with regulatory partners where coordinated action was needed to protect taxpayers and prevent further harm, including where intermediary conduct posed risks to the tax and superannuation systems.

We warned taxpayers and professionals about schemes enabling inappropriate early access to superannuation, including the consequences that can apply. Public messaging with the Australian Health Practitioner Regulation Agency highlighted the risks of using medical certificates or other arrangements to access superannuation early without meeting legal requirements.

In 2025–26, a Federal Court decision found an individual had promoted 12 tax exploitation schemes involving the Research and Development Tax Incentive. This reinforced the consequences for those who promote arrangements that misuse concessions and undermine the integrity of the tax system (the promoter is appealing the decision).

We also acted early to address an emerging tax exploitation risk involving barter credits used to generate inflated deductions through purported donations to deductible gift recipients. Taxpayer Alert TA 2025/3 warned taxpayers and advisers about the arrangement, explained the ATO's concerns and signalled that participants and promoters may face compliance action.

These actions reduced opportunities for unlawful arrangements to spread and reinforced consequences for those who promote or enable deliberate non-compliance. International cooperation is critical where arrangements extend across borders.

Addressing cross-border tax risks through international cooperation

In 2025–26, we worked with tax administrations across the region to strengthen shared approaches to cross-border tax risks. We also published data on foreign ownership of Australian assets on data.gov.au, improving visibility of foreign investment trends and supporting government decision-making.

We enhanced regional cooperation through the Study Group on Asia-Pacific Tax Administration and Research, including hosting 177 delegates from 19 member jurisdictions. This enhanced cooperation and helped tax administrations to share intelligence and risk indicators, prepare for international tax reforms and respond more consistently to risks that affect Australia's revenue base.

In April 2026, we hosted a regional Pillar Two workshop in Brisbane to help tax administrations apply the rules consistently and reduce opportunities to shift profits between countries. Pillar Two is a global agreement requiring large multinational companies to pay a minimum level of tax of 15% in each of the jurisdictions where they operate. This workshop was part of our broader work to build tax administration capability across the region.

During 2025–26, the ATO had supported 7 active tax administration capability programs with international counterparts under Australia's Official Development Assistance arrangements over the course of the year.

We also contributed to international enforcement collaboration through forums such as the Joint International Taskforce on Shared Intelligence and Collaboration and the Joint Chiefs of Global Tax Enforcement. This cooperation helps protect Australia's revenue base and supports coordinated action where non-compliance crosses borders.

Additional information on revenue outcomes, fraud management and strategic litigation is provided in [Part 4 Revenue performance](#), [Part 5 Management and accountability](#), and in [Appendix 6 Strategic litigation](#) and [Appendix 13 Fraud or evasion exception](#).

Maintaining confidence that large taxpayers are paying the right amount of tax

Large public, private and multinational taxpayers account for a significant share of Australia's tax revenue. In 2025–26, early engagement, reviews and compliance action helped maintain strong compliance in one of the highest-value parts of the tax system. Through the Tax Avoidance Taskforce, we continued to prevent, detect and address tax avoidance by large public groups, multinational enterprises and wealthy private groups. The Australian Government provided additional funding of \$57.6 million during the year, supporting the work of the Tax Avoidance Taskforce to continue maintaining community confidence that the largest taxpayers pay the right amount of tax. In 2025–26, the Tax Avoidance Taskforce raised \$5.1 billion in liabilities, bringing total program liabilities raised to over \$36.0 billion since the taskforce commenced in 2016.

Our work continued to focus on new and evolving risks, including complex cross-border arrangements, financing structures, intragroup arrangements for intergenerational wealth transfer, private equity investments and the taxation of intellectual property. Earlier engagement on complex restructures, disposals and cross-border arrangements helped identify issues before they became disputes, reducing the likelihood of escalation.

The latest large corporate group tax gap estimates (2023–24) indicate strong compliance, with 94.3% of tax paid voluntarily and 96.3% paid after ATO compliance action.

Assurance reviews helped us test whether large taxpayers have reported and paid the right amount of tax. The assurance reviews support justified trust outcomes by showing where we have confidence in a taxpayer's tax position and where further engagement is needed.

Large taxpayer compliance and assurance

\$ \$5.1 billion
in liabilities raised by the Tax Avoidance Taskforce
in 2025–26

% 94.3%
of tax paid voluntarily by large corporate groups

\$ More than \$36.0 billion
in liabilities raised since the Tax Avoidance
Taskforce commenced in 2016

% 96.3%
of tax paid after ATO compliance action

These results reflect sustained assurance activities, targeted engagement on emerging risks and strong compliance action where issues were identified. Our continuing focus on large taxpayer assurance helps protect revenue and gives the community confidence that large taxpayers are reporting and paying the right amount of tax.

Resolving disputes earlier and obtaining legal clarity

In 2025–26, we continued our focus on resolving tax disputes earlier where possible, while using strategic litigation to clarify the law where matters required a formal legal outcome.

This is reflected in the resolution of 27,311 objections, with an average case cycle time of 90 days. Where litigation was undertaken, we continued to pursue significant matters to obtain judicial clarification on important aspects of the law. These included cases before the High Court and Full Federal Court involving complex issues such as dividend stripping arrangements, GST treatment and work-related deductions. Outcomes from these matters, including adverse decisions, were assessed for their broader impacts on administration, revenue and community confidence.

In addition to these significant matters, we continued to manage a broad range of formal tax disputes where a taxpayer challenges an ATO decision through objection, review or appeal processes. In 2025–26, 69% of reported litigation outcomes wholly supported the ATO's position or assessments, while a further 15% partly supported the ATO's position. The remaining 16% wholly supported the taxpayer's position.

We also undertook debt recovery litigation, including action to wind up insolvent companies where appropriate. This supported the recovery of amounts lawfully due and reinforced fair treatment for taxpayers and businesses that meet their obligations.

These litigation outcomes provided greater certainty for taxpayers, clarified important aspects of the law, and supported community confidence in the administration of Australia's tax and superannuation systems.

Additional information is available in [Appendix 4 Dispute management](#) and [Appendix 6 Strategic litigation](#).

Organisational capability

We rely on capable people, trusted data, resilient technology and effective ways of working to deliver on our purpose and vision. We continue to strengthen these organisational capabilities to support performance, delivery and future success.

Focusing effort on the highest priorities

In 2025–26, the ATO strengthened the foundations needed to focus effort and investment on its highest priorities. Through *Our performance evolution* (our plan to act on the 2025 Capability Review and strengthen how we work as one ATO), we introduced practical changes to support clearer decision-making, accountability and performance discussions.

More information is available at ato.gov.au/ourperformanceevolution.

During the year, we introduced earlier and more structured corporate planning cycles and made changes to decision-making, accountability, escalation and reporting arrangements. We will continue to embed and assess these arrangements in 2026–27.

In June 2026, we released the ATO Strategy 2026–30, strategy roadmap and culture commitments. Together, these provide a clear enterprise direction and a foundation for stronger alignment between strategy, future priorities, investment and delivery.

Building on our purpose and vision, the ATO Strategy sets out the strategic shifts that will guide our future priorities and ways of working. The culture commitments describe the behaviours needed to support those shifts through ‘Think Bigger, Act Bolder and Deliver Together’.

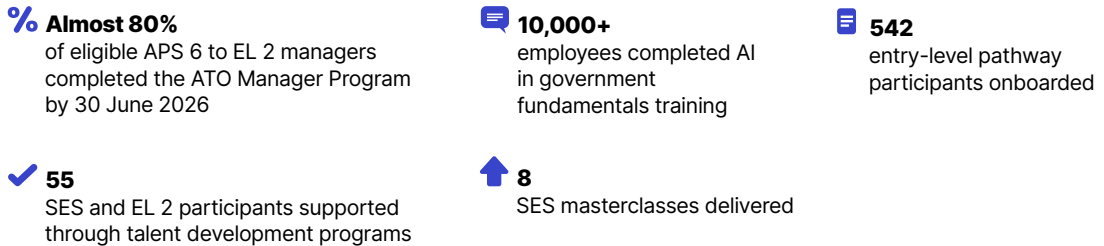
Building workforce and leadership capability

In 2025–26, the ATO invested in the workforce and leadership capability needed to deliver contemporary regulatory services, major reforms and critical organisational priorities. This included strengthening manager capability, building leadership pipelines and helping staff adapt to a dynamic and changing operating environment, including the safe and responsible use of artificial intelligence.

The ATO Manager Program for APS 6 to EL 2 managers continued to build practical people leadership and decision-making capability. By the end of the year, almost 80%, or more than 6,300 eligible managers, had completed the program, up from 36% at the start of the year. SES and EL 2 talent programs and targeted SES masterclasses in topics such as integrity and resource management further supported leadership capability across the year.

We invested in future workforce capability through our dedicated entry-level programs that recruit people early in their careers to join the ATO and further develop in critical skill areas such as data, information technology, tax, law, design, communication and human resources.

Workforce and leadership development



The ATO also supported APS-wide workforce capability through its leadership of the APS HR Professional Stream, contributing to future talent pipelines across the public sector.

Our ongoing investment in workforce capability has contributed to strong engagement results. In the 2026 APS Employee Census, the ATO's Employee Engagement Index was 76 (2 percentage points above the APS), with the proportion of staff who would recommend the ATO as a good place to work increasing to 87% – 13 points above the broader public service.

The ATO 2025 employee census action plan responded to staff feedback with practical actions to strengthen workforce capability, culture and workplace technology. Priorities included:

- continuing the ATO Manager Program
- supporting safe adoption of generative AI
- developing refreshed culture commitments
- commencing development of a new people strategy
- analysing future capability needs
- addressing priority technology issues affecting staff.

Additional information on workforce management, including employee statistics, diversity, work health and safety, and employment arrangements, is provided in [Part 5 Management and accountability](#).

Advancing reconciliation

The Reconciliation Action Plan (RAP) 2024–27 guided our ongoing work to strengthen relationships, improve economic opportunities and build cultural capability. At year end, 95% of RAP deliverables were delivered or mostly delivered.

During the year, we supported 75 Aboriginal and Torres Strait Islander employees through structured leadership programs, alongside mentoring, mobility and career development initiatives. In addition, we delivered the 2025 Evergreen entry-level program, which is a dedicated development pathway for Aboriginal and/or Torres Strait Islander peoples. Over 12 months, participants completed targeted work rotations and a Certificate IV qualification, building skills and confidence in a supportive environment. Thirty-three participants are expected to complete the program following the end of the reporting period.

Reconciliation Action Plan

% 95%

of RAP deliverables delivered or mostly delivered

✓ 75

Aboriginal and Torres Strait Islander staff supported through leadership programs

💬 38,845

enquiries received through the Indigenous Helpline, helping people access tailored tax and superannuation support

👥 83

commercial relationships maintained with Aboriginal and Torres Strait Islander businesses

📄 \$42.8 million

in procurement contracts contributed to government Indigenous procurement targets

👍 99.8%

staff completed Indigenous Australian cultural awareness training

We also piloted the Stepping Stones Pathway, a career development program that helps APS 3 and APS 4 Aboriginal and Torres Strait Islander staff build confidence, leadership capability and career pathways through tailored mentoring, learning and development opportunities. Since the pilot commenced in 2025–26, 11 participants have secured promotions.

Over 2025–26, our Moondani network – our Aboriginal and Torres Strait Islander employee network – strengthened its partnership with our Kawutilin ally network to increase collaboration and to progress shared priorities through their 2026 network action plans. The Moondani network also contributed Aboriginal and Torres Strait Islander staff perspectives to the co-design of culturally informed reconciliation spaces across ATO sites. Indigenous Liaison Officers and the RAP team members also provided cultural advice, advocacy and practical support to staff and leaders, along with collaborating with other agencies and organisations – helping strengthen cultural capability and supporting a more inclusive public service.

We improved access to tax and superannuation support for Aboriginal and Torres Strait Islander taxpayers through community outreach, First Nations language resources, National Tax Clinics and the Indigenous Helpline.

We also supported economic participation through the procurement of goods and services from Aboriginal and Torres Strait Islander businesses and strengthened the cultural capability of our staff through targeted training and practical guidance on cultural protocols.

Related information is provided in ‘Providing help through trusted channels’, ‘Making information accessible and relevant’ and ‘Building workforce and leadership capability’, and in [Part 5 Management and accountability](#).

Using data, analytics and AI responsibly

In 2025–26, the ATO expanded its use of data, analytics and AI to improve the delivery of regulatory services, strengthen system integrity and inform compliance activities and debt management practices. These capabilities helped us identify risks and errors earlier, supporting more timely and targeted compliance and debt management activity, and improved how staff analyse information and respond to emerging issues.

We also strengthened the governance, safeguards and oversight that guide how these tools are used. The release of the AI Transparency Statement, Strategic position on AI adoption and AI Senior Executive Instruction clarified expectations for responsible AI use, including transparency, security, privacy, lawful use, human oversight and executive accountability.

Data, analytics and AI may support analysis, pattern detection and administrative processes, but they do not replace statutory responsibilities, review rights or human accountability for outcomes. ATO staff remain responsible for applying judgement and ensuring decisions are fair, lawful and explainable.

We continued to build staff capability through mandatory responsible-use training and targeted AI literacy activities. This helped staff understand when AI-enabled tools may be appropriate, how to use them safely, and that human judgement remains essential.

These arrangements helped ensure data, analytics and AI were used responsibly to support better outcomes for taxpayers and the community, while protecting taxpayer information and maintaining public trust.

Additional information on the ATO's performance is provided in [Part 3 Annual performance statements](#). Taxpayer-facing examples of data, analytics and AI are provided earlier in 'Helping individuals get it right from the start' and 'Supporting small businesses'.

Maintaining reliable, secure and resilient technology

Technology underpins the tax and superannuation services Australians rely on every day. In 2025–26, the ATO continued to modernise core platforms and protect critical functions so high-volume services could operate safely under sustained demand.

Over the year, we invested in platform modernisation, cybersecurity and service performance across the systems used by taxpayers, intermediaries and staff. This supported major reforms and peak-period delivery, including Tax Time 2025, student loan changes, Payday Super readiness, counter-fraud digital foundations and ongoing improvements to online services. We monitored critical systems throughout the year to identify and resolve issues early, helping maintain access during periods of high demand.

Cybersecurity remained a priority as threats continued to evolve. In 2025–26, we improved cyber controls and progressed whole-of-government requirements, including Essential Eight uplift, multi-factor authentication, stronger access controls and better management of security vulnerabilities. These measures improved our ability to prevent, detect and respond to threats, protect ATO-held data and sustain trusted digital services.

We also improved recovery arrangements for critical services and supported continuity during disruptions through continued cloud migration, device management and information protection measures.

These investments supported delivery in 2025–26 and positioned the ATO to respond to growing demand, major reforms and evolving risks into the future.

Additional information on cybersecurity and technology risks is provided in [Part 5 Management and accountability](#).

Safeguarding integrity, security and public trust

Public trust depends on the ATO protecting the information, systems and public resources for which it is responsible. In 2025–26, we strengthened integrity, security and assurance arrangements to protect sensitive information, support accountable behaviour and maintain confidence in the administration of Australia's tax and superannuation systems.

Our focus was on strengthening controls, identifying risks earlier and improving assurance arrangements. We strengthened governance and oversight of integrity, security and assurance risks, while making staff responsibilities clearer and improving how risks are identified and managed.

During the year, we matured our approach to insider risk management through enhanced governance, assurance and risk monitoring activities. This supports the protection of taxpayer information and other sensitive assets while promoting accountability and responsible information stewardship.

We also improved staff awareness of integrity, ethical decision-making and speaking up about concerns through targeted education and engagement to help staff better understand their responsibilities and act consistently with community expectations.

Further information on fraud and corruption control arrangements, prevention initiatives and assurance activities is provided in [Part 5 Management and accountability](#).

3 Annual performance statements

Statement by the Accountable Authority

As the Accountable Authority of the Australian Taxation Office listed entity, comprising the Commissioner of Taxation (supported by the ATO), the Tax Practitioners Board (TPB), the Australian Charities and Not-for-profits Commission (ACNC) and the ACNC Advisory Board, I present the following annual performance statements for the listed entity. This statement has been prepared as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and covers the period from 1 July 2025 to 30 June 2026.

In my opinion and having considered the recommendations from the Australian Taxation Office Audit and Risk Committee, the annual performance statements, which report the entity's results against its current performance framework, are based on properly maintained records, accurately present the performance of the entity for the reporting period and comply with subsection 39(2) of the PGPA Act and section 16F of the *Public Governance, Performance and Accountability Rule 2014*.

The ATO, TPB and ACNC remain committed to improving the quality, coverage and transparency of performance reporting to the public and Parliament.



Rob Heferen

Commissioner of Taxation
Registrar of the Australian Business Register;
Australian Business Registry Services; and
Register of Foreign Ownership of Australian Assets

Introduction

The Commissioner of Taxation is the Accountable Authority of the Australian Taxation Office listed entity. In line with the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), we refer to the Australian Taxation Office when referring to the ‘listed entity’ – which comprises the Commissioner of Taxation, TPB, ACNC and ACNC Advisory Board. References to the ‘ATO’ refer to the organisation that is led by the Commissioner of Taxation.

The Australian Taxation Office annual performance statements 2025–26 outline our progress towards achieving the following purposes and key activities of the Australian Taxation Office:

ATO	TPB	ACNC
Purpose: We collect tax so that government can deliver services for the Australian community.	Purpose: Support public trust and confidence in the integrity of the tax profession and the tax system.	Purpose: Promote public trust and confidence in Australian charities.
Key activity 1: Collect the right amount of tax in the most efficient way for government and the taxpayer. Key activity 2: Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to. Key activity 3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community. Key activity 4: Administer a range of payments and transfers on behalf of government.	Key activity 5: Increase trust and confidence in the tax and regulatory system by supporting the profession and taking proportionate action to address those practitioners who do the wrong thing.	Key activity 6: Maintain a free and accurate register of Australian charities (the Charity Register).

Changes to our performance information

We are committed to continuous improvement of our performance reporting through ongoing enhancements to our suite of enterprise performance measures.

In 2025–26, we continued to improve our performance information, with changes to a small number of our performance measures since the publication of the 2025–26 corporate plan.

Further details are provided in Table 3.1.

Table 3.1 ATO – Changes to performance measures from the 2025–26 corporate plan

Performance measure	Target	Description of change	Rationale for change
Registration – TFNs for ASIC registered companies are monitored, with controls in place to prevent deregistered companies from operating within the tax and superannuation systems	Monthly reconciliation processes confirm that deregistered companies are prevented from operating in the tax and superannuation systems, with any discrepancies identified and managed	Revised measure and target have been introduced 2025–26 will be the first year of reporting Measure changed from 'Proportion of companies registered in the system'	Measure has been redesigned with a focus on the ATO's actions to protect the integrity of the TFN register. This provides a more appropriate and meaningful measure of the ATO's registration function.
Registration – TFNs for Individuals are monitored, with controls in place to prevent inactive taxpayers from operating within the tax and superannuation systems	Annual reconciliation processes are conducted to ensure that inactive taxpayers are prevented from operating in the tax and superannuation systems with any discrepancies identified and managed	Revised measure and target have been introduced 2025–26 will be the first year of reporting Measure changed from 'Proportion of individuals registered in the system'	Measure has been redesigned with a focus on the ATO's actions to protect the integrity of the TFN register. This provides a more appropriate and meaningful measure of the ATO's registration function.
Superannuation guarantee gap as a proportion of superannuation guarantee contributions	5.9% (2025–26 only) Future year targets have not been determined due to significant changes to the methodology from 2026–27 that require a new baseline to be established	Target changed from 'under development'	The ATO has developed a quantitative approach to target setting for this measure to more appropriately assess performance.

Regulator performance

Our key regulatory functions include:

- administering Australia's tax system and significant aspects of the superannuation and registry systems
- operating as the Australian Government's principal revenue collection agency
- regulating tax practitioners – individuals and entities that provide tax services, such as tax agents and business activity statement (BAS) agents
- national regulator of charities.

The ATO, TPB and ACNC are committed to achieving our purposes in line with the Australian Government's expectations for regulator performance. Regulator performance is presented through the 3 principles of regulator best practice consistent with Resource Management Guide – Regulator Performance (RMG 128).

Ministerial Statements of Expectations (SOEs) provide clarity in relation to relevant government policies and objectives, including the policies and priorities we are expected to observe in conducting operations. Regulator Statements of Intent (SOIs) detail our response to the Ministerial SOEs and outline how we will continue to meet expectations.

Ministerial SOEs and Regulator SOIs for the ATO, TPB and ACNC are available at treasury.gov.au.

Performance rating scale for the listed entity

The ATO's, TPB's and ACNC's achievement of performance results against established targets is assessed against a 3-tier rating scale, as described in Table 3.2. Due to the varied nature of the measures, the respective performance rating criteria are defined individually and described in the methodology sections for each performance measure, where relevant.

Table 3.2 Performance rating scale

Result	Symbol
Achieved	
Substantially achieved	
Not achieved	

ATO

Performance summary

The ATO performed strongly in 2025–26, effectively administering Australia's tax and superannuation systems while supporting the Australian Government's reform agenda.

The ATO assesses its performance through the delivery of 4 key activities that collectively support our purpose of collecting tax so government can deliver services for the Australian community. Overall, we achieved or substantially achieved 25 of our 29 performance measures, with 4 measures assessed as not achieved in 2025–26.

Key activity 1: Collect the right amount of tax in the most efficient way for government and the taxpayer.

Net tax collections reached \$687.4 billion, 90.1% of liabilities were paid on time and in full, and activity statement lodgment exceeded target for the first time since 2015–16. Collectable debt remained above target, reinforcing the need to support taxpayers experiencing genuine difficulty while acting earlier on avoidable or deliberate non-payment. The increase in the tax gap to \$72.7 billion, or 10.3% of expected revenue (above the 7.1% target), reflected declining personal income tax compliance and a new payment gap methodology, alongside economic pressures and deliberate shadow economy behaviour.

Key activity 2: Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to. Taxpayers continued to engage strongly with the tax system, with 68% of 2024–25 individual income tax returns being lodged during Tax Time 2025. This represents 11 million of the 16.1 million that were lodged for that specific income year. While taxpayer satisfaction with their recent interactions with the ATO improved by 3 percentage points to 74% this year, it remained below the target of 80%. The costs incurred by those taxpayers who claim an expense for managing their tax affairs also increased in 2025–26. This outcome is consistent with the increasing use of online services and self-lodgment for simpler tax returns, while tax agent use is increasingly concentrated among taxpayers with more complex tax affairs and higher compliance costs. The ATO remains focused on improving digital services and streamlining interactions with taxpayers and tax agents to reduce the time and effort required to meet tax obligations.

Key activity 3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community. The ATO made timely payments and co-contributions to superannuation funds under the Low Income Superannuation Tax Offset program and Superannuation Co-contribution Scheme. We also reconnected almost 282,000 people with around \$750 million in unclaimed super. Importantly, the ATO progressed implementation activities to prepare for the commencement of Payday Super on 1 July 2026 – a significant reform intended to improve payment compliance and reduce the accumulation of unpaid superannuation over time. Notwithstanding these achievements, the superannuation guarantee gap remained slightly above target at 6.1% and superannuation guarantee debt increased during the year, reinforcing the importance of recent reforms and continued compliance action to protect employee entitlements.

Key activity 4: Administer a range of payments and transfers on behalf of government. The ATO delivered government payments and transfers efficiently and reliably, supporting the effective operation of a range of government programs, including the Research and Development Tax Incentive. More than \$17 billion in payments and transfers were made during the year to individuals and businesses.

Looking ahead, we will continue to adapt our administration to our evolving operating environment. Guided by the ATO Strategy 2026–30, we will simplify the taxpayer experience, improve payment and compliance outcomes, strengthen the integrity and security of the system, and invest in our people, data and technology. Our focus remains on delivering fair, effective and trusted administration of the tax and superannuation systems for government and the Australian community.

Further detail on activities and achievements is provided in the relevant performance measure assessments in this part of the report and in [Part 2 Year in review](#).

All measures reported in the performance statements contribute to the overall assessment of the ATO's performance. Detailed assessments are provided for the measures that most directly demonstrate progress against our key activities and purpose. The remaining measures are reported in summary form to provide evidence of performance across our broader responsibilities.

Performance results and analysis

Key activity 1: Collect the right amount of tax in the most efficient way for government and the taxpayer

Performance measures – detailed assessment

Registration – Tax file numbers (TFNs) for ASIC registered companies are monitored, with controls in place to prevent deregistered companies from operating within the tax and superannuation systems

Table 3.3 Registration – TFNs for ASIC registered companies are monitored, with controls in place to prevent deregistered companies from operating within the tax and superannuation systems, 2023–24 to 2025–26

Description	A measure of the ATO's management of the TFN lifecycle to maintain the integrity of the TFN register.		
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26		
2025–26 target	Monthly reconciliation processes confirm that deregistered companies are prevented from operating in the tax and superannuation systems, with any discrepancies identified and managed		
Results	2025–26	Target met	● Achieved
	2024–25 2023–24	New measure from 2025–26, not previously reported in the annual performance statements	
Analysis	<p>During 2025–26, the ATO completed its monthly process for ASIC de-registered company records with a tax file number (TFN) as planned, achieving the measure target. More than 147,000 TFNs were identified and successfully treated.</p> <p>Established controls successfully identified and validated, with exceptions recognised. Overall, governance arrangements are deemed effective, although remediation of the exceptions was not always completed within expected timeframes. This did not materially affect the reported result given the limited number of exceptions. Improvement activities are underway to further strengthen exception remediation timeliness, assurance, and performance.</p> <p>This registration control is designed to improve the integrity of the TFN register by ensuring ASIC de-registered companies are successfully treated so that these TFNs cannot be used within the tax and superannuation systems, reducing the risk of fraud and unnecessary activity.</p> <p>While the target has been achieved in relation to the reconciliation process being conducted, the ATO acknowledges there are improvement opportunities for the underlying process. To continue to effectively monitor and report on the performance of the registration function, the ATO is committed to:</p> <ul style="list-style-type: none">• further maturing governance and assurance arrangements for registration data used to generate ATO performance results• reviewing and refining selection criteria to improve the identification and timely treatment of registrants who no longer require access to the tax and superannuation systems• assessing the appropriateness of existing performance arrangements to ensure that they appropriately reflect the ATO's registration responsibilities.		
Type of measure	Output		
Data sources	ATO systems, third-party data		

Table 3.3 Registration – TFNs for ASIC registered companies are monitored, with controls in place to prevent deregistered companies from operating within the tax and superannuation systems, 2023–24 to 2025–26 *continued*

Methodology	Monitoring the TFN register utilising the ATO's processes and available data to identify the company's position within its lifecycle and manage those which are inactive on a monthly basis.		
	Performance rating scale		
	Result	Symbol	Description
	Achieved	●	The confirmation process was run at least once a month
	Substantially achieved	■	Not applicable
Limitations	Not achieved	◆	The confirmation process was not run at least once a month
	No material limitations		
Variation from Australian Taxation Office corporate plan 2025–26	The previous measure has been replaced with a revised measure that better reflects the ATO's role in maintaining the integrity of the TFN register.		

Registration – Tax file numbers (TFNs) for Individuals are monitored, with controls in place to prevent inactive taxpayers from operating within the tax and superannuation systems

Table 3.4 Registration – TFNs for Individuals are monitored, with controls in place to prevent inactive taxpayers from operating within the tax and superannuation systems, 2023–24 to 2025–26

Description	A measure of the ATO's management of the TFN lifecycle to maintain the integrity of the TFN register.														
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26														
2025–26 target	Annual reconciliation processes are conducted to ensure that inactive taxpayers are prevented from operating in the tax and superannuation systems, with any discrepancies identified and managed														
Results	2025–26	Target met	● Achieved												
	2024–25	New measure from 2025–26, not previously reported in the annual performance statements													
	2023–24														
Analysis	<p>During 2025–26, the ATO completed its annual process for individual TFNs as planned, achieving the measure target. More than 294,000 TFNs were identified and successfully treated. This registration control is designed to improve the integrity of the TFN register by identifying inactive taxpayers, including those who are deceased or have permanently departed Australia. This ensured these TFNs cannot be used within the tax and superannuation systems, reducing the risk of fraud and unnecessary activity.</p> <p>The ATO utilises a range of information to identify TFNs that require treatment, including death notifications provided by states and territories and departure information supplied by the Australian Government Department of Home Affairs. The ATO plans to increase the frequency of reconciliation activities from annual to biannual from 2027–28, to support more timely identification and treatment of inactive TFNs.</p> <p>While the target has been achieved in relation to the reconciliation process being conducted, the ATO acknowledges there are improvement opportunities for the underlying process. To continue to effectively monitor and report on the performance of the registration function, the ATO is committed to:</p> <ul style="list-style-type: none">• further maturing governance and assurance arrangements for registration data used to generate ATO performance results• reviewing and refining selection criteria to improve the identification and timely treatment of registrants who no longer require access to the tax and superannuation systems• assessing the appropriateness of existing performance arrangements to ensure that they appropriately reflect the ATO's registration responsibilities.														
Type of measure	Output														
Data sources	ATO systems, third-party data														
Methodology	<p>Monitoring of the TFN register utilising the ATO's processes and available data to identify the individual's position within their lifecycle and manage those which are inactive.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>The confirmation process was run at least once a year</td></tr><tr><td>Substantially achieved</td><td>■</td><td>Not applicable</td></tr><tr><td>Not achieved</td><td>◆</td><td>The confirmation process was not run at least once a year</td></tr></table>			Result	Symbol	Description	Achieved	●	The confirmation process was run at least once a year	Substantially achieved	■	Not applicable	Not achieved	◆	The confirmation process was not run at least once a year
Result	Symbol	Description													
Achieved	●	The confirmation process was run at least once a year													
Substantially achieved	■	Not applicable													
Not achieved	◆	The confirmation process was not run at least once a year													
Limitations	No material limitations														
Variation from Australian Taxation Office corporate plan 2025–26	The previous measure has been replaced with a revised measure that better reflects the ATO's role in maintaining the integrity of the TFN register.														

Lodgment – Proportion of activity statements lodged on time

Table 3.5 Lodgment – Proportion of activity statements lodged on time, 2023–24 to 2025–26

Description	A measure to show the number of original activity statements lodged on time as a proportion of the expected lodgments due.															
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26															
2025–26 target	78%															
Results ^(a)	2025–26	78.3%	●	Achieved												
	2024–25	77.3%	■	Substantially achieved												
	2023–24	75.6%	◆	Not achieved												
Analysis	<p>On-time lodgment performance for 2025–26 activity statements was 78.3%. This is 1.0 percentage point above last year and is 0.3 percentage points above the target of 78%. It continues the trend of positive improvement for the fourth year in a row and is the first time since 2015–16 that the on-time lodgment performance has exceeded 78%.</p> <p>Although on-time lodgment performance exceeded the target this year, the small business taxpayer segment continues to be the main driver impacting overall performance, with this taxpayer segment performing 4.6 percentage points below the target of 78% (73.4%).</p> <p>The volume of activity statements lodged on time and lodged overall has increased year-on-year and has continued its upward trend over the past 5 years, where:</p> <ul style="list-style-type: none">• lodged on time grew 6.5% (from 12.6 million for 2024–25 to 13.4 million for 2025–26)• lodged overall grew 5.8% (from 14.3 million for 2024–25 to 15.2 million for 2025–26).															
Type of measure	Effectiveness															
Data sources	ATO systems															
Methodology	<p>On-time lodgment population – This is the number of original activity statements received within 7 days of the due date.</p> <p>Anticipated activity statement lodgment population – This is the number of all activity statements with a ‘dispatched’ status.</p> <p>Due lodgments – This is derived by subtracting lodgments that are not yet due (that is, the due date of the form is 1 July or later in the following reporting period) from the anticipated lodgment population. Early lodged activity statement forms are also included.</p> <p>On-time lodgment is divided by due lodgments to obtain the result (multiplied by 100 and expressed as a percentage and rounded to one decimal point).</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>78% and above</td></tr><tr><td>Substantially achieved</td><td>■</td><td>77% to less than 78%</td></tr><tr><td>Not achieved</td><td>◆</td><td>less than 77%</td></tr></table>				Result	Symbol	Description	Achieved	●	78% and above	Substantially achieved	■	77% to less than 78%	Not achieved	◆	less than 77%
Result	Symbol	Description														
Achieved	●	78% and above														
Substantially achieved	■	77% to less than 78%														
Not achieved	◆	less than 77%														

Table 3.5 Lodgment – Proportion of activity statements lodged on time, 2023–24 to 2025–26 *continued*

Limitations	<p>Activity statement lodgment performance is measured for the relevant lodgment obligations due at 30 June. These activity statement obligations are generally not included within the calculation (as they are not due by that date):</p> <ul style="list-style-type: none"> • April–June quarter statement obligations • some May and/or June monthly statement obligations • most annual activity statement obligations. <p>Activity statements with no dispatched date and activity statements lodged by GST limited registration entities are not captured.</p> <p>All dispatched activity statements in the system are included in the on-time lodgment measure even if the entity has ceased business and the account has not been updated/remediated to end date all activity statement roles. Note there can be delays in the clean-up of registrations.</p> <p>The lodgment reminder strategy resulted in the auto-finalisation of approximately 5,000 2025–26 activity statements using Single Touch Payroll information. These forms have been treated as taxpayer lodgments and reflected in the lodgment on time measure.</p>
Variation from Australian Taxation Office corporate plan 2025–26	Nil

Note

(a) Activity statements performance was measured on 9 July 2026 for 2025–26 activity statements, 8 July 2025 for 2024–25 activity statements and 8 July 2024 for 2023–24 activity statements.

Lodgment – Proportion of income tax returns lodged on time

Table 3.6 Lodgment – Proportion of income tax returns lodged on time, 2023–24 to 2025–26

Description	A measure to show the number of original income tax returns lodged on time as a proportion of expected lodgments due under self-assessment.														
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26														
2025–26 target	83%														
Results ^(a)	2025–26	82.3% (2024–25 returns)	Substantially achieved												
	2024–25	82.6% (2023–24 returns)	Substantially achieved												
	2023–24	82.4% (2022–23 returns)	Substantially achieved												
Analysis	<p>On-time lodgment performance for 2024–25 income tax returns was 82.3%. This is 0.3 percentage points below last year and 0.7 percentage points below the target of 83%.</p> <p>The lower on-time lodgment performance was primarily attributable to:</p> <ul style="list-style-type: none">the inclusion of the self-review return obligation for not-for-profit (NFP) entities, which contributed to a 0.5 percentage point decline; the self-review return is an annual lodgment requirement for non-charitable NFPs with an active Australian business number (ABN), requiring them to confirm their eligibility to self-assess as income tax exempta decline in on-time lodgment performance for most taxpayer segments, with the largest segment Individuals declining 0.2 percentage points to 84.4%. <p>The volume of income tax returns lodged on time and lodged overall has increased year-on-year and continues its upward trend over the past 5 years; where:</p> <ul style="list-style-type: none">lodged on time has grown by 2.6% (from 17.4 million for 2023–24 to 17.9 million for 2024–25).lodged overall has grown by 2.5% (from 18.8 million for 2023–24 to 19.3 million for 2024–25). <p>The ATO is working to monitor and address the impact of self-review returns in line with current lodgment risk prioritisation, with planned treatment to be conducted through data-driven risk selection and digital correspondence campaigns.</p> <p>Overall, most taxpayers remain engaged and compliant with their income tax lodgment obligations, with a consistent 5-year performance in the range of 82% to 83%.</p>														
Type of measure	Effectiveness														
Data sources	ATO systems														
Methodology	<p>Income tax return lodgment performance is measured for the relevant lodgment period at the following year end date. For example, the lodgment performance reported for 2025–26 is for 2024–25 income tax returns (measured generally 8 days after 30 June 2026).</p> <p>On-time lodgment – This refers to original income tax returns received by the ATO within 7 days of the due date.</p> <p>Anticipated lodgment population – This is all entities in the ATO client register less those that were:</p> <ul style="list-style-type: none">classified as ‘inactive’ through the tax file number reconciliation processidentified as not having an income tax lodgment obligationassessed as having a high likelihood they will not be required to lodge. <p>Due lodgments – This is derived by subtracting lodgments not yet due (that is, the due date of the form is 1 July or later in the following reporting period) from the anticipated lodgment population. Income tax return forms lodged early are also included.</p> <p>On-time lodgment is divided by due lodgments to obtain the result (multiplied by 100 and expressed as a percentage and rounded to one decimal point).</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>83% and above</td></tr><tr><td>Substantially achieved</td><td>■</td><td>82% to less than 83%</td></tr><tr><td>Not achieved</td><td>◆</td><td>less than 82%</td></tr></table>			Result	Symbol	Description	Achieved	●	83% and above	Substantially achieved	■	82% to less than 83%	Not achieved	◆	less than 82%
Result	Symbol	Description													
Achieved	●	83% and above													
Substantially achieved	■	82% to less than 83%													
Not achieved	◆	less than 82%													

Table 3.6 Lodgment – Proportion of income tax returns lodged on time, 2023–24 to 2025–26 *continued*

Limitations	<p>Limitations of the income tax return lodgment performance measure include:</p> <ul style="list-style-type: none"> • where the refresh dates for analytical models used to remove inactive taxpayers do not align to the data currency report, resulting in minor timing-related differences • the reliance on risk models and predictive analytics, used to identify relevant taxpayer populations, which necessarily involve assumptions. <p>Generally, the assured data source captures all account periods that are forecast in the system. The accuracy of reporting can also be impacted by system issues or processing errors (for example where returns have been lodged incorrectly).</p>
Variation from Australian Taxation Office corporate plan 2025–26	Nil

Note

(a) Lodgment performance was measured on 8 July 2026 for 2024–25 income tax returns, 8 July 2025 for 2023–24 income tax returns and 8 July 2024 for 2022–23 income tax returns.

Tax gap – As a proportion of revenue

Table 3.7 Tax gap – As a proportion of revenue, 2023–24 to 2025–26

Description	A measure estimating the difference between what the ATO expects to collect and the amount that would have been collected if every taxpayer was fully compliant with the law.																																						
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26																																						
2025–26 target	7.1% ^(a)																																						
Results	2025–26	10.3% (2023–24)	◆	Not achieved																																			
	See Part 4 Revenue performance in our 2025–26 annual report for detailed information																																						
	2024–25 ^(b)	9.1% (2022–23)	◆	Not achieved																																			
	See Part 4 Revenue performance in our 2024–25 annual report for detailed information																																						
	2023–24 ^(b)	7.5% (2021–22)	●	Achieved																																			
	See Part 4 Revenue performance in our 2023–24 annual report for detailed information																																						
Analysis	<p>The tax gap for the 2023–24 financial year is \$72.7 billion or 10.3% of expected revenue (if all taxpayers were fully compliant with their tax obligations).</p> <p>The refreshed tax gap estimate for 2022–23 is also 10.3%. This compares with the 9.1% tax gap estimate for 2022–23 published last year.^(b)</p> <p>The estimates below are based on the latest revised data and updated methods.</p> <table> <tr> <th>Tax gap components</th><th>2020–21</th><th>2021–22</th><th>2022–23</th><th>2023–24</th></tr> <tr> <td>Net tax gap (%)</td><td>8.3</td><td>9.1</td><td>10.3</td><td>10.3</td></tr> <tr> <td>(\$m)</td><td>43,759</td><td>52,905</td><td>66,215</td><td>72,679</td></tr> <tr> <td>Assessment gap (%)</td><td>7.6</td><td>8.1</td><td>9.5</td><td>9.6</td></tr> <tr> <td>(\$m)</td><td>39,927</td><td>47,181</td><td>61,123</td><td>67,612</td></tr> <tr> <td>Payment gap (%)</td><td>0.7</td><td>1.0</td><td>0.8</td><td>0.7</td></tr> <tr> <td>(\$m)</td><td>3,832</td><td>5,724</td><td>5,092</td><td>5,067</td></tr> </table> <p>Overall, the movement from the originally published 2022–23 estimate (9.1%) to the 2023–24 (10.3%) reflects 2 main factors:</p> <ul style="list-style-type: none"> • Continued deterioration of personal income tax reporting: Further deterioration in personal income tax compliance relating to reporting all income and correctly claiming associated deductions contributed approximately 0.6 percentage points of the increase. This is observed predominantly within the individuals in small business population and, to a lesser extent, among the individuals not in business and high wealth individuals populations. While the decline in tax performance in these markets coincides with a historical weak period of real per capita household disposable income growth, non-compliance is increasingly being driven by deliberate shadow economy behaviours alongside traditional drivers of poor recordkeeping, mistakes and challenges with more complex tax law. 				Tax gap components	2020–21	2021–22	2022–23	2023–24	Net tax gap (%)	8.3	9.1	10.3	10.3	(\$m)	43,759	52,905	66,215	72,679	Assessment gap (%)	7.6	8.1	9.5	9.6	(\$m)	39,927	47,181	61,123	67,612	Payment gap (%)	0.7	1.0	0.8	0.7	(\$m)	3,832	5,724	5,092	5,067
Tax gap components	2020–21	2021–22	2022–23	2023–24																																			
Net tax gap (%)	8.3	9.1	10.3	10.3																																			
(\$m)	43,759	52,905	66,215	72,679																																			
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(\$m)	39,927	47,181	61,123	67,612																																			
Payment gap (%)	0.7	1.0	0.8	0.7																																			
(\$m)	3,832	5,724	5,092	5,067																																			

Table 3.7 Tax gap – As a proportion of revenue, 2023–24 to 2025–26 continued

Analysis continued	<p>The ATO is making compliance easier and addressing deliberate non-compliance through credible compliance action at scale, expanded pre-fill and automation, stronger use of professional intermediaries, digital service providers and third-party data, improved analytics, and targeted law and policy reform.</p> <ul style="list-style-type: none">• Introduction of the payment gap: The new long-term non-payment-based method replaces the previous use of non-pursuable debt as a proxy for unpaid tax in some tax gaps. The ATO's new payment gap estimates for all taxes and populations contributed to the following percentage point increases compared with the previous approach.								
	<table><tr><th>2020–21</th><th>2021–22</th><th>2022–23</th><th>2023–24</th></tr><tr><td>0.4</td><td>0.7</td><td>0.6</td><td>0.5</td></tr></table>	2020–21	2021–22	2022–23	2023–24	0.4	0.7	0.6	0.5
	2020–21	2021–22	2022–23	2023–24					
	0.4	0.7	0.6	0.5					
	<p>The previous approach used debt that was uneconomical to pursue as a proxy for unpaid tax in some gaps. The payment gap now uses all observed debt types over time and historical payment patterns to estimate assessed liabilities expected to remain unpaid over the very long term, making the measure more comprehensive and responsive to economic conditions, payment behaviour, and ATO action.</p> <p>Since 2021–22, the ATO has moved from COVID-era support and payment arrangements to a data-driven model that segments taxpayers by capacity, willingness and compliance history. It combines prevention and early intervention for those needing support with firmer recovery action for those who deliberately avoid their obligations.</p> <p>Despite the challenging economic conditions, the payment gap declined from its post-pandemic peak of 1.0% of theoretical revenue in 2021–22 to 0.7% in 2023–24.</p> <p>Further details are available at ato.gov.au/taxgap.</p>								
Type of measure	Effectiveness								
Data sources	ATO systems, models, economic data ^(c)								
Methodology	<p>Tax gaps represent the ATO's estimate of the difference between the total theoretical tax that would be collected if every taxpayer were fully compliant with the law, and the amount expected to be collected (accounting for compliance activities). The ATO estimates a range of gaps for transactional taxes, income taxes and administered programs. Over time, the ATO intends to estimate the sub-components of the tax gap, to reflect the performance of the tax system where taxpayers are required to participate, lodge, report correctly and pay.</p> <p>This year, the tax gap is calculated as the sum of 2 components:</p> <ol style="list-style-type: none">1. The assessment gap reflects the difference in revenue between the amount of tax that should be reported under the law and the amount of tax reported (including any amounts identified through ATO compliance activity). This component covers what is intended to become the participation, lodgment, and correct reporting gaps, and is calculated as:<ul style="list-style-type: none">• in dollars, the sum of all differences between expected tax that would be collected under full compliance ('total theoretical liability') and the tax reported (after accounting for compliance activity) for all<ul style="list-style-type: none">– income-based tax gaps– transaction-based tax gaps.2. The payment gap reflects the difference between the amount of tax reported and the amount that is expected to be paid. This is calculated by deriving estimates of how much tax will not be paid over the long term (long-term non-payment) for each tax gap, and provision for refundable tax offsets related to reported, but unpaid, withholding:<ul style="list-style-type: none">• in dollars, the sum of all long-term non-payment estimates for<ul style="list-style-type: none">– income-based tax gaps– transaction-based tax gaps– the pay as you go withholding administered program gap. <p>Concepts above (tax gap, assessment gap and payment gap) are then expressed as a percentage of expected total theoretical liability, which is calculated as:</p> <ul style="list-style-type: none">• in dollars, the sum of all total theoretical liability estimates for<ul style="list-style-type: none">– income-based tax gaps– transaction-based tax gaps.								

Table 3.7 Tax gap – As a proportion of revenue, 2023–24 to 2025–26 *continued*

Methodology <i>continued</i>	Transaction-based tax gaps												
	These are taxes collected by the ATO at points of economic transactions, typically further up the supply chain, with tax ultimately borne by consumers. The ATO produces tax gap estimates for: GST, luxury car tax, wine equalisation tax, alcohol excise, fuel excise.												
	The ATO does not collect tobacco excise, nor produce a tax gap estimate for tobacco duty.												
	Income-based tax gaps												
	These are taxes collected by the ATO on income or profits as personal income tax, corporate tax or taxes on rents and earnings, typically as withholding and balances of assessment. The ATO produces tax gap estimates for: high wealth individuals, individuals not in business, large corporate groups, large superannuation funds, medium business, petroleum resource rent tax, small business, small superannuation funds and fringe benefits tax.												
	Details of the principles and approaches we use to measure tax gaps are available at ato.gov.au/taxgapprinciple .												
	Performance rating scale												
	<table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td><=7.1%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>>7.1% to <=8.6%</td></tr><tr><td>Not achieved</td><td>◆</td><td>>8.6%</td></tr></table>	Result	Symbol	Description	Achieved	●	<=7.1%	Substantially achieved	■	>7.1% to <=8.6%	Not achieved	◆	>8.6%
Result	Symbol	Description											
Achieved	●	<=7.1%											
Substantially achieved	■	>7.1% to <=8.6%											
Not achieved	◆	>8.6%											
Limitations	<p>Tax gap estimates are affected by factors the ATO cannot fully control. Alongside the ATO's services and compliance actions, a range of external economic factors as well as portfolio budget decisions and policy change can influence the gap.</p> <p>Assessing the performance of the tax system and its administration involves consideration of a range of factors rather than the tax gap estimates in isolation.</p> <p>Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system.</p> <p>Information used to calculate tax gaps improves over time. As new information comes to hand, previous years' gap estimates are revised to reflect new information. This includes additional compliance actions undertaken in relation to previously published year(s); while provisions are made for these, this can cause significant revisions to prior year estimates.</p> <p>Tax gap targets are developed in advance of the estimation of the tax gap measure. When a method change is known in advance, the target setting will include any compensating adjustments, to ensure the tax gap measure and tax gap target are aligned to enable meaningful comparison. When a change to method might occur after the target setting, this variation will be documented in the annual performance statements commentary.</p> <p>This year's high wealth income tax gap estimate is significantly higher than previous results and is subject to greater uncertainty, as it has been materially influenced by a small number of individual cases. While the effect on the overall tax gap is minor and the estimate remains broadly indicative of the risks within this population, the ATO will review both the methodology and the suitability of the population used to measure the high wealth tax gap.</p> <p>While tax gap estimates share many features and occasionally similar methods with financial reporting concepts, 2 key differences make like-for-like comparison difficult:</p> <ul style="list-style-type: none">• Timing – tax gaps are analysis related to the income year the lodgments and assessments cover, not the financial year in which the assessments are made or the payments received.• Provisioning – tax gaps have provisions for expected as well as observed transactions; this includes provisions for future lodgments, amendments and payments related to income years in the past to address maturity.												
Variation from Australian Taxation Office corporate plan 2025–26	Nil												

Notes

- (a) The tax gap target changed to '7.1%' in 2025–26, from '7.4%' in 2024–25. The tax gap target for 2023–24 was 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available'.
- (b) Prior-year results and assessments shown in the table are those published in the relevant annual report. They have been reproduced without change. The analysis supporting this measure, and the coverage of Part 4 of this annual report, include refreshed prior-year estimates incorporating the latest available information and method changes to provide meaningful trends over time.
- (c) Further details are available at ato.gov.au/taxgapprinciple.

Total revenue effects – Revenue from all compliance activities

Table 3.8 Total revenue effects – Revenue from all compliance activities, 2023–24 to 2025–26

Description	A measure of the revenue collected (or overpayments reduced) as a result of ATO activities that aim to positively influence the compliance behaviour of taxpayers.																																		
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26																																		
2025–26 target	\$16.3b ^(a)																																		
Results	2025–26	\$18.9b	Achieved																																
	2024–25	\$18.5b	Achieved																																
	2023–24	\$18.5b	Achieved																																
Analysis	<p>In 2025–26, the ATO achieved a total revenue effects (TRE) result of \$18.9 billion, exceeding the \$16.3 billion target by approximately \$2.6 billion or 16%.</p> <p>This strong performance reflects the ATO's continued commitment to ensuring taxpayers pay the right amount of tax and aligns directly with our purpose to collect tax so that government can deliver services for the Australian community.</p> <p>TRE is a measure of the effectiveness of the ATO's compliance strategies at collecting and protecting revenue, promoting fairness across the system and influencing future voluntary compliance. Compliance strategies are designed to maintain broad levels of compliance across the tax and superannuation systems while allowing us to focus on areas that are out of tolerance or at risk of moving out of tolerance.</p> <p>Compliance activities completed as part of our strategies, including preventative actions, audits, reviews and lodgment enforcement, focus on correcting past and influencing future behaviour to improve ongoing compliance.</p> <p>Revenue from 'lodgments received after action' reached an all-time high of \$6.1 billion while sustained lodgment compliance is estimated to have contributed an additional \$1 billion in revenue effects in 2025–26. The decrease from \$2.2 billion in 2024–25 for sustained lodgment compliance is due to a methodological change to shorten the period that we measure the impact of interventions, based on updated research and changes in taxpayer lodgment behaviour. Lodgment compliance activities continue to operate at similar levels and remain effective in re-engaging taxpayers with the tax system.</p> <p>In 2025–26, prevention estimates were down to \$0.6 billion, results from audits increased to \$8.9 billion, and sustained compliance estimates remained stable at approximately \$2.4 billion, all reflecting continued effectiveness in improving correct reporting when we engage taxpayers with compliance activity.</p> <p>Estimates contributing to TRE from 2023–24 to 2025–26 include:</p> <table> <tr> <th>Total revenue effects category</th><th>2023–24 \$b</th><th>2024–25 \$b</th><th>2025–26 \$b</th></tr> <tr> <td>Lodgments received after action</td><td>4.8</td><td>4.7</td><td>6.1</td></tr> <tr> <td>Sustained lodgment</td><td>1.9</td><td>2.2</td><td>1.0</td></tr> <tr> <td>Prevention</td><td>0.7</td><td>0.9</td><td>0.6</td></tr> <tr> <td>Audit actions and incorrect payments stopped</td><td>8.5</td><td>8.3</td><td>8.9</td></tr> <tr> <td>Sustained compliance</td><td>2.6</td><td>2.4</td><td>2.4</td></tr> <tr> <td>Significant refunds</td><td>–0.1</td><td>–0.1</td><td>–0.2</td></tr> <tr> <td>Total revenue effects</td><td>18.5</td><td>18.5</td><td>18.9</td></tr> </table> <p>During 2025–26, the ATO delivered on all TRE commitments from specifically-funded compliance programs. Programs include those for personal income tax, the shadow economy and GST compliance, the Phoenix Taskforce, the Serious Financial Crime Taskforce, the Tax Avoidance Taskforce and the Counter Fraud Program.</p>			Total revenue effects category	2023–24 \$b	2024–25 \$b	2025–26 \$b	Lodgments received after action	4.8	4.7	6.1	Sustained lodgment	1.9	2.2	1.0	Prevention	0.7	0.9	0.6	Audit actions and incorrect payments stopped	8.5	8.3	8.9	Sustained compliance	2.6	2.4	2.4	Significant refunds	–0.1	–0.1	–0.2	Total revenue effects	18.5	18.5	18.9
Total revenue effects category	2023–24 \$b	2024–25 \$b	2025–26 \$b																																
Lodgments received after action	4.8	4.7	6.1																																
Sustained lodgment	1.9	2.2	1.0																																
Prevention	0.7	0.9	0.6																																
Audit actions and incorrect payments stopped	8.5	8.3	8.9																																
Sustained compliance	2.6	2.4	2.4																																
Significant refunds	–0.1	–0.1	–0.2																																
Total revenue effects	18.5	18.5	18.9																																

Table 3.8 Total revenue effects – Revenue from all compliance activities, 2023–24 to 2025–26 *continued*

Analysis continued	<p>Future improvements</p> <p>We are continuing to improve TRE so it provides a more comprehensive and reliable estimate of the revenue effects of our compliance activities. Our current priorities are to:</p> <ul style="list-style-type: none"> • better measure system resilience activities that prevent revenue loss, by detecting and disrupting fraud or unauthorised activity before it enters the tax and superannuation systems • strengthen lodgment estimates, by testing an alternative method that isolates the lodgments secured due to ATO action, while retaining the existing method that measures lodgments received after action • develop estimates for payment activities, including the effects of reminders, debt collection, director penalty notices and garnishee actions. <p>These improvements will broaden the activities captured and strengthen the evidence used to estimate the ATO's contribution to revenue collection, system integrity and voluntary compliance. For more information, see Part 4 Revenue performance – Total revenue effects on page 98.</p>
Type of measure	Effectiveness
Data sources	ATO systems, models
Methodology	<p>TRE estimates how much more revenue the ATO collects, or how much in incorrect payments it stops, than would have occurred without our compliance activities. For TRE, these are activities that support taxpayers to meet their lodgment obligations or report the correct amounts in their returns and statements.</p> <p>We use a range of documented methods to estimate the revenue effects of these compliance activities, selecting the approach best suited to the activity and available evidence. Each method estimates what would likely have occurred without the relevant compliance activity. We then group the resulting revenue effects according to whether the activity relates to lodgment or correct reporting obligations and its impact on addressing past non-compliance or improving future compliance.</p> <p>Lodgment:</p> <p>Revenue from lodgments received after action – This is revenue collected from lodgments made after we undertake a compliance activity to secure an overdue lodgment that otherwise may not have been made. It also includes default assessments and non-lodgment penalties.</p> <p>Sustained lodgment compliance – This is the estimated revenue from taxpayers who continue to meet their lodgment obligations voluntarily after a compliance activity has re-engaged them with the tax system.</p> <p>Correct reporting:</p> <p>Prevention – This is the estimated additional revenue from compliance activities that help taxpayers meet their correct reporting obligations before they lodge, including prompts, targeted advice and cooperative compliance arrangements.</p> <p>Audit actions and incorrect payments stopped – This includes cash collected from liabilities, penalties and interest arising from audits and other correct reporting compliance activities, as well as refunds and other incorrect payments we prevent.</p> <p>Sustained compliance – This is the estimated additional revenue from taxpayers who continue to meet their correct reporting obligations in later periods because an earlier compliance activity changed their reporting behaviour.</p> <p>Balancing Adjustments:</p> <p>Significant refunds – These are deducted from TRE where a dispute is resolved (for example, objection or litigation) and results in a refund of an amount previously counted as a revenue effect.</p>

Table 3.8 Total revenue effects – Revenue from all compliance activities, 2023–24 to 2025–26 *continued*

Limitations	<p>TRE is an estimate rather than a complete measure of the revenue effects of all ATO compliance activities. Estimating revenue effects requires us to determine what taxpayers would otherwise have lodged, reported or paid without a compliance activity; an outcome that cannot be directly observed.</p> <p>Results depend on the available data, the assumptions made and the method used. Statistical estimates can be limited where comparable taxpayers are unavailable, while debt collection and some preventative and case-by-case activities are not yet captured.</p> <p>Our lodgment estimates rely on critical assumptions about whether, and for how long, lodgments received after a compliance activity can be attributed to that activity. We are reviewing these assumptions and developing alternative methods to isolate the effects of our lodgment work that are less sensitive to assumptions (see page 101).</p> <p>The two key assumptions that impact the TRE are period of effect and the attribution of ATO intervention activity:</p> <p>Period of effect: is an assumption about how long ATO interventions have an impact on a taxpayer's lodgment compliance. For 2025–26, this assumption was changed from 3 to 1 year for the sustained lodgment compliance (impact \$1.2 billion). The assumption remained unchanged for all other compliance activities.</p> <p>Attribution: is the additional revenue collected from lodgments received after ATO lodgment action. While the ATO is exploring alternative methodologies to strengthen lodgment estimates, there has been no change to the current approach that reports 100% of the revenue collected from outstanding lodgments that are received after ATO action. If the attribution assumption was adjusted down through a methodology change to 90% or 75%, this would impact the TRE result by approximately \$0.6 billion and \$1.5 billion, respectively. In the event that these changes had been adopted for 2025–26, they would not have impacted on the achievement of the overall measure result reported.</p> <p>We continue to improve and expand TRE as data, systems and evidence develop.</p>
Variation from Australian Taxation Office corporate plan 2025–26	Nil

Note

(a) The total revenue effects target changed to '\$16.3 billion' in 2025–26, from '\$16.0 billion' in 2024–25. The total revenue effects target for 2023–24 was \$15.7 billion.

Payment – Proportion of liabilities paid on time by value

Table 3.9 Payment – Proportion of liabilities paid on time by value, 2023–24 to 2025–26

Description	A measure of the effectiveness of the ATO's debt prevention and broader payment compliance strategies.																			
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26																			
2025–26 target	88.0%																			
Results	2025–26	90.1%	●	Achieved																
	2024–25	89.4%	●	Achieved																
	2023–24	89.6%	●	Achieved																
Analysis	<p>At 30 June 2026, the proportion of liabilities paid on time by value was 90.1%, exceeding the target of 88% and representing an increase of 0.8 percentage points^(a) from the 2024–25 result of 89.4%.</p> <p>The improvement reflects stronger payment performance across the tax system, with increases recorded across most taxpayer segments and key revenue products. This was supported by an increase in liabilities paid within 90 days, indicating that taxpayers with the capacity to pay continue to meet their obligations in a timely manner.</p> <p>Improvements were observed in the self-managed superannuation funds and APRA-regulated superannuation funds segments, while GST, PAYG withholding and PAYG instalments all recorded improved payment-on-time outcomes. The overall result was driven by improved performance across most taxpayer segments, with only individuals and privately owned and wealthy groups recording a decline compared to the previous year, noting that small business continues to perform lower than other segments.</p> <p>Payment performance continues to vary across taxpayer segments and revenue products. Larger and more highly regulated taxpayers generally achieved stronger payment outcomes, reflecting more mature governance arrangements and greater capacity to meet payment obligations. In contrast, payment performance for some small businesses and individuals continues to be affected by financial pressures and cash-flow constraints.</p> <p>The table below provides a breakdown of payment performance by segments at 30 June:</p> <table><tr><th>Segment</th><th>2025–26 performance</th></tr><tr><td>Public and multinationals</td><td>97.7%</td></tr><tr><td>Privately owned and wealthy groups</td><td>86.9%</td></tr><tr><td>Not-for-profit</td><td>99.3%</td></tr><tr><td>Small business</td><td>68.3%</td></tr><tr><td>APRA-regulated superannuation funds</td><td>98.6%</td></tr><tr><td>Individuals</td><td>70.5%</td></tr><tr><td>Self-managed superannuation funds</td><td>76.5%</td></tr></table>				Segment	2025–26 performance	Public and multinationals	97.7%	Privately owned and wealthy groups	86.9%	Not-for-profit	99.3%	Small business	68.3%	APRA-regulated superannuation funds	98.6%	Individuals	70.5%	Self-managed superannuation funds	76.5%
	Segment	2025–26 performance																		
	Public and multinationals	97.7%																		
	Privately owned and wealthy groups	86.9%																		
	Not-for-profit	99.3%																		
	Small business	68.3%																		
	APRA-regulated superannuation funds	98.6%																		
	Individuals	70.5%																		
	Self-managed superannuation funds	76.5%																		
	<p>As part of ongoing assurance activities, the ATO identified 2 matters affecting the calculation of the result for this measure during 2025–26:</p> <ol style="list-style-type: none">1. An issue predominantly affecting APRA-regulated superannuation funds, where a small number of taxpayers with disputed tax liabilities had GST credits processed in a way that resulted in some activity statement liabilities being incorrectly reported as not paid on time. This issue was remediated prior to determining the performance results.2. An issue affecting amended income tax assessments, where some payments were assessed against the due date of the original assessment rather than the amended assessment, resulting in some liabilities being incorrectly reported as not paid on time. This issue remains under review and will be addressed in future reporting.																			

Table 3.9 Payment – Proportion of liabilities paid on time by value, 2023–24 to 2025–26 *continued*

Analysis continued	In addition, Commissioner-raised debt from compliance activities placed further downward pressure on the result for this measure. These liabilities are typically higher in value and often involve compliance, review or dispute processes that extend payment timeframes. At 30 June 2026, \$5.4 billion in Commissioner-raised (primary) debt less than 12 months old remained unpaid, an increase of \$1.4 billion from the previous year.		
	The table below shows a breakdown of the unpaid Commissioner-raised liabilities less than 12 months old by revenue product at 30 June 2026:		
	Revenue Product	2024–25 \$b	2025–26 \$b
	Income tax	2.97	4.14
	Activity statement	0.51	0.62
	Super guarantee charge	0.41	0.47
	Unassigned	0.03	0.08
	Excise	0.01	0.03
	Fringe benefits tax	0.01	0.03
	Total	3.95	5.37
	Notwithstanding the impact of these issues, the 2025–26 result demonstrates an overall improvement in payment timeliness and reflects the continued willingness and ability of most taxpayers to meet their obligations as they fall due.		
Type of measure	Effectiveness		
Data sources	ATO systems		
Methodology	<p>The ATO identifies the number and amount of liabilities raised for a particular financial year that are currently due and determines whether they have been paid on time and in full. Amounts not yet due but paid in full are also included. A liability is deemed to be paid on time if received within 7 days* of the due date. The value of payments made on time uses the earlier of the effective date and processed date. The value of tax liabilities raised uses the latter of the effective date and processed date. The value of tax liabilities raised may relate to previous financial years.</p> <p>Payments made on time is divided by tax liabilities raised to obtain the result (multiplied by 100 and expressed as a percentage).</p> <p>* The grace period to determine whether a liability is paid on time is extended to 14 days at the end of the calendar year, to account for processing time over the ATO shutdown period.</p>		
Limitations	<p>Pre-payment of liabilities may be offset to existing debits rather than retained for a future unreported liability. This results in small adjustments when the data is updated with the liability and matched appropriately.</p> <p>For some income tax amended assessments, the original due date is being captured for the payment due date, rather than the effective due date of the amended assessment. This may result in an understatement of performance.</p>		
Variation from Australian Taxation Office corporate plan 2025–26	Nil		

Note

(a) The change is calculated using unrounded figures and may differ from calculations using the figures shown.

Debt – Ratio of collectable debt to net tax collections

Table 3.10 Debt – Ratio of collectable debt to net tax collections, 2023–24 to 2025–26

Description	A measure of the effectiveness of the ATO's debt prevention, collection and management strategies.																					
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26																					
2025–26 target	7.0% ^(a)																					
Results	2025–26	8.5%	◆	Not achieved																		
	2024–25	8.1%	◆	Not achieved																		
	2023–24	8.4%	■	Substantially achieved																		
Analysis	<p>In 2025–26, the ratio of collectable debt to net tax collections was 8.5% which was above the target of 7.0% and 0.4 percentage points higher than the previous year result. Collectable debt increased by 14.6% to \$62.2 billion, while net tax collections increased by 8.0% to \$687.4 billion year-on-year. The increase in collectable debt in 2025–26 occurred alongside growth in disputed and insolvent debt balances, resulting in total debt increasing to \$126.27 billion.</p> <p>The growth in collectable debt was driven by several factors, including increasing interest charges from ageing debt, growth in Commissioner-raised liabilities and broader economic pressures that affected some taxpayers' ability to meet their obligations.</p> <p>During 2025–26, the ATO implemented the signs of changed circumstances (SoCC) model, which identifies taxpayers whose circumstances may have changed in a way that improves their capacity to pay outstanding debts, resulting in some debts being moved from inactive to active collection. While this resulted in a higher reported collectable debt balance in the short term, it better reflects debts that may now be recoverable, improving the accuracy and integrity of debt reporting.</p> <p>Although the ratio remained above target, debt recovery performance improved throughout 2025–26. The ATO continued to strengthen its payment strategy through earlier engagement with taxpayers, increased contact activity, improved targeting of treatments, machine learning model retraining and enhanced analytical capability. These improvements supported more effective identification and management of payment risks and contributed to higher levels of debt recovery across key taxpayer segments.</p> <p>Overall, the increase in collectable debt reflects a combination of factors impacting taxpayer debt levels and improvements to debt reporting visibility and integrity, while underlying payment behaviour and debt recovery outcomes continued to improve throughout the year.</p> <p>The table below provides a breakdown of the ATO's taxpayer debt levels over the past 2 years.^{(b)(c)(d)(e)}</p> <table><tr><th>Debt category</th><th>2024–25 \$b</th><th>2025–26 \$b</th></tr><tr><td>Collectable debt – debt not subject to dispute or insolvency</td><td>54.25</td><td>62.17</td></tr><tr><td>Disputed debt – debt subject to dispute (objection, review or appeal)</td><td>22.64</td><td>26.78</td></tr><tr><td>Insolvent debt – debt subject to a form of insolvency</td><td>18.38</td><td>20.67</td></tr><tr><td>Debt on hold (Total) – debt that is deemed uneconomic to pursue and not currently subject to active ATO recovery action</td><td>6.30</td><td>16.65</td></tr><tr><td>Total</td><td>101.56</td><td>126.27</td></tr></table> <p>For more detailed reporting on debt refer to Appendix 7 Debt management on page 250.</p>				Debt category	2024–25 \$b	2025–26 \$b	Collectable debt – debt not subject to dispute or insolvency	54.25	62.17	Disputed debt – debt subject to dispute (objection, review or appeal)	22.64	26.78	Insolvent debt – debt subject to a form of insolvency	18.38	20.67	Debt on hold (Total) – debt that is deemed uneconomic to pursue and not currently subject to active ATO recovery action	6.30	16.65	Total	101.56	126.27
Debt category	2024–25 \$b	2025–26 \$b																				
Collectable debt – debt not subject to dispute or insolvency	54.25	62.17																				
Disputed debt – debt subject to dispute (objection, review or appeal)	22.64	26.78																				
Insolvent debt – debt subject to a form of insolvency	18.38	20.67																				
Debt on hold (Total) – debt that is deemed uneconomic to pursue and not currently subject to active ATO recovery action	6.30	16.65																				
Total	101.56	126.27																				
Type of measure	Effectiveness																					
Data sources	ATO systems, ATO financial statements																					

Table 3.10 Debt – Ratio of collectable debt to net tax collections, 2023–24 to 2025–26 continued

Methodology	The ratio of collectable debt to net tax collection is the average of 12 consecutive monthly ratios, calculated each month by dividing collectable debt by the rolling net tax collections (multiplied by 100 and expressed as a percentage). The collectable debt is the monthly point-in-time collectable debt figure, and net tax collections is the sum of net tax collections received and processed in the prior 12-month period.		
	The calculation method uses the effective date of payments, which more closely reflects the date when the payment is received by the ATO and more accurately determines when a tax liability is paid.		
	Performance rating scale		
	Result	Symbol	Description
	Achieved	●	Less than or equal to 7.0%
	Substantially achieved	■	7.1% to 7.5%
	Not achieved	◆	Greater than 7.5%
	Limitations	The ratio is driven by external factors, and it can be difficult to isolate specific drivers. This ratio cannot be used in isolation and is best viewed collectively with the entire suite of enterprise-level performance measures.	
Variation from Australian Taxation Office corporate plan 2025–26	Nil		

Notes

- (a) The debt target changed to '7.0%' in 2025–26, from 'between 6.5% and 7.0%' in 2024–25. The debt target for 2023–24 was 'between 7.5% and 8.0%.'
- (b) Totals may differ from the sum of components due to rounding.
- (c) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the *Taxation Administration Act 1953* (TAA), insolvency debt and uneconomical to pursue debt in this table will vary from Table 7.15 in Appendix 7, as it includes main revenue types only.
- (d) Prior to 2025–26, only non-pursued uneconomical debts included in taxpayer account balances were reported, as debts not visible in taxpayer account balances could not be reported due to system limitations. Following enhancements to reporting functionality, from 2025–26 all non-pursued uneconomical debts will be reported, including those that are not visible in taxpayer account balances. To support year-on-year comparability, if 2024–25 had been prepared on this basis, non-pursued uneconomical debt is estimated to have been \$19.8 billion and total debt is estimated to have been \$115.0 billion.
- (e) Receivables reported in the ATO financial statements are recognised on an accrual accounting basis and exclude debt determined to be uneconomical to pursue. The debt reported in this table differs from the receivables reported in the financial statements due to differences in recognition methods, year-end accounting adjustments, and rounding.

Bad and doubtful debts and remissions – Ratio of debt uneconomical to pursue to net tax collections

Table 3.11 Bad and doubtful debts and remissions – Ratio of debt uneconomical to pursue to net tax collections, 2023–24 to 2025–26

Description	A measure of the ratio of debt determined to be uneconomical to pursue as a proportion of year-to-date net tax collections.			
Authority source	2025–26 PBS Administered Program 1.17 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	Below 1%			
Results	2025–26	–0.5%	●	Achieved
	2024–25	0.4%	●	Achieved
	2023–24	0.6%	●	Achieved
Analysis^{(a)(b)}	<p>At 30 June 2026, the ratio of debt uneconomical to pursue to net tax collections (NTC) is –0.5%, representing a significant decrease compared to prior years. The target has been achieved as the result is below 1%.</p> <p>During 2025–26, the net amount of debt determined to be uneconomical to pursue was negative \$3.2 billion. This was due to a greater amount of debt on hold being determined to be collectable than the amount of debt that was determined to be uneconomical to pursue.</p> <p>The 2025–26 results are not directly comparable to prior years, as they have been materially influenced by processes aimed at improving debt visibility and system integrity. These improvements included:</p> <ul style="list-style-type: none"> • implementation of the signs of changed circumstances (SoCC) model which reclassified as collectable debt previously determined uneconomical to pursue, to ensure more accurate classification and treatment, and • implementation of the Debts on Hold project (to make debts previously uneconomical to pursue visible in taxpayers accounts) in relation to complex accounts. <p>Notwithstanding these adjustments, the reported outcome represents a substantial reduction relative to prior years where more debt was non-pursued than re-raised. Without the SoCC and debts on hold program impacts noted above, the debt uneconomical to pursue to NTC ratio (preliminary) would have been 0.1%. Further work is underway to assess the effectiveness and longer-term impact of these processes, including the extent to which they improve debt collection outcomes versus driving timing and classification effects.</p>			
Type of measure	Effectiveness			
Data sources	ATO systems, ATO financial statements			
Methodology	<p>Uneconomical to pursue debt data is extracted from ATO systems, while the year-to-date net tax collection figure is obtained from ATO financial statements.</p> <p>The result is based on the amount of debt the ATO has not pursued (on the basis it is uneconomical to do so) as a percentage of net tax collections.</p> <p>The sum of total net non-pursuit (uneconomical) amounts processed is divided by the sum of net tax collections (multiplied by 100 and expressed as a percentage). The net non-pursuit amount accounts for any debt amounts being determined to be collectable (e.g. by applying the Signs of Changed Circumstances model).</p>			
Limitations	This ratio cannot be viewed in isolation and is best viewed as part of a suite of measures.			
Variation from Australian Taxation Office corporate plan 2025–26	Nil			

Notes

- (a) The Commissioner is required to use available tax credits and refunds to offset existing debts. This includes instances where a debt has been determined as not economical to pursue (placed on hold). The Commissioner has deferred recovery action for debts placed on hold prior to 1 January 2017, pending enactment of an announced legislative change. This has resulted in \$80 million of on-hold taxpayer debts not being offset by available tax credits or refunds in the 2025–26 reporting period (2024–25: \$81 million). Refunds are applied to offset on-hold debts to which the legislative change is not expected to apply.
- (b) Receivables reported in the ATO financial statements are recognised on an accrual accounting basis and exclude debt determined to be uneconomical to pursue. The debt reported in this table differs from receivables reported in the financial statements due to differences in recognition methods, year-end accounting adjustments, and rounding.

Cost of collection – Cost to collect \$100

Table 3.12 Cost of collection – Cost to collect \$100, 2023–24 to 2025–26

Description	A measure to show the trend in the ATO's costs of collections of adjusted net taxation collections.			
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	+/- 5c from previous year ^(a) A +/- 5 cent range is used because movements in the Cost of Collection ratio may reflect external influences rather than changes in operational efficiency.			
Results	2025–26	\$0.54 (incl GST)	●	Achieved
		\$0.51 (excl GST)		
	2024–25	\$0.54 (incl GST)	●	Achieved
		\$0.51 (excl GST)		
	2023–24	\$0.56 (incl GST)	●	Achieved
		\$0.54 (excl GST)		

Analysis

The cost of collection measures the cost of collecting every \$100 of tax.

The cost to collect \$100 remained steady from 2024–25, at \$0.54 (including GST and its administration costs) and remained at \$0.51 (excluding GST) for 2025–26.

Costs associated with collecting tax increased by 8% compared to last year and tax collections rose by 8%, resulting in no movement to the ratios.

The increase in costs is primarily driven by increased investment in several compliance activities and systems (supported by additional operating funding).

Tax collections for 2025–26 have increased by 8%, with most heads of revenue increasing over the year. The largest contributor was income taxes, driven by strength in gross income tax withholding from salary and wages in addition to higher company tax, gross other individuals tax, and superannuation fund tax collections. GST also contributed to growth, consistent with continued growth in consumption. Excise collections decreased due to the temporary reduction of fuel excise rates.

A steady downward trend of the cost of collection ratio can be an indicator of efficient and effective tax administration. A sharp increase or decrease within the movement of the ratio is usually a result of internal or external factors and limitations influencing the ratio.

As indicated in the graph below, over time the ATO has seen a gradual downward trend in the cost of collection ratio, indicating improved efficiency and effectiveness of revenue collection processes. This is generally in line with the expected trend, which is a calculated average of the ratio from 2016–17 of a decrease of 2.5 cents.

The ratio shifted notably with the impacts of the pandemic and buoyant domestic economy. The ratio has since flattened and is now returning to pre-pandemic values with effort on taxation-focused work stabilising in the ratio in recent years, moving back towards the trend line (excluding pandemic years) over time.

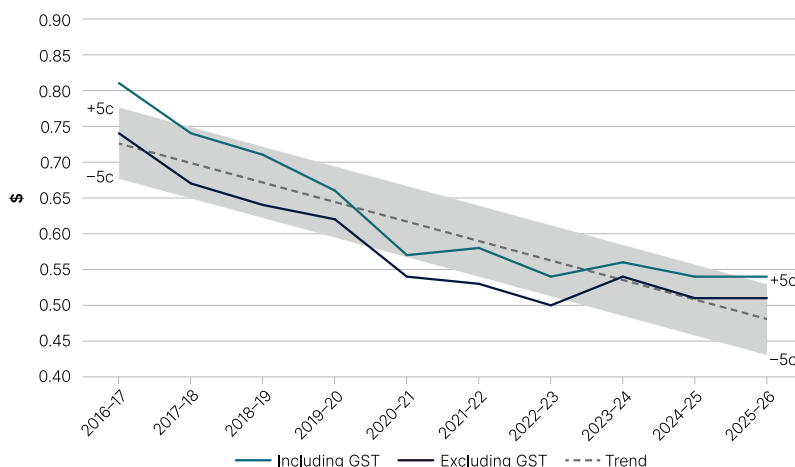


Table 3.12 Cost of collection – Cost to collect \$100, 2023–24 to 2025–26 *continued*

Type of measure	Efficiency and effectiveness
Data sources	ATO systems, models
Methodology	<p>There are 2 ratios reported for this measure. The first includes GST collections and the cost to administer GST, and the second does not. The cost of tax administration and adjusted net tax collections has exclusions in both results.</p> <p>The cost of tax administration is calculated as total departmental expenditure as per trial balance, with the following expenditure excluded:</p> <ul style="list-style-type: none"> • certain exclusions at Program 1.1 Australian Taxation Office • Program 1.2 Tax Practitioners Board • Program 1.4 Australian Charities and Not-for-profits Commission • costs related to superannuation • other agency appropriations • Act of Grace payments • overseas contributions and assignments • resources provided free of charge • other – costs that are reimbursed or not related to taxation collection. <p>Adjusted net taxation collections exclude the following items:</p> <ul style="list-style-type: none"> • Super guarantee charge • SMSF levy • other non-tax revenue. <p>The cost of tax administration is divided by adjusted net tax collections to calculate the result (multiplied by 100 and expressed as a dollar value).</p>
Limitations	<p>The ratio can be impacted by external and internal factors.</p> <p>Adjusted net tax collections – These are generally driven by external factors, such as:</p> <ul style="list-style-type: none"> • overall economic performance of the economy or price effects (inflation) • significant tax rate changes or new taxes • a change in collections timeframes • internal factors under the ATO's control • improvements in taxpayer compliance. <p>Departmental taxation costs – These are directly driven by the ATO budget and include external factors outside the ATO's control, such as:</p> <ul style="list-style-type: none"> • efficiency dividends • increased funding for only a defined period or tax collection work the ATO is expected to 'self-fund'. <p>Internal factors under the ATO's control are:</p> <ul style="list-style-type: none"> • wage increases through enterprise bargaining • adjustments to staffing numbers enabled by technology solutions • productivity improvements • management of supplier costs or increasing costs of ICT sustainment.
Variation from Australian Taxation Office corporate plan 2025–26	Nil

Note

(a) The cost of collection target changed to '+/- 5c from previous year' for 2024–25 from 'consistent with pre-pandemic trend' in 2023–24.

Key activity 2: Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to

Performance measures – detailed assessment

Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs

Table 3.13 Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs, 2023–24 to 2025–26^(a)

Description	An indicator that tracks changes in the costs for those taxpayers who claim an expense for managing their tax affairs (adjusted to changes in earnings).			
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	A decrease, or no more than 2% increase over the prior year figure			
Results	2025–26	3.7% increase (2024–25 returns)		Substantially achieved
	2024–25	2.0% decrease (2023–24 returns)		Achieved
	2023–24	1.9% increase (2022–23 returns)		Achieved
Analysis	<p>The adjusted median cost to individual taxpayers of managing their tax affairs increased by 3.7% in 2024–25 returns. This was above the target of a decrease, or no more than a 2% increase over the prior year figure. However, the result remained within the threshold for a 'target substantially achieved' rating. This followed relatively modest movements in recent years, including a 2.0% decrease in 2023–24 returns and a 1.9% increase in 2022–23 returns.</p> <p>The result reflects growth in taxpayer-reported costs that was higher than growth in average earnings. This measure is based on expenses reported by taxpayers, including fees paid to registered tax agents for preparing and lodging tax returns, purchasing tax reference material and other expenses incurred in managing their tax affairs.</p> <p>The distribution of claims also shifted in 2024–25 returns. The proportion of taxpayers claiming less than \$200 decreased from 48.0% to 44.7%, while the proportion claiming between \$200 and \$500 increased. As a result, lower-value claims accounted for a smaller share of reported claims, contributing to the increase in the median. This outcome is consistent with increased use of online services and self-lodgment for simpler tax returns. As more straightforward returns are completed using pre-filled information, taxpayers using tax agents are increasingly concentrated among those with more complex affairs and higher compliance costs, contributing to a higher median claim amount.</p> <p>The proportion of individual taxpayers claiming a deduction for the cost of managing their tax affairs was 38% in 2024–25. This was the same level of response when compared to the last 2 income years, suggesting that year-on-year movements in the measure primarily reflect changes in claim amounts rather than changes in the proportion of taxpayers making a claim.</p> <p>The ATO continues to improve digital services and streamline interactions with taxpayers and tax agents to reduce the time and effort required to meet tax obligations.</p>			
Type of measure	Effectiveness			
Data sources	<p>ATO Individuals tax return data</p> <p>Australian Bureau of Statistics (ABS), Average Weekly Earnings – Persons; Full Time; Adult: Ordinary time earnings (AWOTE) – Original series</p>			

Table 3.13 Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs, 2023–24 to 2025–26^(a) *continued*

Methodology	<p>We calculate the median for all non-zero amounts in the ATO Individuals tax return data: Item D10 label M, Cost of managing tax affairs – other expenses incurred in managing your tax affairs.</p> <p>We report the median, rather than the average, to mitigate potential data issues.</p> <p>We use the relevant ABS data to calculate a deflator of the annual growth in the AWOTE full-time adult series. The deflator is applied to the median to account for wage growth between income years, thereby measuring the change in real terms.</p> <p>The result is expressed as a percentage change by dividing the adjusted median for the current income year by the adjusted median for the previous income year.</p>												
	<table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>Target achieved or exceeded</td></tr><tr><td>Substantially achieved</td><td>■</td><td>Performance was up to 2% above the target (up to 4% increase)</td></tr><tr><td>Not achieved</td><td>◆</td><td>Performance was more than 2% above target (above 4% increase)</td></tr></table>	Result	Symbol	Description	Achieved	●	Target achieved or exceeded	Substantially achieved	■	Performance was up to 2% above the target (up to 4% increase)	Not achieved	◆	Performance was more than 2% above target (above 4% increase)
	Result	Symbol	Description										
	Achieved	●	Target achieved or exceeded										
	Substantially achieved	■	Performance was up to 2% above the target (up to 4% increase)										
Not achieved	◆	Performance was more than 2% above target (above 4% increase)											
Limitations	<p>Changes in compliance costs are impacted by policy changes that are outside the ATO's control.</p> <p>Many items reported at item D10 label M Cost of managing tax affairs – other expenses incurred in managing your tax affairs in the ATO Individuals tax return data may be subject to market factors outside the ATO's control.</p> <p>Increased myTax usage may reduce the use of tax agents for simple low cost tax returns, which may push up the median cost if it is significant.</p>												
Variation from Australian Taxation Office corporate plan 2025–26	Nil												

Note

(a) AWOTE (average weekly ordinary time earnings) (for full-time adults) is used to adjust these costs to measure the change in real terms.

Service satisfaction – Taxpayer satisfaction with their recent interaction with the ATO

Table 3.14 Service satisfaction – Taxpayer satisfaction with their recent interaction with the ATO, 2023–24 to 2025–26

Description	A measure of the overall taxpayer experience after interacting with the ATO.			
Authority source	2025–26 PBS Program 1.1 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	80%			
Results	2025–26	74%	◆	Not achieved
	2024–25	71%	◆	Not achieved
	2023–24	73%	◆	Not achieved
Analysis	<p>In 2025–26, 74% of taxpayers reported being satisfied with their most recent interaction with the ATO. While this result remains below the target of 80%, it represents an improvement of 3 percentage points from 71% in 2024–25.</p> <p>The proportion of taxpayers that rated their interaction as unacceptable decreased from 29% in 2024–25 to 26% in 2025–26, indicating an overall improvement in taxpayer experience.</p> <p>Issue resolution remained the strongest driver of satisfaction. Taxpayers whose issue was resolved reported satisfaction of 92%, compared with 27% among taxpayers whose issue remained unresolved.</p> <p>Response rate</p> <p>In 2025–26, the number of respondents for the service satisfaction measure was 14,502. This represents an increase of 2,325 (19%) from the previous year when 12,177 responses were received.</p> <p>While the number of responses received increased in 2025–26, the response rate remained stable at 3% as the volume of survey invitations issued also increased to 464,152 in 2025–26 compared to 459,718 in 2024–25.</p> <p>Satisfaction by taxpayer segment</p> <p>Overall satisfaction for individual taxpayers not in business was 75% in 2025–26; this represents a 3 percentage point increase from the previous year. Micro business taxpayers had an overall satisfaction of 73% in 2025–26. This also represents a 3 percentage point increase from the previous year. Both of these segments accounted for 13,884 (96%) of the 14,502 responses received in 2025–26.</p> <p>Other taxpayer segments (large businesses and not-for-profits) were excluded from the segment analysis due to insufficient responses but are included in the overall result.</p> <p>Satisfaction by communication channel</p> <p>Overall satisfaction was the highest for taxpayers who interacted with us using the ATO online channel with a result of 81% in 2025–26. This is an increase of 4 percentage points from the previous year. Taxpayers who called the ATO reported overall satisfaction of 72%, an increase of 3 percentage points from the previous year. Taxpayers who had a recent phone interaction from the ATO had a result of 63% in 2025–26, a 1 percentage point increase from 2024–25. These 3 channels make up 13,526 (93%) of the total 14,502 responses received in 2025–26.</p> <p>Other ATO communication channels were excluded from the channel analysis due to insufficient responses but are included in the overall result.</p> <p>Driver analysis</p> <p>The key driver of taxpayer satisfaction related to whether the taxpayer's issue had been resolved, and 92% of taxpayers who reported their issue had been resolved were satisfied with their recent interaction with the ATO in 2025–26. This is an increase from 90% in the previous year.</p> <p>Nearly 3 in every 4 taxpayers (73%) with an unresolved issue rated their recent interaction with the ATO as unacceptable. The overall satisfaction result for these taxpayers was 27% in 2025–26, an increase from 23% in the previous year.</p> <p>The high level of satisfaction among taxpayers that reported their issue had been resolved (92%) and among users interacting via the ATO online channel (81%) reflect improvements to our digital services in 2025–26 to help taxpayers complete common tasks online with less effort.</p> <p>The ATO expects its continued focus on simplifying interactions, reducing effort and preventing errors earlier to support improvements in service satisfaction over time.</p>			

Table 3.14 Service satisfaction – Taxpayer satisfaction with their recent interaction with the ATO, 2023–24 to 2025–26 *continued*

Analysis continued	Future changes <p>From 1 July 2026, the ATO will adopt a new approach to measure and report taxpayer satisfaction with their interactions.</p> <p>This measure will capture a broader range of taxpayer interactions by including visits to ato.gov.au. New survey questions will also be included to capture key aspects of the interaction (easy, fair, secure, transparent) to provide a more complete view of taxpayer experience.</p>												
Type of measure	Output												
Data sources	ATO client experience survey												
Methodology	<p>Results for this measure are derived from a client experience survey sent to a random sample of taxpayers who had a recent interaction with the ATO. Participation is voluntary. Respondents were asked: Which of the following best describes the overall experience of your contact with the ATO on this issue?</p> <ul style="list-style-type: none">• Unacceptable• Acceptable• Excellent <p>The result is calculated by adding the number of respondents who rated their experience as Acceptable or Excellent, then dividing by the total number of responses. The result is reported as a percentage.</p> <p>Satisfaction and response rate results are rounded to the nearest whole number for reporting purposes.</p> <p>The sample is based on interactions where taxpayers’ identities have been verified. Channels include ATO online, inbound phone, outbound phone, Online services for agents, Online services for business, web chat and the Australian Business Register. It excludes general interactions that do not require taxpayers to provide proof of identity, such as visiting ato.gov.au or contacting a call centre for general advice.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>80%–100%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>75–79%</td></tr><tr><td>Not achieved</td><td>◆</td><td><75%</td></tr></table>	Result	Symbol	Description	Achieved	●	80%–100%	Substantially achieved	■	75–79%	Not achieved	◆	<75%
Result	Symbol	Description											
Achieved	●	80%–100%											
Substantially achieved	■	75–79%											
Not achieved	◆	<75%											
Limitations	<p>Taxpayer satisfaction is influenced by factors outside the ATO’s direct control, including the complexity of individual tax matters, taxpayer expectations and legislative requirements.</p> <p>Results are derived from a voluntary survey of taxpayers who recently interacted with the ATO and may not be fully representative of all taxpayers. Respondents with particularly positive or negative experiences may be more likely to participate in the survey compared to other taxpayers.</p> <p>The current measure is limited in its analysis of the drivers of satisfaction beyond issue resolution, timeliness and the number of interactions relating to the issue.</p>												
Variation from Australian Taxation Office corporate plan 2025–26	<p>There has been a wording change in 2025–26 to refer to ‘taxpayer satisfaction’ rather than ‘client satisfaction’. There is no change to the underlying methodology or calculation.</p>												

Key activity 3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community

Performance measures – detailed assessment

Low Income Superannuation Tax Offset – Proportion of original contributions paid within 60 days

Table 3.15 Low Income Superannuation Tax Offset – Proportion of original contributions paid within 60 days, 2023–24 to 2025–26

Description	A measure that demonstrates we are making payments to superannuation funds under the Low Income Superannuation Tax Offset program in a timely manner.			
Authority source	2025–26 PBS Administered Program 1.11 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	97%			
Results	2025–26	98.06%		Achieved
	2024–25	98.68%		Achieved
	2023–24	98.08%		Achieved
Analysis	<p>Low Income Superannuation Tax Offset (LISTO) is a superannuation entitlement for eligible individuals, intended to help boost their superannuation balance. Under the program, the ATO establishes if an individual is eligible to receive a payment. If so, payments to their superannuation fund should occur within 60 days.</p> <p>In 2025–26, 100% of LISTO payments were made to eligible individuals. The proportion of original contributions paid within 60 days was 98.06%, a decrease from 98.68% the previous year and achieving the target of 97%.</p> <p>The ATO reviews its administration of the program on an ongoing basis, to identify and resolve factors that drive delays in payments.</p> <p>Factors contributing to payments not made within the 60-day timeframe include:</p> <ul style="list-style-type: none"> • data from superannuation funds not matching and linking to an individual • beneficiaries and funds not notifying the ATO of their current active accounts • where manual intervention is required when automated processes are unable to be used. <p>The slight decrease in the proportion of payments made within 60 days reflects a system enhancement that improved the matching of superannuation fund data with ATO-held individual records. As a result, more previously unmatched individuals were identified and paid. The increased volume contributed to the marginal decline in timeliness, while still maintaining performance well above target.</p>			
Type of measure	Output			
Data sources	ATO systems			
Methodology	<p>Under the LISTO program, interest is automatically payable if an individual's original contributions are not paid to their superannuation fund within 60 days of determining they have an entitlement.</p> <p>Using ATO systems, we identify the total number of:</p> <ul style="list-style-type: none"> • interest payments made under the LISTO program • payments made to superannuation funds under the LISTO program. <p>The ATO performance against this measure is calculated as the number of cases where interest is not payable divided by the total number of payments made under the program (multiplied by 100 and expressed as a percentage).</p>			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2025–26	Nil			

Superannuation Co-contribution Scheme – Proportion of original co-contributions paid within 60 days

Table 3.16 Superannuation Co-contribution Scheme – Proportion of original co-contributions paid within 60 days, 2023–24 to 2025–26

Description	A measure that demonstrates the ATO is making payments to superannuation funds under the Superannuation Co-contribution Scheme in a timely manner.			
Authority source	2025–26 PBS Administered Program 1.13 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	97%			
Results	2025–26	98.46%	●	Achieved
	2024–25	98.56%	●	Achieved
	2023–24	97.43%	●	Achieved
Analysis	<p>Superannuation co-contribution is a superannuation entitlement where the government may make a co-contribution up to \$500 to eligible individuals that have made personal (after-tax) contributions to their superannuation. Under the program, the ATO establishes if an individual is eligible to receive a payment. If so, payments to their superannuation fund should occur within 60 days.</p> <p>In 2025–26, 100% of superannuation co-contribution payments were made to eligible individuals. The proportion of original co-contributions paid within 60 days under the Superannuation Co-contribution Scheme was 98.46%, a decrease from 98.56% last year and achieving the target of 97%.</p> <p>The ATO is constantly reviewing how it administers the program, to identify and resolve factors that drive delays in payments.</p> <p>Factors contributing to payments made outside of the 60 day timeframe include:</p> <ul style="list-style-type: none"> • data from superannuation funds not matching and linking to an individual • beneficiaries and funds not notifying the ATO of their current active accounts • where manual intervention is required when automated processes are unable to be used. <p>The slight decrease in the proportion of payments made within 60 days reflects a system enhancement that improved the matching of superannuation fund data with ATO-held individual records. As a result, more previously unmatched individuals were identified and paid. The increased volume contributed to the marginal decline in timeliness, while still maintaining performance well above target.</p>			
Type of measure	Output			
Data sources	ATO systems			
Methodology	<p>Under the Superannuation Co-contribution Scheme, interest is automatically payable if an individual's original co-contributions are not paid to their superannuation fund within 60 days.</p> <p>Using ATO systems, we identify the total number of:</p> <ul style="list-style-type: none"> • interest payments made under the scheme • payments made to superannuation funds under the scheme. <p>The ATO performance against this measure is calculated as the number of cases where interest is not payable divided by the total number of payments made under the scheme (multiplied by 100 and expressed as a percentage).</p>			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2025–26	Nil			

Superannuation Guarantee Scheme – Superannuation guarantee gap as a proportion of superannuation guarantee contributions

Table 3.17 Superannuation Guarantee Scheme – Superannuation guarantee gap as a proportion of superannuation guarantee contributions, 2023–24 to 2025–26

Description	This measure is an estimate of the difference between the amount of superannuation guarantee paid, and the amount that would be paid assuming full compliance.																																		
Authority source	2025–26 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2025–26																																		
2025–26 target	5.9%																																		
Results	2025–26	6.1% or \$7,250 million (2023–24)			■	Substantially achieved																													
	2024–25 ^{(a)(b)}	6.0% or \$6,245m (2022–23)			■	Substantially achieved																													
	2023–24 ^{(a)(b)}	6.3% or \$5,157m (2021–22)			■	Substantially achieved																													
Analysis	The net superannuation guarantee (SG) gap for 2023–24 is estimated to be around \$7.3 billion or around 6.1% of the total theoretical amount of SG that should have been paid. While this is above the 2025–26 target of 5.9%, it represents a marginal improvement on trend terms from the revised 2022–23 result of 6.2% (considering the impact of long-term non-payment).																																		
	<table><tr><th>Theoretical contributions</th><th>2018–19</th><th>2019–20</th><th>2020–21</th><th>2021–22</th><th>2022–23</th><th>2023–24</th></tr><tr><td>Total (\$m)</td><td>66,074</td><td>70,992</td><td>73,482</td><td>81,997</td><td>105,916</td><td>119,118</td></tr><tr><td>Net gap (\$m)</td><td>4,098</td><td>4,626</td><td>5,228</td><td>5,522</td><td>6,586</td><td>7,250</td></tr><tr><td>Net gap (%)</td><td>6.2</td><td>6.5</td><td>7.1</td><td>6.7</td><td>6.2</td><td>6.1</td></tr></table>							Theoretical contributions	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	Total (\$m)	66,074	70,992	73,482	81,997	105,916	119,118	Net gap (\$m)	4,098	4,626	5,228	5,522	6,586	7,250	Net gap (%)	6.2	6.5	7.1	6.7	6.2	6.1
	Theoretical contributions	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24																												
	Total (\$m)	66,074	70,992	73,482	81,997	105,916	119,118																												
	Net gap (\$m)	4,098	4,626	5,228	5,522	6,586	7,250																												
	Net gap (%)	6.2	6.5	7.1	6.7	6.2	6.1																												
	The ATO has progressively strengthened its SG compliance approach through expanded use of Single Touch Payroll and superannuation fund data, enabling a shift from reactive compliance activity towards earlier, more proactive detection of SG underpayment.																																		
	This is evident in the amount of SG Charge liabilities raised by the ATO increasing from 2021–22 following a period of reduced compliance actions during the COVID pandemic.																																		
	This year the net SG gap includes an estimate for long-term non-payment of SG for the first time. Long-term non-payment represents the amount of employee entitlements, including SG shortfall and nominal interest, raised through the assessment of superannuation guarantee charge (SGC), that are expected to remain unpaid. SGC is one of the most challenging debts for the ATO to collect. Our current estimates are that 17% of SGC for 2023–24 will never be paid. This increases the gap by 0.3% or \$336m from what would have been estimated in 2022–23 before the change in our approach to estimating non-payment. Growth in wages and the increase in the SG rate to 11% have also contributed to a higher value of SG obligations and consequently, a larger dollar-value gap.																																		
	We are now in the third year of applying a bottom-up approach methodology to inform superannuation guarantee (SG) gap estimate results. We continue to use the results of employer random enquiry program (REP) compliance outcomes to determine the average amount and average rate of amendments as a core component of the tax gap. These results are then extrapolated to the entire active employer population to calculate the estimated unreported contributions amount and combined with other aspects related to the specific year to estimate the gap. This is the last year we intend to use this approach, with a new method being developed to estimate the SG gap incorporating Single Touch Payroll data and other administrative sources.																																		
Payday Super commenced on 1 July 2026 and represents a significant regulatory reform to strengthen the integrity of the superannuation system to improve payment timeliness, transparency and employer compliance. Future gap estimates and compliance targets will be updated to reflect the impact of this reform, which is anticipated to sustainably reduce the SG gross tax gap (that is, before compliance activity) over time and allow earlier and more targeted intervention when non-compliance occurs.																																			

Table 3.17 Superannuation Guarantee Scheme – Superannuation guarantee gap as a proportion of superannuation guarantee contributions, 2023–24 to 2025–26 *continued*

Type of measure	Effectiveness												
Data sources	ATO systems, models, economic data												
Methodology	<p>We use the following 4-step method to estimate the SG gap:</p> <ul style="list-style-type: none">• Step 1: Estimate unreported SG amount• Step 2: Estimate for errors not detected• Step 3: Estimate long term non-payment• Step 4: Calculate the SG gross gap and net gap. <p>The gross gap represents the estimated gap if we did not undertake compliance activities.</p> <p>The net gap includes the impact from our compliance activities, such as reviews and audits, and from employer voluntary adjustments.</p> <p>The primary component of the tax gap method is the estimate of unreported SG extrapolated from a random employer enquiry program.</p> <p>Other components are drawn from compliance action related to each financial year and estimates of long-term non-payment or expert judgment.</p> <p>Further detail is available at ato.gov.au/SGgapmethodology.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>5.9% or lower</td></tr><tr><td>Substantially achieved</td><td>■</td><td>6%–6.3%</td></tr><tr><td>Not achieved</td><td>◆</td><td>Greater than 6.3%</td></tr></table>	Result	Symbol	Description	Achieved	●	5.9% or lower	Substantially achieved	■	6%–6.3%	Not achieved	◆	Greater than 6.3%
Result	Symbol	Description											
Achieved	●	5.9% or lower											
Substantially achieved	■	6%–6.3%											
Not achieved	◆	Greater than 6.3%											
Limitations	<p>The assumptions we use to construct our estimate are informed by actual data and expert opinion. The following caveats and limitations apply when interpreting this tax gap estimate:</p> <ul style="list-style-type: none">• To the extent that voluntary amounts are inclusive of over-compliant entities, the net gap may understate the underlying level of non-compliance.• The employer sample used for this estimate is from the 2021–22 financial year. Differences in economic conditions present during the last phase of the COVID pandemic may have influenced observed compliance levels.• The precision of the estimate is limited by the sample size.• The true extent of non-detection is unknown and is challenging to measure. We assume there will be errors and omissions in our compliance activities due to factors outside our control and limitations in operational capability and capacity. An uplift factor must be used.• The true extent and distribution of hidden wages is challenging to measure. We assume there is shadow economy behaviour in this population. An uplift factor must be used.• Changes from previously published estimates occur for a variety of reasons, including improvement to methods, revisions to data and additional information becoming available.• Tax gap estimates are best viewed as a trend over time. <p>Further detail on limitations is available at ato.gov.au/SGgaplimitations.</p>												
Variation from Australian Taxation Office corporate plan 2025–26	Target changed from ‘under development’ to ‘5.9%’.												

Notes

- (a) The superannuation guarantee gap target changed to ‘5.9%’ in 2025–26, from ‘reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available’.
- (b) The performance result and assessment for prior years are based on the estimated result and methodology at a point in time and published in the relevant annual report. The 2025–26 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside the reporting year.

Interest on unclaimed superannuation accounts paid – Interest on unclaimed superannuation money is paid when required

Table 3.18 Interest on unclaimed superannuation accounts paid – Interest on unclaimed superannuation money is paid when required, 2023–24 to 2025–26

Description	A measure to demonstrate the ATO performs its role to pay credit interest on all unclaimed superannuation money (USM) direct payments and rollovers when required by the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i> .		
Authority source	2025–26 PBS Administered Program 1.15 and Australian Taxation Office corporate plan 2025–26		
2025–26 target	The ATO pays interest on unclaimed superannuation money when required		
Results	2025–26	Target met	● Achieved
	2024–25	New measure from 2025–26, not previously reported in the annual performance statements	
	2023–24		
Analysis	<p>In 2025–26, the ATO met the target for this performance measure by ensuring that interest for all payments of USM was paid as required by the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i>. Processes and controls operated as designed to ensure that eligible interest entitlements were paid when USM was reunited.</p> <p>Interest is payable when eligible USM amounts are reunited with their rightful owners through a direct payment or rollover to a superannuation fund. The total amount of interest paid by the ATO is influenced by the number, value and length of time USM is held by the ATO before reunification. The appropriate CPI rate is applied across the relevant financial period(s) the USM has been held.</p> <p>The ATO seeks to reunite individuals with their USM. However, some amounts may be held for extended periods where the individual cannot be identified or contacted. The number and value of ATO-held superannuation balances (including USM) have been increasing annually. This data is reported within Table 7.25 of Appendix 9 within the Commissioner of Taxation annual report and published annually on ato.gov.au/superdata.</p> <p>There was an issue identified in January 2026 affecting around 6,600 USM account holders who had not had any credit interest included as part of their USM rollover as required by the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i>.</p> <p>This was remediated in February 2026 when the ATO:</p> <ul style="list-style-type: none">made system changes ensuring the issue doesn't impact USM rollovers moving forward, andmade separate payments to the superannuation funds of those impacted to ensure they received the credit interest component of their USM entitlement. <p>As part of this measure, a sample of 50 USM payments paid via direct payment or rollover from the PBS USM credit interest report were tested, confirming ATO systems and the report are both working as intended, and the USM credit interest has been paid as required.</p> <p>The results of the PBS USM credit interest report are also supported by the annual systems check. This confirmed there haven't been any further changes to the processes and controls to calculate credit interest on USM when required by the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i> once a suitable destination for the USM has been identified.</p>		
Type of measure	Output		
Data sources	Administrative data		
Methodology	Analysis of ATO documentation and data relating to the operation of systems, processes and controls that ensure interest is paid when required by the <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i> .		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2025–26	Nil		

Performance measures – summary assessment

Table 3.19 Key activity 3 – performance measure summary, 2024–25 to 2025–26

Performance measure	2025–26 target	2025–26 result	Rating	2024–25 result ^(a)
Value of superannuation guarantee charge raised (including penalties and interest)	\$1,500 million	\$2,219 million	● Achieved	\$1,725 million
Value of superannuation guarantee charge collected	\$915 million	\$1,345 million	● Achieved	\$1,194 million
Value of superannuation guarantee charge entitlements distributed to individuals or superannuation funds	\$804 million	\$1,133 million	● Achieved	\$1,100 million
Value of superannuation guarantee charge debt on hand	\$4,300 million	\$4,437 million	■ Substantially achieved	\$3,952 million
	Analysis: Superannuation guarantee charge (SGC) debt increased by \$485 million during the year, largely reflecting growth in collectable primary SGC debt due to increased liabilities raised from compliance actions.			
Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue	\$222 million	\$361 million	◆ Not achieved	\$231 million
	Analysis: The total figure of \$361 million in superannuation guarantee charge debt comprises \$357 million that is irrecoverable at law and \$4 million that is uneconomical to pursue. The higher than planned amount of debt that is irrecoverable at law is primarily due to an increased focus on debt owed by insolvent and deregistered entities that was not subject to director penalty liabilities.			

Note

(a) The 2024–25 results have been rounded from one decimal point from previously published data.

Key activity 4: Administer a range of payments and transfers on behalf of government

Performance measures – detailed assessment

Fuel Tax Credits Scheme – Fuel tax credits scheme gap

Table 3.20 Fuel Tax Credits Scheme – Fuel Tax Credits Scheme gap, 2023–24 to 2025–26^(a)

Description	Fuel tax credits (FTC) provide businesses with a credit for the excise or customs duty included in the price of fuel used in the course of operating their business. This measure is an estimate of the difference between the amount of credits claimed, and the amount that would be claimed if every taxpayer was fully compliant.															
Authority source	2025–26 PBS Administered Program 1.7 and Australian Taxation Office corporate plan 2025–26															
2025–26 target	3% ^(b)															
Results	2025–26	3.6% or \$341m (2024–25)	■	Substantially achieved												
	2024–25	3.7% or \$345m (2023–24)	●	Achieved												
	2023–24 ^(c)	4.3% or \$322m (2022–23)	●	Achieved												
Analysis	<p>The FTC gap is used as an overall measure of the performance of the FTC scheme. For 2024–25, the FTC net gap reduced to 3.6% (\$341 million). This result remains above the target of 3%, which was revised from the previous target of 4% to reflect the increasing level of compliance performance expected.</p> <p>The improvement in 2024–25 is primarily attributable to lower average value of incorrect claims which are identified earlier through improved operational audit activity.</p> <p>Revisions to our definition of debt decreased the gap by 0.03 percentage points (\$2.9 million) compared to the result had no changes been made to debt definitions.</p>															
Type of measure	Effectiveness															
Data sources	ATO systems, models, economic data															
Methodology	<p>The FTC gap arises from taxpayers not claiming their correct credits. The credits system is voluntary and eligible taxpayers might under-claim or not claim, while other taxpayers might claim more than they are entitled to. This can result in either a positive or a negative gap.</p> <p>The FTC gap is an estimate, determined using both logistic and linear regressions in a bottom-up, multi-stage regression model. Further detail is available at ato.gov.au/FTCGap.</p> <p>In developing our methods, we engage with appropriate key stakeholders and subject matter experts from the ATO and the community, including tax gap experts, researchers, academics, government agencies and taxpayer representative groups.</p> <p>Tax gap is a lag measure, one year behind the annual report publication year. Changes from previously published estimates occur for a variety of reasons, including improvements to methods, revisions to data and additional information becoming available.</p> <p>Methodologies used to calculate tax gaps can improve over time. If an alternative methodology provides a more credible and reliable estimate, that new method should be preferred.</p> <p>All tax gap estimates are assessed for reliability.</p> <p>Details of the principles and approaches we use to measure tax gaps are available at ato.gov.au/taxgapprinciple.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td><=3%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>>3% to <=6%</td></tr><tr><td>Not achieved</td><td>◆</td><td>>6%</td></tr></table>				Result	Symbol	Description	Achieved	●	<=3%	Substantially achieved	■	>3% to <=6%	Not achieved	◆	>6%
Result	Symbol	Description														
Achieved	●	<=3%														
Substantially achieved	■	>3% to <=6%														
Not achieved	◆	>6%														

Table 3.20 Fuel Tax Credits Scheme – Fuel Tax Credits Scheme gap, 2023–24 to 2025–26^(a) *continued*

Limitations	<p>There is a delay between the end of the financial year and the completion of our compliance activities relating to that year. This means gap estimates may be subject to revisions for several years.</p> <p>The extent of non-detection is unknown and extremely challenging to measure.</p> <p>This estimate does not include the population that may be entitled to fuel tax credits but has not registered for fuel tax credits.</p> <p>This population does not include a small number of taxpayers who claimed credits for domestic electricity generation.</p> <p>The method to estimate unreported amounts (a component of the tax gap) for the FTC population is currently under review to ensure it aligns with statistical best practices. Additionally, we are exploring whether the tax gap framework is the appropriate performance metric for a payment scheme.</p>
Variation from Australian Taxation Office corporate plan 2025–26	Nil

Notes

- (a) When we estimate tax gaps each year, we revise the estimates for the previous years using the latest information about lodgments and amendments received since the previous estimate was calculated. This ensures our tax gap estimates reflect our best estimation.
- (b) The Fuel Tax Credits Scheme target changed to '3%' for 2025–26, from '4%' in 2024–25. The Fuel Tax Credits Scheme target for 2023–24 was 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available'.
- (c) The performance result and assessment for prior years are based on the estimated result at a point in time and published in the relevant annual report. The 2025–26 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.

Research and Development Tax Incentive – Refundable claims are subject to specific risk detection processes

Table 3.21 Research and Development Tax Incentive – Refundable claims are subject to specific risk detection processes, 2023–24 to 2025–26

Description	A measure to demonstrate we perform our role to manage the risk of non-compliance in relation to claims of refundable Research and Development Tax Incentive (R&DTI) offsets claimed on company income tax returns.			
Authority source	2025–26 PBS Administered Program 1.10 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	R&DTI refundable claims are subject to risk detection processes ^(a)			
Results	2025–26	Target met	●	Achieved
	2024–25	Target met	●	Achieved
	2023–24	100%	●	Achieved
Analysis	<p>The ATO actively manages the risk of non-compliance with tax laws that govern refundable R&DTI offsets. The measure demonstrates the ATO has processes and controls in place to help identify where fraudulent and ineligible claims of refundable R&DTI offsets are made by taxpayers in their company income tax return.</p> <p>The ATO monitors the operation of these processes and controls to ensure they are working as intended and performing to expected standards. Where deficiencies are found, the ATO reviews and implements changes to improve its performance.</p> <p>During 2025–26, we reviewed our controls and confirmed they operated as expected.</p>			
Type of measure	Effectiveness			
Data sources	Administrative data			
Methodology	Analysis of ATO documentation and data relating to the operation of the ATO's risk detection processes for refundable R&DTI offsets and its design to identify inappropriate claims.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2025–26	Nil			

Note

(a) The target was changed to 'R&DTI refundable claims are subject to risk detection processes' for 2024–25 from '100%' in 2023–24.

Research and Development Tax Incentive – Offset claims are amended when the Department of Industry, Science and Resources advises the ATO that a Research and Development Tax Incentive registration has been changed due to a revocation or negative finding

Table 3.22 Research and Development Tax Incentive – Offset claims are amended when the Department of Industry, Science and Resources advises the ATO that a Research and Development Tax Incentive registration has been changed due to a revocation or negative finding, 2023–24 to 2025–26

Description	A measure to demonstrate we perform our role to amend company income tax returns as required where the Department of Industry, Science and Resources (DISR) notifies the ATO it has changed a company's Research and Development Tax Incentive (R&DTI) registration due to a negative finding or revocation, impacting the company's claim for an R&DTI offset.			
Authority source	2025–26 PBS Administered Program 1.10 and Australian Taxation Office corporate plan 2025–26			
2025–26 target	100%			
Results	2025–26	100%		Achieved
	2024–25	93%		Not achieved
	2023–24	95%		Not achieved
Analysis	<p>The ATO aims to ensure all company income tax returns that have claimed a R&DTI offset are amended when DISR issues a negative finding or revokes a company's R&DTI registration. We apply processes to monitor impacted company tax returns when a relevant notification is received from DISR to ensure they are appropriately amended either by the company or the ATO.</p> <p>In the 2025–26 financial year, a total of 3 company income tax returns were required to be amended by a date falling within the financial year following decisions taken by DISR. The ATO amended all company income tax returns that were within its power to amend.</p>			
Type of measure	Effectiveness			
Data sources	Administrative data, third-party data			
Methodology	Calculate the percentage of company income tax returns that were appropriately amended from those that were required to be amended by a date falling within the financial year as a result of a decision taken by DISR.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2025–26	Nil			

Performance measures – summary assessment

Table 3.23 Key activity 4 – performance measure summary, 2024–25 to 2025–26

Performance measure	2025–26 target	2025–26 result	Rating	2024–25 result
Refundable film and digital games tax offset claims are subject to ATO risk detection processes	Refundable film and digital games tax offset claims are subject to ATO risk detection processes	Target met	● Achieved	Target met
Information on how to claim the National Rental Affordability Scheme offset is accurate and accessible	Information on claiming the NRAS is accurate and accessible	Target met	● Achieved	Target met
Product Stewardship for Oil gap ^(a)	1%	1.4% or \$2.6m (2024–25)	■ Substantially achieved	1.1% or \$2.1m (2023–24)
Analysis: The Product Stewardship for Oil (PSO) program tax gap is used as an overall measure of the performance of the PSO program. The 2024–25 tax gap result of 1.4% or \$2.6 million was 0.3 percentage points or \$0.5 million above last year and 0.4 percentage points above the target, but remains very low, indicating strong overall compliance and program effectiveness.				
Private health insurance rebates are subject to risk preventative and corrective processes	Private health insurance rebates are subject to risk preventative and corrective processes	Target met	● Achieved	Target met
The ATO applies interest on overpayment and early payments of tax when required	The ATO applies interest on overpayment and early payments of tax when required	Target met	● Achieved	Target met
Accurate information is made available to taxpayers eligible to claim the seafarer tax offset	Accurate information is made available to taxpayers eligible to claim the seafarer tax offset	Target met	● Achieved	Target met
Administrative arrangements progressed for companies to claim the Hydrogen Production Tax Incentive tax offset from 1 July 2027	Administrative arrangements to enable companies to access the Hydrogen Production Tax Incentive tax offset are progressed	Target met	● Achieved	New measure in 2025–26
Administrative arrangements progressed for companies to claim the Critical Minerals Production Tax Incentive tax offset are progressed from 1 July 2027	Administrative arrangements to enable companies to access the Critical Minerals Production Tax Incentive tax offset are progressed	Target met	● Achieved	New measure in 2025–26

Note

(a) In 2025–26, the ATO administered the Product Stewardship for Oil (PSO) program on behalf of the Department of Climate Change, Energy, the Environment and Water, which has policy responsibility for the program. The aim of the PSO program is to support and encourage environmentally sustainable management of used oil. More information about this program is available at ato.gov.au/psa.

Tax Practitioners Board

Performance summary

In 2025–26, the TPB met all performance measures outlined in the Treasury Portfolio Budget Statements and the *Australian Taxation Office corporate plan 2025–26*.

Consistent with our focus on strong collaboration, ongoing support and clear, actionable guidance, practitioner feedback on our support and guidance material remained positive. This result demonstrates the value practitioners place on practical information that helps them understand their obligations and support voluntary compliance.

We also maintained our focus on proportionate, fair and risk-based compliance, with our regulatory responses targeted to areas of greatest risk and supporting the integrity of the tax profession. This is reflected in our compliance and litigation outcomes, which demonstrate the TPB's continued commitment to fair and effective regulation.

Consistent with good regulatory practice, we refined the performance rating scale for assessing court and tribunal outcomes by adjusting the threshold for the positive outcome target from 100% to 85%. This better reflects the important role that litigation plays in strengthening regulatory integrity. While favourable decisions remain an important measure of success, court and tribunal proceedings also clarify the law, test the appropriateness of regulatory decisions and identify opportunities to strengthen future decision making.

Together, these results demonstrate the TPB's commitment to continuous improvement and to delivering fair, proportionate and effective regulation that maintains confidence in the tax practitioner profession and supports the integrity of the tax system.

Performance results and analysis

Key activity 5: Increase trust and confidence in the tax and regulatory system by supporting the profession and taking proportionate action to address those practitioners who do the wrong thing

Performance measures – detailed assessment

Tax practitioner feedback

Table 3.24 Tax practitioner feedback, 2023–24 to 2025–26

Description	To measure tax practitioner satisfaction with support and guidance material.		
Authority source	2025–26 PBS Program 1.2 and Australian Taxation Office corporate plan 2025–26		
2025–26 target	80%		
Results	2025–26	97%	 Achieved
	2024–25	New measure from 2025–26, not previously reported in the annual performance statements	
	2023–24		
Analysis	<p>The 2026 tax practitioner survey highlighted strong confidence in TPB guidance material. Of the 7,942 tax practitioners surveyed, more than 7% responded. Of those respondents, 97% agreed that TPB guidance helps them understand the standards expected of them, significantly exceeding the 80% performance target.</p> <p>This result reflects the TPB's continued investment in practical guidance and targeted communication to support practitioner understanding and voluntary compliance.</p> <p>A key achievement was the simplification of our information product library, where we consolidated 4 different types of guidance product into a single category: Guidance Statements. This change supports our broader focus on improving clarity, consistency and accessibility across our policy and guidance materials.</p> <p>We also published 8 new factsheets on some of the most commonly searched topics, including continuing professional education, outsourcing, reasonable care, and the meanings of 'tax agent service' and 'BAS service'. These factsheets serve as an additional resource to our guidance statements, providing a snapshot of the key requirements relating to the relevant topic.</p>		
Type of measure	Effectiveness		
Data sources	Annual survey of tax practitioners		

Table 3.24 Tax practitioner feedback, 2023–24 to 2025–26 *continued*

Methodology	Results are based on the annual survey of tax practitioners. Responses from non-tax practitioners are excluded. The combined percentage of respondents selecting 'Always' or 'Sometimes' to the survey question is calculated and reported against the performance rating scale.		
	Performance rating scale		
	Result	Symbol	Description
	Achieved	●	80%–100%
	Substantially achieved	■	68%–79%
	Not achieved	◆	<68%
Limitations	The survey was issued to a random selection of tax practitioners. As with any survey, the results may be subject to inherent respondent bias.		
Variation from Australian Taxation Office corporate plan 2025–26	Nil		

Proportion of completed risk assessments

Table 3.25 Proportion of completed risk assessments, 2023–24 to 2025–26

Description	The proportion of higher-risk complaints and case leads with a compliance or corrective treatment. We target our compliance activities based on the risk posed to consumers, the tax profession and the tax system. Our risk assessment process determines where we need to apply our resources to be effective.														
Authority source	2025–26 PBS Program 1.2 and Australian Taxation Office corporate plan 2025–26														
2025–26 target	90% ^(a)														
Results	2025–26	97%	● Achieved												
	2024–25	96%	● Achieved												
	2023–24	2,283	■ Substantially achieved												
Analysis	<p>During 2025–26, 97% of matters assessed as significant, high or extreme risk received a compliance outcome, exceeding the target of 90%.</p> <p>A total of 742 complaints and referrals were rated high risk, comprising 252 complaints and 490 referrals.</p> <p>Our risk assessment process involves a holistic review of the entity at the centre of the complaint or intelligence, and uses data driven insights, previous outcomes and prior compliance history to determine an appropriate risk rating. This holistic approach ensures that the complaints and referrals presenting the highest risk received the appropriate compliance action.</p> <p>The risk rating is then used to determine an appropriate compliance action. This may include a tailored education outcome, escalation for further investigation, or an investigation under section 60-95 of the TASA.</p> <p>This enables us to focus attention on the conduct presenting the greatest potential harm, while responding fairly and proportionately to lower-risk matters. By directing resources to areas of greater risk, we can better protect consumers, support the integrity of the tax system and maintain public confidence in the tax profession.</p>														
Type of measure	Effectiveness														
Data sources	Data is extracted from Workbench in line with compliance performance measure data collection procedures														
Methodology	<p>Results are based on higher-risk complaints and case leads (rated Significant, High or Extreme) finalised during the reporting period. The percentage of completed matters that resulted in escalation to a new or existing case, or a nudge being issued (excluding NFA outcomes), is calculated and reported against the performance rating scale.</p> <p>From 2025–26, the performance rating scale has been updated. The previous rating scale is available in Table 3.22 (page 76) in the <i>Commissioner of Taxation annual report 2024–25</i>.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>90%–100%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>70%–89%</td></tr><tr><td>Not achieved</td><td>◆</td><td><70%</td></tr></table>			Result	Symbol	Description	Achieved	●	90%–100%	Substantially achieved	■	70%–89%	Not achieved	◆	<70%
Result	Symbol	Description													
Achieved	●	90%–100%													
Substantially achieved	■	70%–89%													
Not achieved	◆	<70%													
Limitations	<p>‘Complaint finalised date’ may be backdated to accurately reflect the actual date of finalisation. This adjustment is sometimes necessary due to delays in updating the case management system in a timely manner.</p> <p>Power BI updates daily and a record of previous reports and datasets is not retained.</p> <p>Manual intervention required – extracting raw data from Workbench, cleansing and processing data in Microsoft Excel.</p>														
Variation from Australian Taxation Office corporate plan 2025–26	Nil														

Note

(a) The target for 2025–26 was changed to ‘90%’ from ‘90% of matters are risk assessed’ in 2024–25. The target for 2023–24 was ‘>2,700 completed complaints and case leads’.

Sanctions are appropriate

Table 3.26 Sanctions are appropriate, 2023–24 to 2025–26

Description	The number of positive court and tribunal outcomes. This measure validates the disciplinary actions we have taken to regulate tax practitioners.																																
Authority source	2025–26 PBS Program 1.2 and Australian Taxation Office corporate plan 2025–26																																
2025–26 target	The TPB is committed to pursuing positive court and tribunal outcomes																																
Results	2025–26	91%	Achieved																														
	2024–25	95%	Substantially achieved																														
	2023–24	100%	Achieved																														
Analysis	<p>We achieved this performance measure during 2025–26 with 61 of 67 outcomes being positive. Positive outcomes are outcomes identified from Federal Court and Administrative Review Tribunal (ART) cases where the result supported the TPB's regulatory position. This includes matters where the Board's decision was affirmed, civil penalty or judicial review proceedings were determined in the Board's favour, or the decision provided important clarification on legal issues to guide future regulatory action. It also includes matters resolved through settlement, dismissal, or interlocutory decision where the outcome supported a fair and effective regulatory response.</p> <p>During 2025–26, the threshold for meeting the positive outcome target was adjusted from 100% to 85% to better reflect the nature and purpose of litigation as a regulatory tool. This recognises that Federal Court and ART proceedings provide important independent scrutiny of TPB decisions and can contribute to regulatory integrity and public confidence, including where outcomes clarify the law, test the appropriateness of sanctions, or identify matters for further consideration. The 85% threshold therefore maintains a strong focus on achieving positive outcomes, while acknowledging that meaningful litigation outcomes are not limited to matters where the TPB's original decision is wholly affirmed.</p> <p>The ART published 7 final decisions in matters involving the TPB. Two of those decisions affirmed the TPB's decisions to reject applications for registration, and 2 varied the TPB's decisions to terminate and impose exclusion periods, by reducing the exclusion period due to mitigating circumstances. The ART set aside the 3 remaining decisions and substituted with lesser sanctions. The TPB appealed these decisions in the Federal Court on the basis they contained errors of law.</p> <p>The TPB also obtained strong interlocutory application results, with the ART refusing 14 stay applications and 5 confidentiality applications opposed by the TPB. The TPB typically opposes stay applications where clients or the community may be placed at risk.</p> <p>Three matters were finalised in the Federal Court during the year, one via settlement, and 2 resulting in published decisions that dismissed the TPB's applications. The first appeal sought law clarification on the interplay between the legislative requirements for the TPB to publish on its public register and the ART's stay powers. The second was an appeal of an ART decision to set aside the TPB's decision, on the basis that the ART decision contained errors of law.</p> <p>On this basis, the TPB achieved a result of 91%, exceeding the 85% target threshold. The measure is therefore assessed as achieved.</p> <p>The below table summarises the finalised matters considered during 2025–26. The table reflects the outcomes achieved by the TPB during the reporting period. Overall, these outcomes demonstrate the strength of the TPB's litigation results and the contribution these matters make to effective regulatory administration.</p> <table><tr><th>Outcome type</th><th>Total outcomes</th><th>Positive outcomes</th></tr><tr><td>ART matters resolved by settlement, withdrawal or dismissal</td><td>33</td><td>33</td></tr><tr><td>ART final decisions affirmed</td><td>2</td><td>2</td></tr><tr><td>ART final decisions varied</td><td>5</td><td>5</td></tr><tr><td>ART final decisions set aside</td><td>5</td><td>0</td></tr><tr><td>ART stay application decision</td><td>14</td><td>14</td></tr><tr><td>ART confidentiality application decisions</td><td>5</td><td>5</td></tr><tr><td>Federal Court appeals (TPB-initiated)</td><td>2</td><td>1</td></tr><tr><td>Federal Court judicial review matters</td><td>1</td><td>1</td></tr><tr><td>Total</td><td>67</td><td>61</td></tr></table>			Outcome type	Total outcomes	Positive outcomes	ART matters resolved by settlement, withdrawal or dismissal	33	33	ART final decisions affirmed	2	2	ART final decisions varied	5	5	ART final decisions set aside	5	0	ART stay application decision	14	14	ART confidentiality application decisions	5	5	Federal Court appeals (TPB-initiated)	2	1	Federal Court judicial review matters	1	1	Total	67	61
Outcome type	Total outcomes	Positive outcomes																															
ART matters resolved by settlement, withdrawal or dismissal	33	33																															
ART final decisions affirmed	2	2																															
ART final decisions varied	5	5																															
ART final decisions set aside	5	0																															
ART stay application decision	14	14																															
ART confidentiality application decisions	5	5																															
Federal Court appeals (TPB-initiated)	2	1																															
Federal Court judicial review matters	1	1																															
Total	67	61																															

Table 3.26 Sanctions are appropriate, 2023–24 to 2025–26 *continued*

Type of measure	Effectiveness												
Data sources	<p>Litigation outcomes spreadsheet – includes number of litigation cases, outcomes, jurisdiction, 'positive' rating</p> <p>Federal Court of Australia and Administrative Review Tribunal – case decisions</p>												
Methodology	<p>Target achieved when 85% of court and tribunal outcomes are 'positive'.</p> <p>Calculation process: Results are based on litigation outcomes recorded for matters determined by the Federal Court and the ART. Each outcome is assessed against the TPB's definition of a 'positive' outcome, and the percentage of positive outcomes is calculated and assessed against the performance rating scale.</p> <p>From 2025–26, the performance rating scale has been updated. The previous rating scale is available in Table 3.22 (page 76) in the <i>Commissioner of Taxation annual report 2024–25</i>.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>85%–100%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>50%–84%</td></tr><tr><td>Not achieved</td><td>◆</td><td><50%</td></tr></table>	Result	Symbol	Description	Achieved	●	85%–100%	Substantially achieved	■	50%–84%	Not achieved	◆	<50%
Result	Symbol	Description											
Achieved	●	85%–100%											
Substantially achieved	■	50%–84%											
Not achieved	◆	<50%											
Limitations	Manual collection, recording and interpretation of results in terms of 'positive' outcomes.												
Variation from Australian Taxation Office corporate plan 2025–26	Nil												

Australian Charities and Not-for-profits Commission

Performance summary

In 2025–26, the ACNC met both performance measures outlined in the Treasury Portfolio Budget Statements and the *Australian Taxation Office corporate plan 2025–26*.

We continued to provide significant support to charities and not-for-profit organisations affected by the self-assessing income tax exemption reforms being administered by the ATO. These reforms require not-for-profits that have an ABN and are charitable (*Charities Act 2013*) to register with the ACNC to retain their income tax exemption.

We worked closely with peak bodies to support not-for-profits affected by the reforms, providing guidance and resources (such as our online charity registration self-assessment tool).

We also delivered webinars and other educational initiatives to help newly registered charities understand and meet their ACNC obligations. Feedback indicates this support was valuable, with 63% of attendees at a May webinar on first-time reporting rating it extremely useful, 37% rating it useful and 0% rating it as not useful.

These reforms have contributed to an increase in the number of registered charities. As at 30 June 2026, the ACNC regulated over 66,000 charities, an increase of 4% from the previous year.

This growth reinforces the importance of the ACNC Charity Register, a free online resource providing key information on registered charities. In 2025–26, it was searched more than 2.1 million times by members of the public, donors, volunteers, government agencies, the media, researchers and charities.

More information on the ACNC's performance and activities during the year is available in the *ACNC Annual Report 2025–26*, which is available at acnc.gov.au/tools/reports.

Performance results and analysis

Key activity 6: Maintaining a free and accurate register of Australian charities (the Charity Register)

Performance measures – detailed assessment

Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision

Table 3.27 Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision, 2023–24 to 2025–26

Description	It is important for the ACNC to process new applications from eligible organisations as quickly as possible to meet community expectations, to ensure the Charity Register is updated in a timely way, and to support charities wishing to access available benefits and concessions.																			
Authority source	2025–26 PBS Program 1.4 and Australian Taxation Office corporate plan 2025–26																			
2025–26 target	90% ^(a)																			
Results	2025–26	94%	●	Achieved ^(b)																
	2024–25	86%	■	Partially met ^(b)																
	2023–24	74%	■	Partially met ^(b)																
Analysis	<p>To be registered by the ACNC, an organisation must meet the legal meaning of ‘charity.’</p> <p>In 2025–26, the ACNC registered 3,696 new charities, and 94% of charities were registered within 15 business days of receiving all information necessary to make a decision.</p> <p>We received 5,871 applications in 2025–26.</p> <p>With the self-assessing income tax exemption (SAITE) reforms entering their third year of implementation (the reforms commenced from 1 July 2023), the impact on application numbers remained significant, although less pronounced than in previous years. In 2025–26, at least 42% of applicants reported that they applied due to these reforms, compared to 51% in 2024–25.</p> <p>The ACNC offers a streamlined bulk application process for organisations with similar charitable purposes, enabling them to be registered more efficiently. The ACNC registered 54 charities via the bulk application process in 2025–26, compared with 503 in the previous year. Because of this, a greater proportion of applications progressed through the standard registration process.</p>																			
<table><tr><th>Financial year</th><th>Number of applications received</th></tr><tr><td>2025–26</td><td>5,871</td></tr><tr><td>2024–25</td><td>6,285</td></tr><tr><td>2023–24</td><td>6,286</td></tr><tr><td>2022–23</td><td>5,535</td></tr><tr><td>2021–22</td><td>5,621</td></tr><tr><td>2020–21</td><td>5,886</td></tr><tr><td>2019–20</td><td>5,746</td></tr></table>					Financial year	Number of applications received	2025–26	5,871	2024–25	6,285	2023–24	6,286	2022–23	5,535	2021–22	5,621	2020–21	5,886	2019–20	5,746
Financial year	Number of applications received																			
2025–26	5,871																			
2024–25	6,285																			
2023–24	6,286																			
2022–23	5,535																			
2021–22	5,621																			
2020–21	5,886																			
2019–20	5,746																			
<p>Note: The ACNC introduced a new registration form in June 2024, which has reduced the proportion of resubmitted applications. For this reason, some caution should be considered when comparing application volumes over time. Resubmissions represented 20% of applications in 2025–26, compared with 28% in 2023–24.</p>																				

Table 3.27 Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision, 2023–24 to 2025–26 *continued*

Type of measure	Output												
Data sources	The ACNC's case management system (Microsoft Dynamics)												
Methodology	<p>The number of new eligible charities registered within 15 business days of the ACNC receiving all information necessary to make a decision, divided by the total number of eligible charities registered.</p> <p>From 2025–26, the performance rating scale has been updated. The previous rating scale is available in Table 3.28 (page 68) in the <i>Commissioner of Taxation annual report 2024–25</i>.</p> <p>Performance rating scale</p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>90%–100%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>72%–89%</td></tr><tr><td>Not achieved</td><td>◆</td><td><72%</td></tr></table>	Result	Symbol	Description	Achieved	●	90%–100%	Substantially achieved	■	72%–89%	Not achieved	◆	<72%
Result	Symbol	Description											
Achieved	●	90%–100%											
Substantially achieved	■	72%–89%											
Not achieved	◆	<72%											
Limitations	The field for 'date full information received' is entered manually by staff, but subject to random quality assurance reviews.												
Variation from Australian Taxation Office corporate plan 2025–26	Nil												

Notes

- (a) The eligible charities registered target for 2024–25 changed to '90%. The target was 'at or above previous year's results' in the *Australian Taxation Office corporate plan 2024–25*.
- (b) From 2025–26, the performance rating scale has been updated. The previous rating scale is available in Table 3.28 in the *Commissioner of Taxation annual report 2024–25*.

Percentage of time that the Charity Register is available (excluding scheduled maintenance)

Table 3.28 Percentage of time that the Charity Register is available
(excluding scheduled maintenance), 2023–24 to 2025–26

Description	The Charity Register is used by a range of stakeholders including the public, volunteers, donors, charities, government agencies, the media and researchers.		
Authority source	2025–26 PBS Program 1.4 and Australian Taxation Office corporate plan 2025–26		
2025–26 target	99% ^(a)		
Results	2025–26	99.68%	 Achieved
	2024–25	99.92%	 Met
	2023–24 ^(b)	99.99%	 Met
Analysis	<p>The Charity Register is the ACNC's key means of promoting public trust and confidence in Australia's charities. Anyone can search the free Charity Register to find out more about a particular registered charity, including:</p> <ul style="list-style-type: none"> • volunteers, the public and donors, who can use the register to find charities to support • charities, who can use the register to identify like-minded charities to collaborate with • state, territory and Commonwealth government agencies, funders and grant makers, who can use the register to easily access charity information, reducing the need to contact charities to ask for the same information • the media, researchers and the public, who can use the register to better understand the sector. <p>The importance of the Charity Register underpins our commitment to ensuring it is available 24/7 (excluding scheduled maintenance).</p> <p>During the year, the Charity Register was available for 99.68% of the time.</p> <p>Throughout 2025–26, our monitoring tool indicated the Charity Register was not available for 1,657 minutes (just over 27 hours).</p>		
Type of measure	Output		
Data sources	Charity Register, Uptime Robot and Google Analytics		
Methodology	The number of minutes that the Charity Register is available divided by the total number of minutes in the financial year, less time scheduled for maintenance.		
	From 2025–26, the performance rating scale has been updated. The previous rating scale is available in Table 3.28 (page 68) in the <i>Commissioner of Taxation annual report 2024–25</i> .		
	Result	Symbol	Description
	Achieved		99%–100%
	Substantially achieved		79%–98%
	Not achieved		<79%
Limitations	<p>From 1 July 2025 to 8 January 2026, our monitoring service (UptimeRobot) checked the Charity Register every 5 minutes. Since 8 January 2026, checks have been conducted every minute.</p> <p>We may use other data sources (such as Google Analytics) to measure our performance.</p>		
Variation from Australian Taxation Office corporate plan 2025–26	Nil		

Notes

(a) The charities register availability target changed to '99%' in 2025–26, from '95%' in 2024–25.

(b) In 2023–24, this measure included 'uptime' for the Charity Portal. While the Charity Portal is important, it is not available to the public. Access is limited to charities and their authorised representatives who use the Charity Portal to update the Charity Register. From 2024–25, we will simplify this measure to focus on the Charity Register (which is publicly available).

4 Revenue performance

Revenue collection

The ATO facilitates the collection of revenue to fund public goods and services for the Australian community. We do this through a range of collection systems, including income tax, goods and services tax (GST) and excise duty.

Net tax collections in 2025–26 were \$687.4 billion, an increase of \$51.2 billion (8.0%) over the previous year. The growth was primarily driven by an increase in total individuals and other withholding taxes, company tax, superannuation fund taxes and GST collections.

Total individuals and other withholding tax collections were \$366.5 billion in 2025–26, an increase of \$28.2 billion (8.3%) over the previous year. This was mainly driven by an increase in income tax withholding due to strong labour market conditions, with some strength in other individuals reflecting higher business and investment incomes.

Company tax collections were \$148.9 billion in 2025–26, an increase of \$10.6 billion (7.7%) from the previous year. The increase was largely driven by higher instalments from non-mining sectors, partially offset by weaker collections from the mining sector.

Superannuation fund tax collections were \$35.0 billion in 2025–26, an increase of \$9.3 billion (36.0%) over the previous year. This growth largely reflects higher instalments, partially offset by lower on-assessment payments.

GST collections were \$96.3 billion in 2025–26, an increase of \$5.9 billion (6.6%) over the previous year, primarily driven by growth in consumption subject to GST.

Excise collections were \$27.9 billion in 2025–26, a decrease of \$3.4 billion (10.9%) over the previous year. This reduction primarily reflects the temporary reduction in the fuel excise rates from 1 April to 30 June 2026.

Table 4.1 ATO net tax cash collections, 2023–24 to 2025–26^(a)

Tax	2023–24 \$m	2024–25 \$m	2025–26 \$m
Gross income tax withholding ^(b)	294,949	295,827	316,013
Gross other individuals	74,199	81,707	91,146
Individual refunds	-37,635	-39,223	-40,658
Total individuals and other withholding taxes	331,513	338,312	366,502
Fringe benefits tax	4,632	4,927	5,236
Company tax	140,170	138,314	148,925
Superannuation fund taxes ^(c)	12,465	25,700	34,959
Petroleum resource rent tax	1,144	1,420	1,416
Total income tax	489,924	508,673	557,038
Goods and services tax ^(d)	85,012	90,325	96,264
Excise	29,761	31,294	27,899
Other indirect taxes ^(e)	2,344	2,222	2,227
Major bank levy	1,623	1,768	1,926
Total indirect taxes	118,739	125,610	128,315
Superannuation guarantee charge	1,093	1,194	1,345
Offshore petroleum levy	389	375	360
Foreign investment fees	246	235	88
Self-managed superannuation fund levy	141	143	148
Other tax revenue	27	27	117
Total net tax cash collections	610,559	636,256	687,410
Other non-tax revenue ^(f)	100	208	375
Total net cash collections	610,659	636,464	687,786
HELP ^(g) and other study and training support loans	5,103	5,138	5,125

Notes

- (a) The cash collections data presented in this table has been adjusted to exclude administered expenses and better align with the financial statements and the Final Budget Outcome. Totals may differ from the sum of components due to rounding.
- (b) Includes amounts withheld from salaries and wages, TFN and ABN withholdings, dividend, interest, royalty and mining withholding taxes.
- (c) Includes income tax for superannuation funds, superannuation surcharge and no-TFN-quoted contributions tax.
- (d) Includes GST collections by the Department of Home Affairs; in 2025–26 these were \$5.9 billion. Also includes GST non-general interest charge penalties, which are not distributed to the state and territory governments under the intergovernmental agreement.
- (e) Includes wine equalisation tax (WET) and luxury car tax (LCT), of which a small amount was collected by the Department of Home Affairs.
- (f) The majority of 'other non-tax revenue' is net unclaimed superannuation monies.
- (g) Higher Education Loan Program (HELP).

Performance against Budget forecast

Compared to the 2025–26 Federal Budget forecast, ATO net tax collections were \$32.1 billion (4.9%) higher than expected. This increase largely relates to higher-than-expected collections for total individuals and other withholding taxes, superannuation fund taxes, company tax, and GST collections. The increase was partly offset by lower-than-expected other tax collections.

Total individuals and other withholding tax collections were \$16.8 billion above the 2025–26 Federal Budget forecast. This growth mainly relates to higher-than-expected other individuals collections, driven by higher business and investment income, as well as stronger gross income tax withholding associated with higher-than-expected compensation of employees.

Superannuation fund tax collections were \$9.4 billion above the 2025–26 Federal Budget forecast, largely driven by higher-than-expected foreign exchange gains and instalment rates.

Company tax collections were \$8.9 billion above the 2025–26 Federal Budget forecast, primarily due to higher-than-expected collections from non-mining sectors.

GST collections were \$2.0 billion above the 2025–26 Federal Budget forecast, reflecting strength in activity statements and higher-than-expected consumption subject to GST.

Other tax collections were \$5.0 billion below the 2025–26 Federal Budget forecast. This was mostly as a result of the lower-than-expected excise collections due to the temporary reduction in the fuel excise rates from 1 April to 30 June 2026.

Table 4.2 Expected revenue – variation between 2025–26 Federal Budget forecast and actual net collections in 2025–26^(a)

Collected from	Collections \$m	Budget \$m	Variance \$m
Total individuals and other withholding taxes	366,502	349,700	16,802
Company tax	148,925	140,033	8,892
Goods and services tax	96,264	94,230	2,034
Superannuation fund taxes	34,959	25,560	9,399
Other taxes	40,760	45,756	-4,996
Total	687,410	655,280	32,131

Note

(a) Totals may differ from the sum of components due to rounding.

In 2025–26, we issued income tax refunds with a total value of \$61.2 billion. We also issued activity statement refunds with a total value of \$105.0 billion. Total refunds were \$166.2 billion, up 4.2% from 2024–25.

Table 4.3 Amount refunded, 2023–24 to 2025–26^(a)

Type of refund	2023–24 \$m	2024–25 \$m	2025–26 \$m
Total individuals	37,635	39,223	40,658
Fringe benefits tax	290	378	395
Company tax	18,216	15,598	16,220
Superannuation fund taxes ^(b)	6,169	3,576	3,361
Petroleum resource rent tax	187	282	555
Total income tax	62,498	59,058	61,189
Excise	28	36	54
Activity statements ^(c)	96,607	100,476	104,962
Total	159,132	159,570	166,205

Notes

(a) Refunds data presented in this table has been adjusted to exclude all administered expenses and better align with our financial statements and the Final Budget Outcome. Totals may differ from the sum of components due to rounding.

(b) Includes superannuation surcharge refunds.

(c) Excludes fuel tax credits business activity statement (BAS) refunds.

Tax performance

Well-functioning tax and superannuation systems depend on community trust and taxpayers willingly meeting their obligations. We assess the performance of these systems by examining system-wide outcomes and the effect of our actions over time.

Tax performance snapshot

**\$ Total revenue effects
\$18.9 billion**

estimated revenue effects
2025–26
Target: \$16.3 billion

**\$ Overall net tax gap
\$72.7 billion**

10.3% of theoretical tax
2023–24
Target: 7.1%

**% Tax assured
49.1%**

of tax liabilities positively
assured
2023–24

Note

Tax gap and tax assured are lag indicators and typically relate to 2023–24. Total revenue effects report the estimated impact of compliance activities in most recent financial year. Prior-year tax gap and tax assured estimates are refreshed as methods improve and new information becomes available.

The following sections explain how these complementary measures assess the health of the tax and superannuation systems and the effect of our compliance actions.

Measuring system health

We use tax gap estimates and our tax assured measures to assess how the tax and superannuation systems performed in earlier years. These measures rely on information that becomes available after taxpayers have registered, lodged, paid and made any subsequent adjustments. Because this information takes time to finalise, the measures are lag indicators and estimates may change as new information becomes available.

For example, a small company may lodge its 2023–24 return in May 2025 and then pay the resulting debt under a 6-month payment arrangement. Although these transactions occur later, they relate to the company's 2023–24 tax year obligations and inform our measures for that year.

Our latest estimates typically relate to the 2023–24 financial year. Estimates for some parts of the system extend to 2024–25 where sufficiently reliable. We update prior-year estimates annually.

Measuring the impact of our compliance actions

Total revenue effects provide an estimate of the additional revenue resulting from our compliance activities. They complement the lagged tax gap and tax assured measures.

Our compliance approach combines audits and other corrective action with measures that help taxpayers get it right from the start. After correcting an issue, we also work to improve ongoing compliance, so taxpayers continue to pay the right amount over time.

Tax gap estimates

Tax gaps estimate the difference between the tax we expect to collect and the total amount that would be collected if every taxpayer fully complied with the law – the ‘total theoretical liability’.

The estimates in the following tables and commentary are ‘net tax gaps’. They represent amounts expected to remain unreported or uncollected for each financial year after allowing for ATO compliance and debt collection actions. Gross tax gaps estimate the gap before allowing for compliance actions and voluntary adjustments.

We revise tax gap estimates when methods improve or new data becomes available. These revisions update earlier estimates and are not corrections unless an error has been identified.

We assess the reliability of each estimate. An independent external advisory group also advises on our estimation methods, supporting the reliability and credibility of the tax gap program.

2023–24 tax gap estimates

We use tax gap estimates to identify where revenue is not being reported or collected, and to target our strategies for improving voluntary compliance. We also work with stakeholders to better understand the risks and behaviours contributing to the tax gap.

We estimate the 2023–24 overall net tax gap for income and transaction-based taxes at \$72.7 billion. This represents 10.3% of the \$707.0 billion that would have been collected if all taxpayers had fully met their registration, lodgment, reporting and payment obligations for 2023–24.

The result exceeded the 2023–24 target tax gap of 7.1%, meaning the target was not achieved. This primarily reflected a deterioration in small business income tax performance and individuals not in business. Changes to the payment gap methodology and small movements across other tax gaps also contributed. Further analysis is provided below and in [Part 3 Annual performance statements](#).

This overall net tax gap estimate is made up of 2 main components, the assessment gap and the payment gap:

Assessment gap

The assessment gap reflects liabilities that are not correctly assessed because taxpayers have not registered, lodged or reported correctly. In 2023–24, the assessment gap was \$67.6 billion, or 9.6% of theoretical liability.

Payment gap

The payment gap has always formed part of the overall tax gap. This year, we are reporting it separately for the first time to provide greater transparency. It estimates the assessed tax we do not expect to collect over the long term. In 2023–24, the payment gap was \$5.1 billion or 0.7% of theoretical liability.

Previous tax gap estimates included separate provisions for debt considered uneconomical to pursue. The new payment gap replaces these provisions with a comprehensive and standardised measure across all tax types. It differs from total ATO debt holdings because it relates only to tax assessed for a particular year, while total debt holdings include unpaid amounts from multiple years, as well as penalties and interest.

The payment gap peaked at 1.0% of theoretical revenue in 2021–22 and declined to 0.7% in 2023–24. Following the pandemic, we increased prevention and early intervention for taxpayers needing support, and took firmer recovery action where taxpayers deliberately avoided their obligations. Challenging economic conditions continued to affect taxpayers’ capacity to pay.

Table 4.4 Overall net tax gap estimate 2020–21 to 2024–25^{(a)(b)(c)}

Tax gap	Reliability assessment	Unit	2020–21	2021–22	2022–23	2023–24	2024–25
Overall							
Net tax gap ^(d)	Reliable	%	8.3	9.1	10.3	10.3	n/a
		\$m	43,759	52,905	66,215	72,679	n/a
Assessment gap	Reliable	%	7.6	8.1	9.5	9.6	n/a
		\$m	39,927	47,181	61,123	67,612	n/a
Payment gap	Reliable	%	0.7	1.0	0.8	0.7	n/a
		\$m	3,832	5,724	5,092	5,067	n/a

n/a = Results are not available for the given year.

Notes

- (a) Estimates for 2024–25 are not yet available for the overall, assessment and payment gaps.
(b) Estimates are rounded to the nearest \$ million or 0.1%. Only certain tax gaps have 2024–25 estimates.
(c) Prior-year estimates have been revised using the latest available methods and data.
(d) The overall tax gap includes all income and transaction-based taxes and the payment gap for PAYG withholding. It excludes gaps estimated for the Fuel Tax Credits Scheme, Superannuation Guarantee Scheme and Product Stewardship for Oil administered programs which have separate PBS measures.

Contributors to the tax gap

Understanding the taxpayer segments, tax types and behaviours contributing to the overall tax gap helps us target strategies to improve voluntary compliance and protect revenue.

The small business income tax gap is the largest contributor to the overall tax gap, accounting for \$36.0 billion, or almost half of the overall tax gap of \$72.7 billion. It is primarily associated with shadow economy behaviour and, to a lesser extent, poor record keeping, mistakes and system complexity. We have commenced implementing 4 key actions to improve small business tax performance:

- Credible compliance at scale
- Increasing the use of pre-fill and automation
- Leveraging intermediaries and digital service providers
- Pursuing targeted law and policy reform.

The individuals not in business tax gap is the second-largest component, at \$16.0 billion. This reflects the size of the personal income tax system and increasing revenue effect of errors in areas such as capital gains tax. Strong asset price growth means omitted, or incorrectly discounted gains can have a greater effect on revenue. We continued to strengthen pre-fill, third-party data matching and analytics, to help taxpayers report all income correctly and claim only the deductions to which they are entitled.

The remaining \$20.7 billion net gap comprises \$7.7 billion for GST and \$13.0 billion from other income tax populations, transaction-based taxes and excises.

We estimate the pay as you go (PAYG) withholding gap separately. The overall tax gap includes the \$1.5 billion payment gap component of PAYG withholding because these amounts are credited against personal income tax but are not expected to be collected. Unreported salary and wages and the associated tax payable are factored into the relevant personal income tax gaps.

Estimates for the Superannuation Guarantee Scheme, Fuel Tax Credits Scheme and Product Stewardship for Oil have separate performance targets and are not included in the overall tax gap estimate.

More information on each tax gap estimate is available at ato.gov.au/taxgap, including gross and net estimates, changes to previously published estimates, trends, drivers and key findings.

Material changes in estimates

There were material movements in the alcohol and high wealth tax gap estimates.

- **Alcohol:** In 2023–24, the alcohol excise gap is estimated to be \$1.2 billion, or 13.3% of expected alcohol excise revenue. The provisional estimate for 2024–25 is 13.7%, as shown in Table 4.5. This is higher than the 9.7% estimate for 2022–23 published last year. The increase largely reflects new information about alcohol excise that was not reported or paid correctly by commercial-scale manufacturers, identified through our intelligence and risk assessment processes. This new information has been incorporated into this year's estimate using our existing methodology.
- **High wealth:** In 2023–24, the high wealth tax gap is estimated at \$2.1 billion, or 9.8%. The estimate for 2022–23, published last year at 7.2%, has since been revised up to 10.7% as additional compliance results have become available. Analysis of the compliance results show the methodology is highly sensitive to individual outcomes in this small and diverse population. We have lowered the reliability rating while we review the methodology, including considering alternative approaches recommended by our external advisory group, to reduce the influence of the largest individual results on the overall estimate. Despite this, the estimates remain broadly indicative of compliance risks in this market.

Tax gap estimate tables by category

Tax gap estimates are grouped into 3 main categories: transaction-based taxes, income-based taxes, and gaps for administered programs. The latest estimates are presented in [Tables 4.5, 4.6](#) and [4.7](#).

Table 4.5 Net tax gap estimates – transaction-based taxes, 2020–21 to 2024–25^{(a)(b)(c)}

Tax type	Reliability assessment	Unit	2020–21	2021–22	2022–23	2023–24	2024–25
Taxes on goods and services							
GST	Medium	%	4.0	6.6	8.7	8.3	7.6
		\$m	2,885	5,343	7,804	7,714	7,270
Luxury car tax	Medium	%	8.3	7.1	6.2	3.1	n/a
		\$m	80	73	75	40	n/a
Wine equalisation tax	High	%	3.3	3.5	3.7	3.4	n/a
		\$m	39	41	44	39	n/a
Excises							
Alcohol	Medium	%	9.5	10.0	11.7	13.3	13.7
		\$m	732	825	996	1,169	1,234
Fuel excise	Reliable	%	2.5	1.3	3.7	1.6	3.1
		\$m	492	234	764	402	797

n/a = Results are not available for the given year.

Notes

(a) Estimates are rounded to the nearest \$ million or 0.1%.

(b) Only certain tax gaps have 2024–25 estimates.

(c) Tax gap estimates are updated as methods, data and information improve. These updates are revisions to prior estimates, rather than corrections of errors.

Table 4.6 Net tax gap estimates – income-based taxes, 2020–21 to 2024–25^{(a)(b)(c)}

Tax on income	Reliability assessment	Unit	2020–21	2021–22	2022–23	2023–24	2024–25
Fringe benefits tax	Medium	%	35.0	33.5	30.7	28.2	n/a
		\$m	1,765	1,790	1,844	1,795	n/a
High wealth	Low	%	11.1	9.9	10.7	9.8	n/a
		\$m	1,809	2,134	1,889	2,076	n/a
Individuals not in business	High	%	6.5	6.2	6.7	7.0 ^(d)	n/a
		\$m	10,668	11,117	13,804	16,008	n/a
Large corporate groups	High	%	3.1	3.7	3.7	3.7	n/a
		\$m	2,212	3,226	3,665	3,527	n/a
Large superannuation funds	High	%	0.9	1.2	1.4	1.1	n/a
		\$m	200	168	177	239	n/a
Medium business	Medium	%	8.9	9.2	9.5	8.8	n/a
		\$m	1,598	1,841	1,955	1,982	n/a
Petroleum resource rent tax	Reliable	%	2.1	2.3	2.6	2.6	n/a
		\$m	20	47	49	40	n/a
Small business	Medium	%	16.3	17.4	20.2	20.5 ^(d)	n/a
		\$m	20,206	24,756	31,587	35,990	n/a
Small superannuation funds	Low	%	3.3	3.8	3.7	4.1	n/a
		\$m	77	95	78	104	n/a

n/a = Results are not available for the given year.

Notes

- (a) Estimates are rounded to the nearest \$ million or 0.1%.
(b) Only certain tax gaps have 2024–25 estimates.
(c) Tax gap estimates are updated as methods, data and information improve. These updates are revisions to prior estimates, rather than corrections of errors.
(d) Provisional estimates. These tax gap estimates are more significantly affected by additional compliance actions undertaken on the year(s) published, which can explain variations in the revised estimates made in future years.

Table 4.7 Net gap estimates – other tax gap estimates, 2020–21 to 2024–25^{(a)(b)(c)}

Product/program	Reliability assessment	Unit	2020–21	2021–22	2022–23	2023–24	2024–25
Fuel Tax Credits Scheme	Low	%	2.2	6.0	4.0	3.8	3.6
		\$m	162	392	300	358	341
Pay as you go withholding	Medium	%	2.2	2.0	1.9	2.0	n/a
		\$m	4,914	4,948	5,359	6,038	n/a
Product Stewardship for Oil	High	%	0.8	0.8	0.8	1.1	1.4
		\$m	1.2	1.0	1.1	2.2	2.6
Superannuation Guarantee Scheme	Medium	%	7.1	6.7	6.2	6.1	n/a
		\$m	5,228	5,522	6,586	7,250	n/a

n/a = Results are not available for the given year.

Notes

- (a) Estimates are rounded to the nearest \$ million or 0.1%.
(b) Only certain tax gaps have 2024–25 estimates.
(c) Tax gap estimates are updated as methods, data and information improve. These updates are revisions to prior estimates, rather than corrections of errors.

Tax assured

While tax gap estimates identify revenue that is not reported or collected, tax assured estimates the proportion of tax that we are confident is correctly reported on a positive assurance basis.

Tax assured is based on the concept of 'justified trust'. We consider tax to be assured when we have high-quality, positive evidence of complete and accurate reporting of:

- indirect tax labels
- petroleum resource rent tax (PRRT)
- income tax labels including taxable income, deductions and offsets.

How we assure tax

We collect evidence to assure tax from a range of sources, including third parties, to match against information reported to us or directly from businesses we engage with, to review and conclude they have reported the right amount of tax.

For individuals, our primary approach is to assure tax by matching information on taxpayers' income tax returns with third-party data, such as:

- salary and wage information received from employers through the PAYG withholding system
- interest and dividend data from financial institutions and public companies
- pensions and allowances from government departments.

For businesses, particularly larger businesses, we primarily assure tax by reviewing objective evidence obtained through one-to-one engagements. Under our justified trust program, we undertake specific tax assurance engagements with:

- the Top 100 and Top 1,000 public and multinational businesses
- the Top 500 private groups.

We also assure indirect taxes and PRRT through ongoing relationships with large taxpayers.

Tax assured results

At 30 June 2026, we estimated that 49.1% of the total tax reported for the 2023–24 tax year could be assured on a positive assurance basis. During 2025–26, we assured an additional 6.0% for the 2022–23 tax year, bringing the total tax assured estimate for 2022–23 from 44.6% to 50.6%.

Programs that encourage willing participation and strengthen voluntary compliance, such as justified trust programs, help taxpayers report and pay the right amount. Over time, the cumulative impact of these preventative and assurance-based activities is maintaining and increasing the proportion of the tax base that is assured. The proportion of tax assured has also been supported by improved pre-fill and data-matching capabilities, particularly for individuals. These improvements increase the information available to verify amounts reported by taxpayers.

We cannot gather third-party data or other independent evidence to compare against every return. However, our compliance activities indicate that many amounts we cannot independently assure are reported correctly. Tax assured, therefore, provides a conservative estimate and will always be significantly lower than the total amount of tax correctly reported.

Where independent assurance is not available, we rely on our broader risk management approaches to build confidence in tax reporting and identify and address non-compliance. These approaches include real-time analytics, benchmarking and risk-detection models supported by administrative systems and data sources.

When considered together with our total revenue effects measure and tax gap estimates, tax assured gives us confidence and valuable insights into the integrity of the revenue system that we administer.

For more information, refer to ato.gov.au/taxassured.

Total revenue effects

Total revenue effects estimates the additional revenue received as a result of ATO compliance activities. The estimate includes revenue from lodgment actions, audits and incorrect claims stopped, preventative activities, and improved compliance maintained after earlier ATO action. It is reduced by significant refunds arising from disputes where the related amount was previously reported as a revenue effect.

2025–26 result

In 2025–26, total revenue effects was estimated at \$18.9 billion, exceeding the target of \$16.3 billion. The result included \$7.1 billion from lodgment and sustained lodgment compliance, \$11.9 billion from correct-assessment activities, and a reduction of \$0.2 billion for significant refunds.

The 2025–26 result includes revenue received following compliance actions taken during compliance activities in the current and earlier years. Some components are based on directly identified collections of liabilities raised, while others use statistical estimation to assess the continuing effect of ATO actions on taxpayer behaviour.

For more information on what we include in estimating total revenue effects, see ato.gov.au/totalrevenueeffects.

Table 4.8 Total revenue effects, 2023–24 to 2025–26^(a)

All taxes		2023–24 \$b	2024–25 \$b	2025–26 \$b
Total revenue effects target		15.7	16.0 ^(b)	16.3 ^(c)
Total revenue effects result		18.5	18.5	18.9
Lodgment	Lodgments received after action	4.8	4.7	6.1
	Sustained lodgment compliance	1.9	2.2	1.0 ^(d)
Correct reporting	Prevention ^(e)	0.7	0.9	0.6
	Audits and incorrect claims stopped	8.5	8.3	8.9
	Sustained compliance ^(e)	2.6	2.4	2.4
Balancing adjustments	Significant refunds	–0.1	–0.1	–0.2

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) Portfolio Budget Statements published target is \$16.0 billion. Additional revenue commitments of \$71.9 million were announced after the target was published.

(c) Portfolio Budget Statements published target is \$16.3 billion. Additional revenue commitments of \$57.3 million were announced after the target was published.

(d) From 2025–26, the method for estimating the revenue effect from sustained lodgment compliance is more conservatively limited to only include revenue effects from lodgments received within one year of lodgment compliance action. As such, the result is not directly comparable with the \$2.2 billion reported for 2024–25.

(e) Previously reported as a single category, 'Prevention and sustained compliance'.

The following sections provide more detail about the compliance activities contributing to these results and how we estimate their revenue effects.

Compliance activities

Our compliance activities aim to improve taxpayer behaviour, address non-compliance and prevent or disrupt evasion and fraud. They range from support, education and cooperative engagement through to review, audit, enforcement and prosecution.

We tailor each activity to the nature and seriousness of the risk. Whether preventative or corrective, our actions are designed to address past non-compliance and strengthen future compliance.

Activities include the following:

- Influencing compliance behaviour – support, engagement or encouragement, including through intermediaries and partners or education activities, intended to bring about a change in a taxpayer's knowledge or behaviour, leading them to correctly register, lodge, amend, make a voluntary disclosure, or meet regulatory obligations.
- Examining compliance behaviour – reviewing the affairs of a taxpayer or regulated entity (with or without communication) and forming an opinion about their compliance with obligations, providing assurance, and encouraging self-rectification where appropriate.
- Making compliance decisions – reviewable decisions through audit to bring about compliance, and to address non-compliance.
- Applying the full force of the law – investigate, prosecute or apply legal action to achieve taxation outcomes and provide specific and general deterrence.

In 2025–26, we undertook 6.4 million compliance activities across registration, lodgment and correct reporting, compared with 5.6 million in 2024–25. Compliance activities raised \$24.1 billion in additional liabilities, up from \$21.0 billion in 2024–25.

These activities ranged from early engagement and prompts, through to reviews, audits and enforcement. The activities addressing registration, lodgment and correct-assessment obligations are outlined in [Table 4.9](#).

How to interpret the compliance activity results

Activities are not a count of unique taxpayers. A taxpayer may receive more than one activity, and an activity may impact more than one related taxpayer.

Activities vary considerably in scale and complexity, so volume alone does not indicate their value or effectiveness.

Liabilities raised and total revenue effects are different measures, and while they are related, cannot be directly reconciled.

Table 4.9 Total compliance activities, 2023–24 to 2025–26^(a)

All taxes	2023–24	2024–25	2025–26
Liabilities raised from compliance activities^(b)	\$18.6b	\$21.0b	\$24.1b
Registration compliance activities	1.1m	1.2m	1.4m
Lodgment compliance activities	2.9m	3.2m	3.5m
Correct reporting compliance activities:	1.7m	1.3m	1.5m
– Prevention, reviews and other engagements	0.9m	0.5m	0.7m
– Audit and enforcement	0.8m	0.8m	0.8m
Total compliance activities	5.7m	5.6m	6.4m

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) Liabilities raised excludes some outlier cases. 'Excluded outlier cases' include situations where the result is of such high value that our automated processes identify and stop such transactions. These figures are excluded to avoid distorting the underlying impact of ATO discretionary action and not basic processing of large amounts.

Lodgment

The ATO undertakes a range of activities to encourage taxpayers to lodge on time, secure overdue lodgments and support ongoing lodgment compliance. We estimate revenue effects from:

- lodgments received after action – revenue from taxpayers who lodge after we intervene
- default assessments and non-lodgment penalties – revenue arising where taxpayers do not meet their lodgment obligations
- sustained lodgment compliance – revenue from taxpayers who continue to lodge without further intervention after being re-engaged.

We are reviewing how we measure revenue effects from lodgment compliance. For more information, see [Future improvements](#) on page 104.

Lodgments received after action

In 2025–26, we undertook 3.5 million lodgment compliance activities to secure overdue income tax returns, activity statements and other forms. These activities resulted in an estimated \$6.1 billion in additional revenue from lodgments received after ATO lodgment action, default assessments and failure to lodge penalties imposed.

The lodgment program continued to focus on key lodgment compliance risks and priority populations. Our approach ranged from engagement and compliance approaches, from prompting, to direct engagement through to enforcement action as appropriate. We also improved our risk models and program settings to better target overdue lodgment obligations.

The child support lodgment enforcement program made improvements to increase ongoing compliance of child support clients, including more frequent sharing of information between Services Australia and the ATO, and more targeted action on nonlodgers. These enhancements secured over 100,000 lodgment outcomes (a 45% increase from the prior year), which enabled Services Australia to determine child support obligations, and resulted in \$41 million in credit transfers to Services Australia as payments towards child support debts. Further details about the program and its outcomes can be found on our website at ato.gov.au/ChildSupportTaxObligations.

Sustained lodgment compliance

When compliance action successfully re-engages taxpayers with overdue lodgments, some continue to meet their obligations without further intervention. We estimate the revenue the ATO collects from these future lodgments received as 'sustained lodgment compliance'.

Sustained lodgment compliance contributed an estimated \$1.0 billion in revenue effects in 2025–26, down from \$2.2 billion in 2024–25. The decrease primarily reflects a change in methodology rather than a deterioration in program performance. Lodgment compliance activity remained at a similar level and continued to re-engage taxpayers with the system.

Method changes from 2025–26

Research into changing taxpayer lodgment behaviour, including the increased use of digital services, software and early interventions, has led to changes to the sustained lodgment compliance estimation method from 2025–26. Our research indicates the effect of a lodgment intervention may last for a shorter period than previously estimated.

From 2025–26, we measure sustained lodgment compliance for one year following the intervention for both income tax returns and activity statements. This change shortens the period over which future lodgments are attributed to the original intervention, resulting in a more conservative estimate of revenue effects.

The revised method measures sustained lodgment effects for:

- income tax returns – one year from the treatment date, rather than the next 3 income years following the intervention
- activity statements – one year from the treatment date, rather than the next income year following the intervention.

We will continue to review the methodology as new evidence becomes available. For more information, see [Future improvements](#) on page 104.

Correct reporting

The ATO undertakes a range of compliance activities and engagements that seek to secure the correct amount of revenue by improving reporting accuracy, correcting misreporting where it occurs, and encouraging taxpayers to maintain compliant reporting behaviour over time. The main revenue effect estimates are from the impact of:

- prevention – prevent incorrect reporting so that taxpayers get it right at lodgment
- audit actions and incorrect claims stopped – detect and address reporting errors and deliberate incorrect reporting behaviours
- sustained compliance – improve reporting behaviours so that taxpayers get it right in the future.

Prevention

Prevention activities help taxpayers get it right before they lodge or make a claim. These activities include prompts, advice and cooperative approaches that address potential errors early.

In 2025–26, prevention activities contributed an estimated \$0.6 billion in total revenue effects. Measurable results were sourced from activities where we could reliably estimate the effect on taxpayer reporting, including targeted prompts and early engagement. Other prevention activities also support voluntary compliance, but are not included where their revenue effect cannot be reliably measured.

Most of the estimated revenue from preventative compliance actions continues to be sourced from public and multinational entities and individual taxpayer populations. This demonstrates that ATO pre-lodgment compliance activities have measurable impact on compliance at lodgment where:

- we can encourage large populations at scale to make small improvements, such as through myTax in-service nudges
- we can invest long-term resources to identify and manage material tax risks through early, tailored and transparent one-on-one engagements; these engagements are designed to build and maintain confidence that taxpayers are paying the right amount of tax, such as through the justified trust program which fosters a culture of transparency and willing participation and to avoid adverse tax outcomes that otherwise would have occurred.

While only some of our preventative actions can be measured, the prevention revenue effects we can measure demonstrate the positive impact the ATO has on taxpayer behaviour and compliance.

For public and multinational entities, improvements to tax at lodgment are due in part to specific government funding under the Tax Avoidance Taskforce.

Audit actions and incorrect claims stopped

The ATO's annual compliance program addresses areas of behavioural risk across the tax and superannuation systems through pre and post issue audit actions.

Revenue from these compliance activities includes amounts we protect when we stop refunds from being issued from fraudulent or incorrect claims, and amounts collected from actions that ensure taxpayers are assessed correctly and pay the right amount. Our ongoing investment in data, digital and fraud prevention capabilities underpins the activities we undertake.

Revenue effects from our audit actions and incorrect claims stopped were estimated at \$8.9 billion in 2025–26.

The result reflects outcomes from both ongoing compliance activities and government-funded compliance programs, including for personal income tax, the shadow economy and GST compliance, and the Phoenix Taskforce, Serious Financial Crime Taskforce, Tax Avoidance Taskforce and the Counter Fraud Program. Together these programs delivered an estimated \$5.4 billion in revenue effects against a revenue commitment of \$2.9 billion.

Compared to 2024–25, results increased due to work addressing significant risks across the superannuation, public and multinationals, and privately owned and wealthy groups populations.

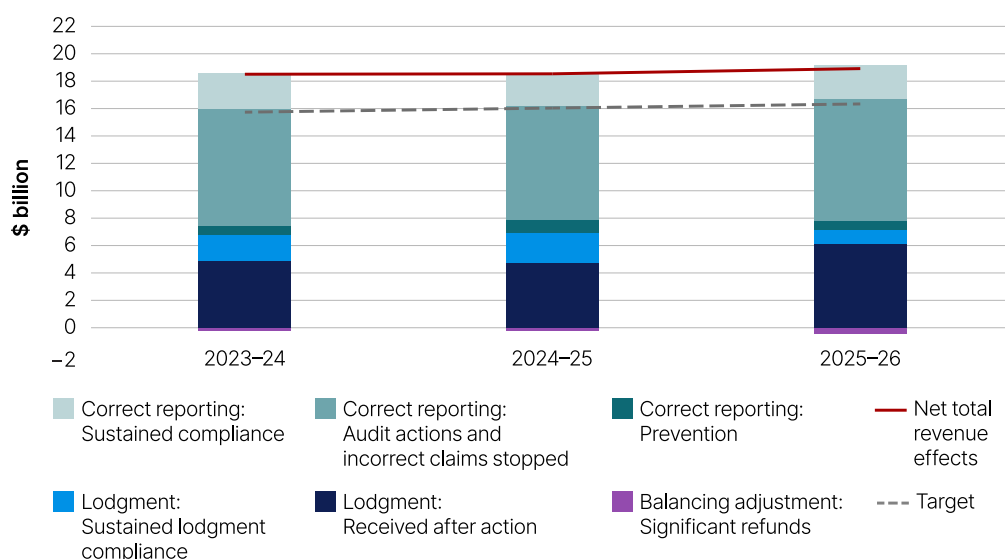
Sustained compliance

Compliance activities can continue to influence taxpayer behaviour after the original issue has been addressed. Sustained compliance estimates the additional tax paid by taxpayers who have corrected their reporting following earlier ATO action and then continue to meet their obligations over time.

Revenue effects from sustained compliance following compliance interventions were estimated at \$2.4 billion in 2025–26.

The result mainly reflects the ongoing impact of corrective actions and settlements with large corporate groups, together with contributions from compliance programs across individuals, small business, and privately owned and wealthy groups. These support improved reporting behaviour and provide greater confidence that taxpayers continue to meet their obligations in future years.

Figure 4.1 Total revenue effects, 2023–24 to 2025–26 by estimated source of total revenue effects



Note

Revenue attributed to audit actions and incorrect claims stopped and lodgment actions is a combination of actual cash collections and estimates of collections based on sampling.

Future improvements

We continue to improve our tax gap methods as better data and evidence become available. As part of this work, we are developing estimates that separate the assessment gap into:

- registration – where taxpayers have not registered as required
- lodgment – where taxpayers have registered, but not lodged required returns or statements
- reporting – where taxpayers have lodged, but not reported their liabilities correctly.

Separating these components will provide greater insight into where taxpayers are not meeting their obligations and help us better target prevention and compliance strategies. Together with the payment gap, these estimates will provide a more complete view of taxpayer compliance across the tax system, improving our understanding of the drivers and behaviours contributing to the gap at different stages.

We also continued to review the total revenue effects measure in 2025–26, to ensure it remains a reliable and contemporary measure of the impact of ATO compliance activities.

This work is examining how the measure could better recognise:

- revenue protected through system integrity interventions
- outcomes from payment compliance activities
- the extent to which revenue from lodgment actions can be directly attributed to ATO intervention.

These approaches remain under development and were not used to generate the 2025–26 total revenue effects result. We will continue to assess their reliability, comparability and implications for future performance targets before considering whether they should be incorporated into the primary measure.

Estimating the effect of system resilience actions

As compliance strategies increasingly focus on integrity interventions to improve the resilience of our transactional systems, a growing proportion of revenue will be secured through these actions rather than traditional audit interventions. A new category called ‘system resilience’ is planned for introduction in 2026–27, to capture revenue effects from these actions. These interventions aim to protect the integrity of the tax and superannuation systems by blocking, removing, disrupting or averting fraudulent or unauthorised lodgments, amendments and third-party data to stop revenue leakage and broader system impacts.

In 2025–26, we identified over 8,200 system resilience actions with an estimated revenue impact of \$53.8 million (not included in this year’s total revenue effect estimate above). Subject to finalisation of the measurement approach, future interventions of this type and their associated revenue effects are expected to be incorporated into the total revenue effects measure, providing a more complete view of the value delivered through data-driven integrity strategies and system protection activities. Some of the actions that contribute to system resilience include:

- identity crime models that detect and contain fraudulent returns earlier, including blocking fraud attempts before a false return can be processed in our system
- identification and removal of ineligible or fraudulent GST and fuel tax credit claims, preventing invalid credits from being used to offset tax liabilities or generate unwarranted refunds
- identification and removal of fraudulent Single Touch Payroll data.

Together, these activities protect revenue, reduce downstream compliance costs and strengthen the resilience of the tax and superannuation systems.

Revenue from lodgment actions

As foreshadowed in the 2024–25 annual report, the ATO has developed an alternative behavioural approach for measuring revenue effects from lodgment actions.

The current approach reports 100% of the revenue collected from outstanding lodgments that are received after ATO action. Research shows that some taxpayers would have lodged these returns without ATO intervention, while other taxpayers only lodge because the ATO intervened.

We are testing an alternative approach to account for this difference by estimating the proportion of outstanding lodgments secured due to ATO action and the revenue related to this proportion.

Both our current and alternative approaches are valuable and provide reliable performance results. The current approach maintains continuity with long-standing reporting conventions and current performance targets that show the additional revenue collected after the ATO takes action to address outstanding lodgments. The alternative approach reflects the behavioural impact of those ATO actions and provides new insights into how different ATO lodgment compliance actions influence behaviour and revenue outcomes.

The ATO will continue to report using both approaches in future years, consistent with current performance targets, historical reporting and new insights. Table 4.10 provides a comparison of the results derived from both approaches. Both estimates will be presented again for the 2026–27 year, to establish a stable baseline and time series to allow for performance targets to be recalibrated should the ATO decide to adopt the new approach as the primary indicator for total revenue effects performance in the future.

The ATO undertook 3.5 million lodgment actions in 2025–26, which were followed by an estimated 1.6 million individual forms being lodged. Of those forms lodged, penalties were applied to over 170,000 taxpayers. The results of those actions under the current and proposed new approach are outlined in [Table 4.10](#).

Table 4.10 Comparison of liabilities arising from lodgments received or secured following action, 2025–26

Liability type	Liabilities from lodgments received after action (Current method) \$b	Liabilities from lodgments secured due to action ^(a) (Behavioural method) \$b	Ratio %
Tax liabilities	7.1	2.8	39.4
Lodgment penalties	0.7	0.7 ^(b)	100.0
Total liabilities	7.8	3.5	44.9

Notes

(a) The alternate approach estimates the share of lodgments received after action that we can attribute to that action. These are the 'lodgments secured by action' and the liabilities represent the share of revenue attributed to such lodgments.

(b) Lodgment penalties imposed due to lodgment compliance action are not adjusted under the alternate approach, as these penalties would not be raised and collected without ATO action.

Payment compliance and revenue from payment actions

We continue to develop a new ‘payment’ compliance category to better recognise the value of compliance interventions that directly influence taxpayers to pay outstanding debts. It may include payments:

- received following reminders, nudges, contacts or debt collection activities
- secured by reminders, nudges, contacts or debt collection activities
- collected in relation to the issue of a director penalty notice
- collected in relation to garnishee action that obtain payment from financial institutions, employers or other third parties.

Unlike existing categories, a ‘payment’ category would focus on the collection of established debts and the extent to which ATO interventions influence payment outcomes. This would provide greater visibility of the value delivered through debt recovery and payment compliance activities and complement existing categories such as audit actions and incorrect claims stopped, prevention, sustained compliance and lodgment.

This work builds on earlier considerations of how to measure the overall impact of ATO compliance interventions for inclusion in total revenue effects performance results. Work to develop and test the framework, supporting data and approach is underway. Subject to the outcomes of this work, a ‘payment’ category may be incorporated into total revenue effects in a future year and targets adjusted to recognise that, while not currently included in the performance measure, the ATO’s payment compliance work already secures additional revenue for Australia every year.

The following sections provide more detailed results for income tax, GST, excise and other indirect taxes. They show liabilities raised and revenue effects for the major tax types that contribute to the overall compliance results reported earlier.

Income tax

Through our correct reporting and lodgment activities, we raised an additional \$21.9 billion in income tax liabilities in 2025–26.

These activities generated \$11.7 billion in cash collections from our incorrect claims stopped and audit and lodgment actions, together with \$3.4 billion in revenue effects from our prevention, sustained compliance and sustained lodgment compliance activities. Combined, these activities resulted in total revenue effects of \$15.1 billion.

Table 4.11 Income tax liabilities raised (plans and results), 2023–24 to 2025–26

Liabilities/sustained compliance plans and results	2023–24 \$m	2024–25 \$m	2025–26 \$m
Plans	14,874	17,273	16,391
Liabilities raised	18,487	19,702 ^{(a)(b)}	21,938 ^(c)

Notes

(a) This includes around \$742 million in income tax liabilities, including \$270 million from large businesses, as a result of voluntary disclosures in 2024–25.

(b) Liabilities raised for the purposes of comparison to our plans include estimates of prevention and sustained compliance revenue effects which are not included in [Table 4.8](#).

(c) This includes around \$515 million in income tax liabilities, including \$160 million from large businesses, as a result of voluntary disclosures in 2025–26.

Table 4.12 Income tax total revenue effects, 2023–24 to 2025–26^{(a)(b)}

Results		2023–24 \$m	2024–25 \$m	2025–26 \$m
Measures				
Lodgment	Lodgments received after action	2,175	2,183	2,538
	Sustained lodgment compliance	381	392	604
Correct reporting	Prevention and sustained compliance	1,594	1,600	1,838
	– Prevention	209	408	226
	– Sustained compliance	1,386	1,192	1,612
	Audits and incorrect claims stopped	4,415	3,711	4,386
Base				
Lodgment	Lodgments received after action	1,811	1,582	2,508
	Sustained lodgment compliance	1,238	1,411	196
Correct reporting	Prevention and sustained compliance	1,342	1,108	764
	– Prevention	462	516	383
	– Sustained compliance	880	592	381
	Audits and incorrect claims stopped	1,886	1,993	2,234
Total		14,842	13,980^(c)	15,068^(d)

Notes

- (a) Totals may differ from the sum of components due to rounding.
- (b) The figures in this table may be different to previous years to reflect adjustments, updates and corrections identified and made. These changes relate solely to active compliance results. These corrections do not impact the budget or our financial statements.
- (c) Result includes around \$537 million in income tax collections, including \$170 million from large businesses, as a result of voluntary disclosures in 2024–25.
- (d) This included around \$412 million in income tax collections, including \$84 million from large businesses, as a result of voluntary disclosures in 2025–26.

Goods and services tax

Through our correct reporting and lodgment activities, we raised an additional \$4.9 billion in GST liabilities in 2025–26. These activities generated \$2.6 billion in cash collections from our incorrect claims stopped, audit and lodgment actions, together with \$0.7 billion in revenue effects from our prevention, sustained compliance and lodgment sustained compliance activities. Combined, these activities resulted in total revenue effects of \$3.3 billion.

Table 4.13 GST liabilities raised (plans and results), 2023–24 to 2025–26

Liabilities/sustained compliance plans and results	2023–24 \$m	2024–25 \$m	2025–26 \$m
Plans	4,032	4,199	4,572
Liabilities raised	4,163	5,871 ^{(a)(b)}	4,891 ^(c)

Notes

- (a) This includes around \$712 million in GST liabilities, including \$252 million from large businesses, as a result of voluntary disclosures in 2024–25.
- (b) Liabilities raised for the purposes of comparison to our plans include estimates of prevention and sustained compliance revenue effects (previously wider revenue effects) which are not included in [Table 4.8](#).
- (c) This includes around \$393 million in GST liabilities, including \$81 million from large businesses, as a result of voluntary disclosures in 2025–26.

Table 4.14 GST total revenue effects, 2023–24 to 2025–26^{(a)(b)}

Results		2023–24 \$m	2024–25 \$m	2025–26 \$m
Measures				
Lodgment	Lodgments received after action	537	693	815
	Sustained lodgment compliance	152	136	207
Correct reporting	Prevention and sustained compliance	20	23	234
	– Prevention	5	4	1
	– Sustained compliance	15	19	233
	Audits and incorrect claims stopped	951	1,223	879
Base				
Lodgment	Lodgments received after action	418	362	343
	Sustained lodgment compliance	212	289	34
Correct reporting	Prevention and sustained compliance	298	647	216
	– Prevention	8	20	15
	– Sustained compliance	291	627	201
	Audits and incorrect claims stopped	640	679	530
Total		3,230	4,053^(c)	3,259^(d)

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) The figures in this table may be different to previous years to reflect adjustments, updates and corrections identified and made. These changes relate solely to active compliance results. These corrections do not impact the budget or our financial statements.

(c) Result includes around \$586 million in GST collections, including \$157 million from large businesses, as a result of voluntary disclosures in 2024–25.

(d) This included around \$381 million in GST collections, including \$76 million from large businesses, as a result of voluntary disclosures in 2025–26.

More information is available in our GST administration annual performance report at

ato.gov.au/GSTadministration.

Excise and other indirect taxes

In 2025–26, we raised excise liabilities of \$39.9 million from correct reporting activities and collected \$22.0 million in cash (including collections from liabilities raised in previous years).

For excise transfers (predominantly fuel tax credits), our compliance activities resulted in adjustments in favour of taxpayers of \$95.5 million, and adjustments in favour of revenue of \$19.4 million. Of adjustments in favour of revenue, we collected \$17.2 million from liabilities raised this year and previous years.

As a result of undertaking activities aimed at improving levels of willing participation within the tax and superannuation systems, it is estimated that an additional \$32.4 million in fuel tax credits has been claimed by taxpayers.

Penalties and interest

Interest is charged on unpaid tax liabilities to ensure fairness to taxpayers who pay on time and to the broader community. The penalty provisions encourage taxpayers to take reasonable care in complying with their tax obligations. We can generally remit (reduce or cancel) interest charges and penalties where this is fair and reasonable. The penalties and interest for 2023–24 to 2025–26 are outlined in [Table 4.15](#).

Table 4.15 Penalties and interest, 2023–24 to 2025–26

Penalties and interest		2023–24 \$m	2024–25 \$m	2025–26 \$m
Penalties	Applicable	2,289	4,640 ^(a)	3,949
	Remitted	243	250	197
	Collected	694	1,084	925
Interest	Applicable	8,991	7,907	9,701
	Remitted	1,014	1,375	432
	Collected	3,154	5,085	6,782

Note

(a) Increase in applicable penalties relates to a large penalty amount applied to a very small number of high-value compliance cases as well as an increased number of failure to lodge (FTL) penalties applied to taxpayers with multiple outstanding lodgments.

Additional analysis on the behavioural penalties imposed during 2025–26 is available at ato.gov.au/behaviouralpenalties.

5 Management and accountability

Corporate governance

Our governance arrangements support the Commissioner in leading the ATO, setting strategic direction and meeting our commitments to government and the community. They support the principles of good corporate governance through:

- sound governance structures
- fraud and corruption management
- risk management
- open and transparent operations
- being accountable to our stakeholders.

We fulfil our corporate governance responsibilities by complying with accountability requirements in legislation and policy and meeting public expectations of sound management. We regularly review our corporate governance arrangements and ensure our staff have training and information on how the ATO is governed and how we are all held to account.

Our governance structures

The ATO's governance structure comprises committees and forums that support a governance culture grounded in Australian Public Service (APS) values, integrity and accountability.

In 2025–26, we reviewed and refined our governance structures and implemented a new committee management framework to strengthen oversight, clarify decision-making accountabilities and support the effective operation of the committee system and broader governance arrangements. The review considered insights from the Australian Public Service Commission's 2025 Capability Review of the Australian Taxation Office and commitments made under *Our performance evolution*. More information is available at ato.gov.au/ourperformanceevolution.

ATO committee system

ATO committees operate under a tiered structure that provides clear pathways for advice, escalation and decision-making.

The ATO's suite of committees consists of:

- the ATO Executive Committee
- the Audit and Risk Committee
- enterprise committees
- corporate committees.

The ATO Executive Committee is our primary governance committee. It sets strategic direction, establishes risk appetite and advises the Commissioner of Taxation in their role as Accountable Authority. Members of the ATO Executive and their responsibilities are outlined on pages 8–10.

The Commissioner is also supported by the independent Audit and Risk Committee. The committee provides objective advice and assurance on the appropriateness of financial reporting, performance reporting, system of risk oversight and management, and system of internal control. Information about the Audit and Risk Committee is available on pages 118–120.

Enterprise committees support the ATO Executive Committee by providing oversight and strategic advice across finance, people, risk, security and strategy. They oversee the effective management of enterprise priorities and performance, consider risks and opportunities, and help to ensure informed decision-making and alignment with the ATO's purpose and strategic direction.

Corporate committees provide whole-of-ATO advisory, assurance or program governance for specific matters.

Forums

The ATO has established a range of forums to complement the committee system by supporting leadership oversight, operational delivery, collaboration, consultation and stakeholder engagement.

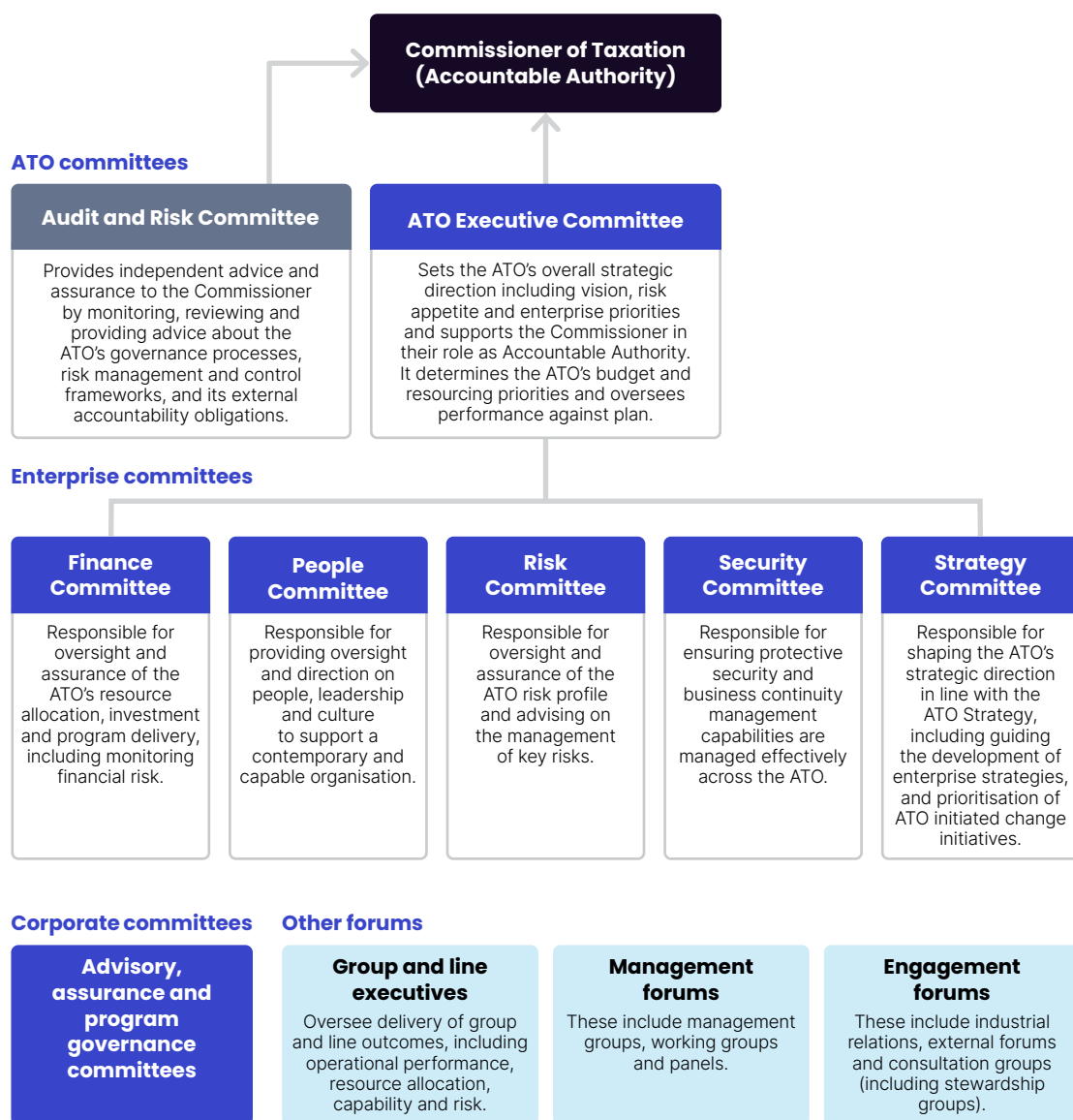
Group and line executive forums are a key component of the ATO's governance arrangements. They provide leadership oversight of group and line performance, resource allocation, capability and risk management, and support the delivery of the ATO's strategic direction within functional areas. Their role complements the committee system by translating strategic direction into operational outcomes.

Management forums enable discussion and coordination of operational or performance matters to improve business outcomes.

Engagement forums provide avenues for consultation and engagement with partners across government agencies, the community and industry. They include our stewardship groups, which are high-level strategic consultation groups, with diverse representation from across the Australian community including professional associations, intermediaries and taxpayer representatives. They consider strategic matters and systemic issues to improve the administration and operation of the tax system and aspects of the superannuation system.

We seek to continually strengthen our governance arrangements by periodically reviewing our committees and forums to ensure they remain effective, contemporary and fit-for-purpose.

Figure 5.1 ATO governance structure, at 30 June 2026



The ATO organisational structure, including the 5 groups led by members of the ATO Executive and their respective business areas, is shown in [Figure 1.2](#) on page 11.

Fraud and corruption management

Fraud and corruption against the Commonwealth are criminal offences that undermine confidence in the government and reduce the funds available for delivering public goods and services. The Australian Taxation Office is committed to preventing, detecting and responding to fraud and corruption risk across the ATO, TPB, ACNC and ACNC Advisory Board, as well as threats from external sources.

The minimum standards for the management of fraud and corruption are set out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). They include conducting fraud and corruption risk assessments, developing and implementing a fraud and corruption control plan, and having mechanisms for dealing with fraud and corruption. The PGPA Act also requires that agencies establish and maintain appropriate systems and internal controls for risk oversight and management.

The Commonwealth Fraud and Corruption Control Framework 2024 outlines the Australian Government's requirements for fraud and corruption control, including that government entities put in place a comprehensive fraud and corruption control program with appropriate prevention, detection, investigation and reporting strategies.

Preventing internal fraud and corruption

The Australian Taxation Office has a robust fraud and corruption control framework to prevent, detect and respond to potential internal fraud and corruption in the ATO, TPB, ACNC and ACNC Advisory Board, in line with the requirements of section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

We identify potential fraud or corruption through data analysis, risk assessments and reports from internal and external channels. This includes our 'Speak Up' reporting channel which provides staff with a central trusted place to report integrity concerns or incidents.

All allegations received are assessed and actioned appropriately, including collaborating with law enforcement and corruption oversight bodies when necessary. Over the course of this year, we assessed 1,168 allegations or reports to Speak Up, from which we identified 393 matters of potential unauthorised access, internal fraud, corruption or serious misconduct risk that required further enquiries or investigation.

Table 5.1 shows the number of internal fraud and corruption allegations or reports investigated, by outcome, for 2025–26.

Table 5.1 Internal fraud and corruption allegations or reports investigated, by outcome, 2023–24 to 2025–26

Outcome	2023–24	2024–25	2025–26
Substantiated	75	58	47 ^(a)
Unsubstantiated	230	122	274
Ongoing at 30 June	35 ^(b)	118	72
Total	340	298	393

Notes

- a) All substantiated matters were dealt with administratively or procedurally under Australian Public Service Code of Conduct determinations.
- b) Four open investigations were in the brief preparation stage or under assessment by the Commonwealth Director of Public Prosecutions for criminal prosecution at the time the *Commissioner of Taxation annual report 2023–24* was published.

Unauthorised access remains the largest category of allegations investigated (66%), and 98% of cases of unauthorised access were identified through our proactive detection scans and integrity monitoring. The majority involved employees accessing their own records, those of family members or known associates. While unauthorised access does not usually involve malicious intent or fraudulent behaviour, the ATO treats breaches seriously and conducts comprehensive investigations. The ATO continues to pursue serious fraud matters through investigation and prosecution where appropriate.

During the year, 4 former employees or contractors were convicted of Commonwealth fraud offences, as part of Operation Protego. Following ATO internal investigations and prosecution by the Commonwealth Director of Public Prosecutions, the sentences imposed by the Court on the 4 offenders respectively were:

- 18 months imprisonment (suspended), a 3-year good behaviour order, a requirement to report to a probation officer for 2 years and pay \$500 in court costs/fees
- 15 months imprisonment (suspended), a 2-year and 6-month good behaviour order and a reparation order of \$178,964
- 8 months imprisonment (suspended), a 2-year good behaviour order and a reparation order of \$23,709
- 4 months imprisonment (suspended), an 18-month good behaviour order and a \$500 fine.

In addition, a longstanding matter involving a former employee was finalised during the year. The individual pleaded guilty to 4 offences relating to the disclosure and recording of protected information, the recording of another person's tax file number, and the unlawful recording of a private conversation. The Court discharged the individual without conviction and imposed a 12-month good behaviour bond in the sum of \$500.

Alongside investigation and enforcement activities, we continue to invest in preventative controls and early detection capabilities. We monitor our systems to identify material shifts in risk exposure and conduct regular risk assessments to inform the ATO Fraud and Corruption Control Plan 2026. To minimise the risk of internal fraud and corruption, we invest extensively in fraud prevention activities and maintain a mature internal fraud detection and investigation capability.

We continue to strengthen our approach to managing insider threats through enhanced personnel security, employment suitability, and onboarding controls, as well as improved monitoring and detection capabilities to identify emerging risks and concerning behaviours early. This included progressing activities to support the phased transition to the Australian Government's Top Secret-Privileged Access (TS-PA) vetting framework, contributing to a more integrated and risk-based approach to assessing, monitoring and managing personnel security risks.

We also deliver targeted education and awareness activities, engage staff in conversations about fraud and corruption risks relevant to their business areas, and use contemporary communication products and self-help resources to actively promote our Speak Up integrity channel. These activities complement the Australian Taxation Office's mandatory security, privacy and fraud training package, which must be completed annually by all ATO staff, including those assisting the TPB and ACNC. We also share our integrity concepts, tools and educational resources with the Australian Public Service Academy to support integrity-focused discussions across the broader Commonwealth.

Crime in the tax and superannuation systems

The ATO continues to play a critical role in safeguarding Australia's tax and superannuation systems, protecting taxpayers, government revenue and sensitive information from criminal exploitation.

Australia's tax and superannuation systems operate in an increasingly complex digital environment. Tax crime is converging with other crimes, including money laundering, cryptocurrency-related fraud and migrant worker exploitation. Criminal networks are rapidly evolving in Australia and overseas, supported by advances in technology, including the growing use of artificial intelligence to increase the scale, sophistication and speed of fraud and cyber-enabled crime. International tax evasion remains a significant threat to Australia's revenue system, as does identity crime-enabled fraud.

Under the Counter Fraud Program (CFP), the ATO continues to enhance its fraud detection and monitoring capabilities and strengthen preventative controls to better identify and disrupt fraudulent activity before harm occurs. Collaboration was also strengthened across government to combat identity crime and protect taxpayer information.

In the May 2026 Budget, the government announced Phase 2 of the CFP, enabling the ATO to continue strengthening its response to identity crime-enabled fraud and large-scale first-party fraud. Real-time monitoring and protections will expand beyond individual taxpayers to businesses, tax professionals and other entities interacting with ATO systems. While we continue to strengthen our systems to prevent and detect fraud, the serious organised crime environment is dynamic and enduring, with crime groups operating across multiple tax and other types of crimes, both within Australia and internationally.

Together, these activities strengthen the integrity of Australia's tax and superannuation systems and enhance our ability to detect, disrupt and prevent increasingly sophisticated criminal behaviour.

Cross-border cooperation has become increasingly important, and we continue to play an active role in domestic and international enforcement, intelligence-sharing and capability-building initiatives.

Through our participation in the Joint Chiefs of Global Tax Enforcement (J5), we collaborate with leading international tax and law enforcement agencies to share intelligence, conduct joint operations and strengthen collective capabilities to combat transnational tax crime and associated money laundering.

Outside the J5, we continue to deepen engagement with international tax administrations, law enforcement agencies and multilateral organisations. We supported initiatives led by the Organisation for Economic Co-operation and Development (OECD), including the Taskforce for Tax and Other Crimes (TFTC). We also worked with partners across the Asia-Pacific region to strengthen intelligence sharing, build capability and coordinate responses to emerging criminal threats.

Domestically, our ATO-led Serious Financial Crime, Phoenix and Shadow Economy taskforces supported ongoing engagement with law enforcement, regulatory and intelligence partners to identify, disrupt and deter behaviours that pose the greatest risk to the integrity of Australia's tax and superannuation systems.

Recognising the increasing convergence of crime, we also contributed to broader cross-government initiatives focused on combating serious and organised crime, including through the Illicit Tobacco, Counter Foreign Interference and Fraud Fusion taskforces.

Risk management

The ATO Executive continues to promote a positive and pragmatic approach to risk management, supporting effective decision-making and the ongoing maturity of practices across the ATO. This aligns with section 16 of the PGPA Act and the Commonwealth Risk Management Policy, which require the Accountable Authority to maintain an appropriate system of risk oversight, management and internal control.

In line with Commonwealth risk management requirements, the ATO Risk Committee maintained oversight of the ATO's system of risk management, reviewing all enterprise risks during the year to ensure appropriate controls are in place and operating effectively. This year, the Committee focused on enterprise risks assessed as above tolerance, with strengthened governance arrangements and increased oversight by the ATO Executive Committee.

The ATO Risk Committee and Chief Risk Officer, in conjunction with the Audit and Risk Committee, provide assurance to the Accountable Authority that risks are being effectively identified, analysed and managed throughout the organisation.

In 2025–26, we continued to implement the refreshed Risk Management Framework to embed positive risk behaviours and strengthen enterprise-wide, risk-informed decision-making. This work was recognised at the 2025 Commonwealth Awards for Excellence in Risk Management, where the ATO received the award for excellence in enterprise-wide risk management.

During the year, we further strengthened our management of risk by actively monitoring our risk environment and scanning for new and emerging risks. This included quarterly updates to the ATO Risk Committee to improve early identification and visibility of risks that may impact the ATO. These risks were associated with cybersecurity, fraud, geopolitics, climate change, and advances in technology, including artificial intelligence.

We also continued to strengthen risk culture and capability across the ATO by building risk management skills, awareness and behaviours. Internal communications, communities of practice and learning resources support positive risk behaviours and help staff effectively manage risk in their day-to-day work.

Internal audit

The Chief Internal Auditor directs a comprehensive program of assurance, audit and advisory services. This work provides assurance to the Commissioner and Audit and Risk Committee on the effectiveness of the ATO's system of internal control and assists the ATO Executive and senior managers to identify opportunities for business improvements. The ATO Internal Audit branch works with other internal assurance teams to develop, maintain and monitor efficient and effective systems of internal control, risk management and corporate governance.

In 2025–26, the Internal Audit branch presented 29 reports to the Audit and Risk Committee covering a wide range of topics and areas, including:

- tax administration and compliance activities
- governance, risk management and assurance frameworks
- business transformation
- data, analytics and artificial intelligence governance
- cybersecurity, protective security and technology controls
- workforce, integrity and operational practices.

The branch also works with internal and external scrutineers on matters of mutual interest, coordinating assurance activity and reducing duplication of audit effort.

Audit and Risk Committee

As the Accountable Authority for the ATO, TPB, ACNC and ACNC Advisory Board, and in compliance with section 45 of the PGPA Act, the Commissioner of Taxation has established the Audit and Risk Committee (Committee) to provide independent advice and assurance to the Commissioner on whether arrangements for financial reporting, performance reporting, risk oversight and management, and internal controls of these bodies are appropriate.

The committee's charter outlining its functions is available at ato.gov.au/auditandriskcommitteecharter.

The TPB and ACNC (including the ACNC Advisory Board) have their own internal governance committees, which are attended by Audit and Risk Committee members as observers, on a rotating basis.

Committee members bring a broad range of private and public sector experience and skills, including in finance, accounting, audit, legal, compliance, risk management, due diligence and information technology. The committee is supported by a subcommittee comprising all independent members which provides advice and assurance on the appropriateness of financial and performance reporting. The subcommittee meets each financial year to consider the financial statements and performance statements. The committee complies with section 17 of the PGPA Rule on audit committees for Commonwealth entities.

All members of the committee during 2025–26 are listed in [Table 5.2](#). In 2025–26, the committee comprised 4 independent members, and held a total of 10 meetings. ATO senior executives attend as observers and advisers.

Table 5.2 Details of the Audit and Risk Committee, 2025–26^(a)

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended ^(b)	Total annual remuneration (\$) ^(c)
Margaret Crawford PSM (Chair)	<ul style="list-style-type: none"> Chair and independent member of the ATO Audit and Risk Committee since January 2025 Bachelor of Arts, Graduate Diploma of Recreation Management, Master of Business Administration Fellow of Certified Practising Accountants (CPA) Australia, Australian Institute of Company Directors, Institute of Public Administration Australia Gateway Review Team, Department of Finance since 2025 Member of the Uniting Vic.Tas Audit and Risk Committee since 2025 Independent Monitor, Victorian Certificate of Education 2025 and 2026 exams, Victorian Department of Education Independent Review of Homes Tasmania 2025 Auditor-General of NSW, 2016–2024 Various senior management roles in local, state and Commonwealth government since 1991 	10	80,345

Table 5.2 Details of the Audit and Risk Committee, 2025–26^(a) *continued*

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended ^(b)	Total annual remuneration (\$) ^(c)
Russell Egan	<ul style="list-style-type: none"> Independent member of the ATO Audit and Risk Committee since January 2025 Master of Laws (First Class), Bachelor of Economics, Bachelor of Laws (Hons) Member of the Australian Institute of Company Directors Member of the Risk and Audit Committee of the Aged Care Quality and Safety Commission since 2025 Independent advisor to the Funding and Disclosure Board of the Australian Electoral Commission since 2025 Member of the Shellharbour City Council Audit, Risk and Improvement Committee since 2025 Managing Director RJ Egan Advisory Services since 2024 Chief Operating Officer, Deputy Chief Executive Officer, Services Australia, 2019–2024 Senior Executive, Department of Human Services, 2012–2019 Senior Executive, Department of the Prime Minister and Cabinet, 2008–2012 Prior experience as a consultant (Boston Consulting Group), Policy Adviser (Department of the Prime Minister and Cabinet) and Lawyer (Middletons, Moore and Bevins) 	10	45,631
David Bryant	<ul style="list-style-type: none"> Independent member of the ATO Audit and Risk Committee since January 2026 Doctor of Philosophy, Information Sciences and Engineering Master of Business Administration, Technology Management Bachelor of Computer Science Australian Computer Society Certified Professional Senior ACS Certified Professional (PCP) Former Certified Practising Project Director Graduate of the Australian Institute of Company Directors Audit and Risk Committee member for Prime Minister and Cabinet, Department of Veterans' Affairs, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts and the Fair Work Commission Audit and Risk Committee member of various Commonwealth departments since 2011 Experience in ICT strategy and planning, IT governance, portfolio, program and project management, enterprise architecture and business process improvement 	4	18,230
Karen Williams	<ul style="list-style-type: none"> Independent member of the ATO Audit and Risk Committee since January 2026 Bachelor of Commerce (Accounting) Fellow Certified Practising Accountant (FCPA) Graduate of the Australian Institute of Company Directors (GAICD) Member of the Institute of Internal Auditors Australia (AMIIA) Member of the Ballina Shire Council Audit, Risk and Improvement Committee since 2026 Audit and Risk Committee member on various Commonwealth entities since 2024 Former ex-officio Audit and Risk Committee member of Royal Australian Mint and Parliamentary Budget Office Director and Treasurer of the Arthur Shakespeare Foundation for Scouting Pty Ltd, 2022–2025 Former Deputy CFO, CFO and COO in various Commonwealth entities 2005–2023 Sole trader providing financial governance advisory services to Commonwealth entities since 2024 	4	19,084

Table 5.2 Details of the Audit and Risk Committee, 2025–26^(a) *continued*

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended ^(b)	Total annual remuneration (\$) ^(c)
Teresa Dyson	<ul style="list-style-type: none"> Independent member of the ATO Audit and Risk Committee 2023–December 2025 Bachelor of Laws (Hons), Master of Applied Finance, Master of Tax, Bachelor of Arts Fellow of the Australian Institute of Company Directors Certified Practising Accountant Admitted as a solicitor in Qld, NSW, Victoria and High Court Non-executive director and chair of several other audit and risk committees, including: <ul style="list-style-type: none"> Shine Justice Ltd since 2020 Southern Cross Media Ltd since 2017 (following merger with Seven West Media Ltd) Invest Gold Coast Pty Ltd since 2024 Member of the Australian Government Takeovers Panel since 2018 Former non-executive director of: <ul style="list-style-type: none"> Entyr Ltd, 2023–2024 Queensland Government Gold Coast Hospital and Health Board, since 2016 Housing Australia (formerly, National Housing Finance and Investment Corporation), 2018–2024 Genex Power Ltd, 2018–2024 Energy QLD Ltd, 2016–2024 Brighter Super (including predecessor superannuation funds), 2017–2025 Former member of the Australian Government Foreign Investment Review Board, 2018–2023 Former Chair and member of the Australian Government Board of Taxation, 2011–2014 Former Deloitte Partner, 2013–2016 Former Ashurst (formerly Blake Dawson) Partner, 2004–2013, Lawyer and Senior Associate, 1997–2004 	6	28,647
Mark Sercombe	<ul style="list-style-type: none"> Independent member of the ATO Audit and Risk Committee 2021–December 2025 Bachelor of Economics Certified Internal Auditor, Information Security Management Systems Lead Auditor ISO 27001 Fellow of Chartered Accountants Australia and New Zealand Professional Fellow of the Institute of Internal Auditors Member of the Audit and Risk Committee of Services Australia since 2025 Member of the Audit and Risk Committee of the Department of Agriculture, Fisheries and Forestry 2022–2025 Member/Chair of the audit and risk committees of several NSW public sector entities and NSW local governments since 2017 Founder and leader of a boutique risk advisory and assurance firm serving private and public sector organisations since 2015 Sessional lecturer, University of Sydney's Business School since 2016 and former Deloitte Partner, 1997–2014 Specialist in IT risk and assurance including projects, cybersecurity, business systems and privacy since 1985 	6	23,261

Notes

- (a) While the ATO Audit and Risk Committee financial year operates from 1 October to 30 September, the details in this table cover the period from 1 July 2025 to 30 June 2026 (GST inclusive).
- (b) The number of meetings attended are in accordance with their term as a member of the ATO Audit and Risk Committee, which may not be the full year. Meetings held out of session are excluded.
- (c) Includes invoices paid from 1 July 2025 to 30 June 2026.

Conformance with obligations

The ATO Conformance with obligations program is a key component of our governance arrangements. It is aligned with International Standard ISO 37301:2021 Compliance management systems – Requirements with guidance for use, and aims to:

- reduce the risk of non-conformance, while increasing the likelihood of early detection and correction
- improve employee awareness of legislative and policy obligations in relation to corporate governance
- foster a pro-integrity culture of zero tolerance for illegal or unethical behaviour
- drive positive organisational change through monitoring, measurement and assessment
- enhance community confidence in our administration of the tax and superannuation systems.

The program serves as a mechanism for senior management to provide the Audit and Risk Committee and ATO Executive with assurance that the ATO is meeting its legislative and policy obligations. This is achieved through periodic conformance and integrity indicator reporting.

By holding obligation owners accountable for managing conformance obligations and addressing matters of non-conformance, we drive continuous improvement in our systems and procedures. Matters of non-conformance and integrity indicator performance information are reported to the Audit and Risk Committee and ATO Executive on a quarterly basis.

Open and transparent operations

Australia's tax and superannuation systems are community assets. Openness, external scrutiny and access to information help maintain public trust and confidence in how we administer these systems.

External scrutiny

External scrutineers undertake independent reviews, investigations and audits of the ATO's operations – either as part of their annual program of work, or in response to concerns raised by members of the public and the Australian Parliament. Reviews, investigations and audits help us to identify opportunities for improving services to taxpayers, address barriers to willing participation, and support effective administration of the tax system and aspects of the superannuation system.

The TPB and ACNC publish additional information about external scrutiny in their annual reports.

Judicial reviews and administrative tribunals

The courts may be called upon to determine the application of tax law. See [Appendix 6](#) for a list of significant cases decided by the courts and the Administrative Review Tribunal.

Tax Ombudsman

The Tax Ombudsman, established under the *Inspector-General of Taxation Act 2003*, undertakes reviews and investigations to identify systemic issues in the administration of tax law. These may be at the request of the government or the ATO, through environmental scans or following complaints from the public.

The following reviews relating to the ATO were published in 2025–26:

- Letters from the ATO
- Systemic review of the effectiveness of the ATO's registered agent phone line
- ATO's management of remission of the general interest charge
- ATO's management of a complex and long-running case.

Complaints received via the Tax Ombudsman increased from 1,349 in 2024–25 to 2,142 in 2025–26. The majority of matters had not been previously raised directly with us, limiting the opportunity for earlier resolution. In the Tax Ombudsman's complaints insights report (July 2025 to April 2026), it noted that increased complaint volumes may also reflect greater public awareness of the Tax Ombudsman's role. Of these:

- 1,283 complaints (60%) had not previously been lodged with us and were subsequently redirected to the ATO complaint handling process
- 458 complaints (21%) were referred to us to provide a response to the Tax Ombudsman for resolution with the taxpayer
- 401 complaints (19%) were reviewed by us and returned to the Tax Ombudsman to determine its next action.

Auditor-General

The Auditor-General, operating under the *Auditor-General Act 1997*, is supported by the Australian National Audit Office (ANAO) to produce independent performance audits, financial statement audits and assurance reviews.

In 2025–26, a performance audit of the ATO's management of small business collectable debt was tabled.

Performance audit reports are available at [anao.gov.au](https://www.anao.gov.au). Details of the ANAO financial audit of our operations are provided in [Part 6](#) of this report.

Australian Information Commissioner

The Office of the Australian Information Commissioner (OAIC), established under the *Australian Information Commissioner Act 2010*, provides independent oversight of privacy protection and access under the *Freedom of Information Act 1982* (FOI Act).

In 2025–26, we registered 39 cases where the OAIC notified the ATO of a review of our FOI Act decisions. In the same period, the OAIC finalised 17 cases. Of these, the ATO's decision was varied by the OAIC in 4 cases. The OAIC discontinued 8 cases, including where the request for review lacked substance or the applicant did not respond. In 5 cases, the applicant withdrew their request for review.

Details of OAIC investigations are available at [oaic.gov.au](https://www.oaic.gov.au).

Freedom of information

We use our website to provide the community with access to documents and policies that we use in making decisions. In addition, we provide information under the FOI Act. Past documents released under the FOI Act are publicly listed on our FOI Act disclosure log, other than documents exempt from this requirement. The disclosure log is available at ato.gov.au/foi.

As an agency covered by the FOI Act, the ATO is also required to publish information as part of the Information Publication Scheme (IPS), displaying on our website a plan showing what information we publish in accordance with the IPS requirements.

The ATO IPS plan, pursuant to Part II of the FOI Act, is available at ato.gov.au/ips.

As the TPB and ACNC maintain independence in the performance of their statutory functions, they publish separate plans on their websites. See tpb.gov.au/information-publication-scheme and acnc.gov.au/about/foi/information-publication-scheme.

Commonwealth Ombudsman

While the Tax Ombudsman investigates complaints from the public about administrative actions of the ATO and TPB, the Commonwealth Ombudsman provides oversight of the ATO's management of allegations and complaints made under the *Public Interest Disclosure Act 2013* (PID Act).

Public interest disclosures received by the ATO, TPB and ACNC are managed in accordance with ATO procedures, which meet the requirements of the PID Act and Commonwealth Ombudsman standards and guidelines.

During 2025–26:

- 31 disclosures were made directly to the ATO
 - 5 disclosures were assessed to meet the criteria under section 26 of the PID Act, and allocated for investigation
 - 26 disclosures resulted in a decision not to investigate under the PID Act
- 4 investigations were finalised with a section 51 report, and no findings of disclosable conduct (including 1 disclosure from 2024–25)
- 1 investigation was discontinued under section 48
- 1 investigation remains open.

National Anti-Corruption Commission

We continue to assess all employee integrity-related matters against the corruption criteria set by the requirements of the *National Anti-Corruption Commission Act 2022* and refer any potential corruption issues and allegations of serious or systemic corrupt conduct to the National Anti-Corruption Commission (NACC).

In 2025–26, a former ATO employee was convicted and sentenced to 5 months imprisonment after pleading guilty to 10 offences, including obtaining a financial advantage by deception. The conviction arose from Operation Hay, a joint investigation by the former Australian Commission for Law Enforcement Integrity (ACLEI) and the ATO, which was subsequently continued by the NACC. The investigation identified that the former ATO employee misused taxpayer information accessed through their employment to create false taxpayer accounts and fraudulently obtain government payments and income tax refunds totalling up to \$60,000.

Parliamentary committees

Each year, the ATO appears before a number of parliamentary committees to answer questions about our administration of the tax system and aspects of the superannuation system.

In 2025–26, the ATO appeared at 4 Senate Estimates hearings^(a), responded to 274 questions on notice containing a total of 793 individual questions and provided evidence to the following parliamentary committees and inquiries:

- Economics Legislation Committee
 - Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and a related bill
- Finance and Public Administration Legislation Committee
 - Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025
- House Standing Committee on Communications, the Arts and Sport
 - Inquiry into arts and cultural philanthropy
- Joint Committee of Public Accounts and Audit
 - Inquiry into Commonwealth Financial Statements 2023–24 and 2024–25
- Joint Committee on Law Enforcement
 - Inquiry into the capability of law enforcement to respond to money laundering and financial crime
- Joint Standing Committee on the National Disability Insurance Scheme (NDIS)
 - Inquiry into the integrity of the NDIS
- Legal and Constitutional Affairs References Committee
 - Inquiry into the illegal tobacco crisis in Australia
- Public Works Committee
 - Inquiry into the Australian Taxation Office — Proposed Fit-out of Leased Premises, Levels 5 to 10, 152 Wharf Street, Brisbane
- Select Committee on the Operation of the Capital Gains Tax Discount
 - Inquiry into the operation of the capital gains tax discount
- Select Committee on the Taxation of Gas Resources
 - Inquiry into the taxation of gas resources.

Note

(a) The 2025 Supplementary Budget Estimates were held over 2 separate hearings.

More information on ATO submissions, transcripts of committee hearings and responses to questions on notice is available at aph.gov.au.

Climate action in government operations reporting

The Commonwealth Climate Disclosure (CCD) policy requires all Commonwealth entities and companies to publicly report on their exposure to climate-related risks and opportunities, as well as their actions to manage them.

From 2025–26, CCD reporting, including emissions inventories, is required to be published on the government's transparency portal.

The ATO's 2025–26 climate disclosure report is available at transparency.gov.au.

Being accountable to our stakeholders

We are accountable to our ministers, the parliament and the community for how we administer the tax system and aspects of the superannuation system. This includes how we engage with taxpayers and the information they share with us.

The ATO Charter outlines our commitment to engaging with taxpayers in a way that is professional, considers their circumstances and provides them with relevant information.

Our community perceptions survey gathers attitudes and opinions about the tax and superannuation systems from the general public. We use insights from survey results to better understand community trust and confidence in the ATO.

We understand that people will sometimes be dissatisfied with their interactions with us. Our complaints process is designed to make it easy for them to raise an issue with us.

ATO Charter

We work to build a relationship with the Australian community based on mutual trust and respect. Our Charter outlines our commitments to taxpayers, including:

- fair and reasonable treatment
- professional service
- support and assistance
- security of data and privacy
- keeping taxpayers informed.

Our Charter also outlines what we ask of taxpayers and the steps they can take if they are not satisfied. It is available at ato.gov.au/our-charter.

For more information about how we measured the effectiveness of the ATO Charter in 2025–26, see [Appendix 2](#) on pages 237–238.

Community trust in the ATO

Community trust and confidence in the ATO are fundamental to the effective administration of the tax system and aspects of the superannuation system. They are shaped by a range of factors, including personal experiences, administrative practices, policy changes and broader economic conditions.

We monitor community trust and confidence through our community perceptions survey⁸, which gathers attitudes and opinions on the tax system, the ATO's administration of it and aspects of the superannuation system.

In 2025–26, the community perceptions survey result was 61 out of 100, 2 points lower than 2024–25. The decline reflected lower interpersonal trust compared to the previous year. Respondents were less confident that different taxpayer groups were paying the right amount of tax at the right time.

⁸ Each month, a representative sample of 500 members of the public is invited to complete the community perceptions survey. Respondents answer 8 trust questions: 4 on various taxpayer groups (interpersonal trust) and 4 on the ATO (institutional trust). Responses are averaged to produce an index score out of 100, with equal weighting given to each question. In 2025–26, 6,131 responses were collected.

Respondents who reported high levels of trust were also more likely to report higher levels of life satisfaction, more positive expectations about their financial situation and greater trust in the Australian Government.

Respondents continued to indicate low levels of trust that big businesses are paying the correct amount of tax. The ATO undertakes a range of activities to address tax avoidance by multinational enterprises, large public and private groups, and high wealth individuals and their advisers. Increased government funding for the Tax Avoidance Taskforce supports this work by enabling the ATO to continue and expand activities that address serious tax avoidance and protect the integrity of the tax system.

Each year the ATO publishes a corporate tax transparency report with tax data for some of the largest corporate entities. This initiative supports community confidence that big businesses are paying the right amount of tax. These reports are available at ato.gov.au/CTT.

The ATO also publishes detailed tax gap estimates across market segments to provide transparency on the performance of the tax system. These are available at ato.gov.au/taxgap.

Reconciliation Action Plan

The ATO is committed to advancing reconciliation between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. The ATO's Reconciliation Action Plan (RAP) 2024–27 sets out 77 deliverables to strengthen relationships, show respect and create opportunities with Aboriginal and Torres Strait Islander peoples. It supports participation in the tax and superannuation systems, employment and retention opportunities, engagement with Aboriginal and Torres Strait Islander suppliers and the objectives of the National Agreement on Closing the Gap.

In 2025–26, we continued to deliver and monitor our RAP commitments across our operations and workforce.

The ATO's Reconciliation Action Plan is available at ato.gov.au/reconciliation.

Information about our progress during 2025–26 is included in [Part 2 Advancing reconciliation](#) on [pages 33–34](#).

Complaints, feedback and compliments

Complaints, feedback and compliments provide valuable insights into what is working well and where we can improve our services, products and processes. Our focus continues to be on improving the experience of taxpayers.

Complaints overview

During 2025–26, we received 53,386 complaints, including complaints received via the Tax Ombudsman. This was a 5% increase on 2024–25. Despite increased demand, we exceeded our service commitment to resolve 80% of complaints within 28 days, resolving 82% within this timeframe, compared with 76% in 2024–25.

Tax agents lodged 22,407 complaints, representing 42% of total complaints, broadly consistent with 43% in 2024–25. The complaint topics table includes a separate breakdown of tax agent complaints to show where these issues were most concentrated.

Complaint volumes increased in the second half of the year, particularly in the final quarter. The late-year increase in complaint volumes reflected increases in some complaint topics, including copy of document, interest and penalty remission complaints. This contributed to a higher number of complaints on hand at 30 June 2026. At year end, there were 4,517 complaints on hand, a 216% increase on 2024–25 and 130% higher than 2023–24, reflecting both increased complaint volumes and the growing complexity of complaints.

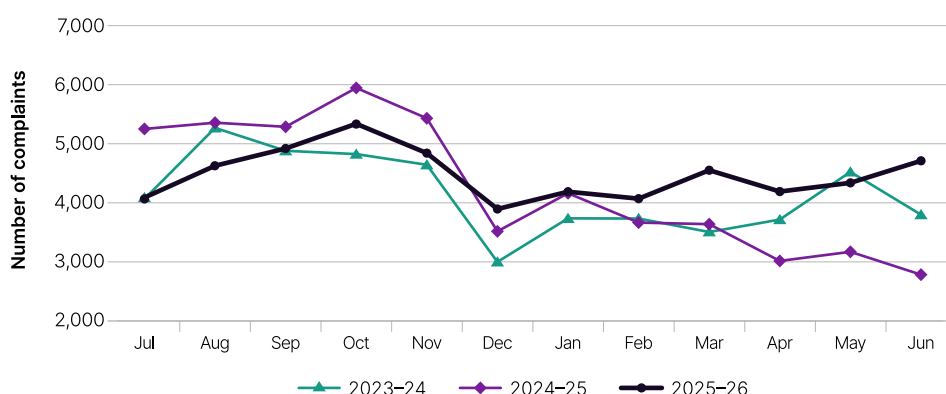
Overall, we resolved 50,619 complaints during the year, including complaints received in previous years. This was a 2% decrease on 2024–25 and reflected an increase in more complex complaints.

Of the 46,834 complaints where an outcome was recorded⁹, 62% were upheld in favour of the complainant, compared to 67% in 2024–25.

Timeliness remained the most common driver of complaints finalised in 2025–26, accounting for 61% of finalised complaints. This is reflected in several high-volume topics in the complaint topics table, including copy of document and income tax return complaints, which are generally linked to processing times. Timeliness has remained a key complaint driver over recent years.

We also introduced an authenticated complaint form in Online services for individuals in November 2025. This supports more efficient handling by helping staff connect complaints to the correct taxpayer record earlier in the process. Since deployment, 5,294 complaints have been lodged through this channel.

Figure 5.2 Complaints received, 2023–24 to 2025–26

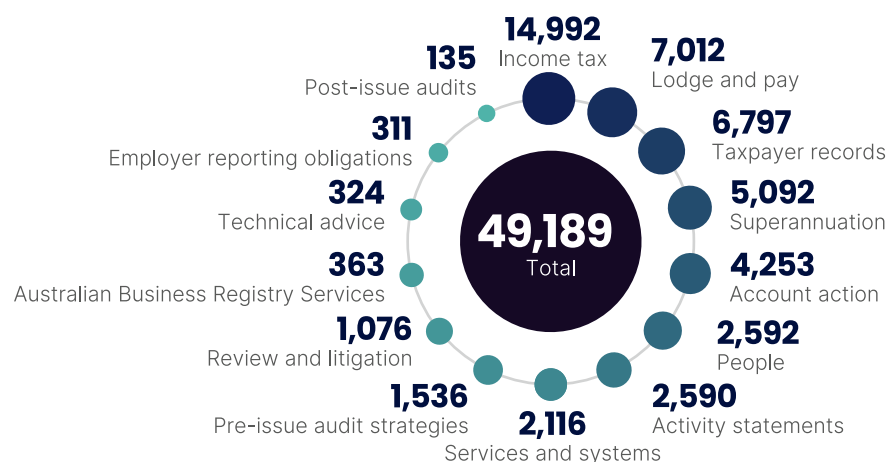


ATO complaints are categorised by product. A product refers to a broad aspect of taxpayer interactions, for example: income tax or superannuation. The products that continue to receive the most complaints were:

- income tax, including complaints related to tax return processing, refunds and amendments
- taxpayer records, which includes TFN, ABN and GST registrations, and compromised accounts
- lodge and pay, which includes debts, payment plans, penalties and insolvency.

⁹ A complaint may not have an outcome recorded if it is resolved during the taxpayer's initial interaction.

Figure 5.3 Highest complaints received, by product, 2025–26^(a)



Note

(a) The number of complaints by product differs from the total number of complaints, because:

- a complaint product may not have been recorded, for example where the complaint was resolved during the taxpayer's initial interaction (approximately 5 to 10% of complaints received each year)
- a single complaint may relate to multiple products.

Complaint products are further categorised into specific topics. Table 5.3 shows the number of complaints in the top 5 complaint topics, as well as a breakdown of tax agent complaints, which remained stable at 42% of total complaints in 2025–26.

Table 5.3 Number of complaints, by topic, 2023–24 to 2025–26^(a)

Complaint topic	2023–24	2024–25	2025–26	Change % (previous year)
All complaints				
Copy of document ^(b)	929	3,362	4,149	23.4%
Progress of return ^(c)	6,303	3,876	3,484	–10.1%
Compromised account ^(d)	2,907	3,530	2,834	–19.7%
Income tax refund ^(e)	3,169	3,400	1,944	–42.8%
Update record ^(f)	1,819	1,560	1,736	11.3%
Tax agents				
Copy of document ^(b)	612	2,649	3,480	31.4%
Progress of return ^(c)	3,580	2,246	1,682	–25.1%
Penalty remission ^(g)	642	654	980	49.8%
Interest ^(h)	203	428	1,047	144.6%
Compromised account ^(d)	781	1,243	986	–20.7%

Notes

(a) Number of complaints in the top 5 complaint topics.

(b) Copy of document complaints typically relate to the time taken to process requests for documents. For example, previous tax returns.

(c) Progress of return complaints mainly relate to how quickly a tax return is processed.

(d) Compromised account complaints usually relate to instances where a taxpayer's record has been compromised and they cannot access their account.

(e) Income tax refund complaints concern either the amount of the refund, or where a tax refund has not been issued.

(f) Update record complaints relate to change of details requests.

(g) Penalty remission complaints concern the timeliness of a remission decision or disagreement with a decision.

(h) Interest complaints generally relate to remission or imposition of interest.

Refer to page 121 for complaints received via the Tax Ombudsman.

Addressing complaint drivers

We use complaint insights to understand the causes of complaints, identify opportunities to improve services and reduce avoidable demand. Following the Auditor-General's recommendation¹⁰, we expanded our reporting to provide more detail on complaint trends, causes and outcomes. This analysis helps us identify the main reasons for complaints, such as processing delays, contact with taxpayers about outstanding obligations, changes in service channels, and recurring issues with particular products or topics.

In 2025–26, our complaints analysis included reviewing areas where complaint volumes increased, as well as high-volume topics that continued to affect taxpayers and their representatives. While overall complaints increased, several longstanding high-volume complaint categories declined, including compromised accounts, deceased estates, and income tax return and refund enquiries.

We continued to improve processes and digital services to reduce avoidable complaints, including stronger identity and fraud prevention measures, greater use of Strong myID and more streamlined remediation processes. These changes contributed to the ongoing reduction in compromised account complaints.

10 Auditor-General Report No. 28 of 2024–25, *Management of Complaints by the Australian Taxation Office*, Recommendation 2, which recommended the ATO analyse the root causes of complaints and enhance public reporting on complaint trends, causes and outcomes.

Dedicated insolvency resourcing helped reduce backlogs that have traditionally driven complaint volumes and complaints relating to deceased estates, with a decrease of 59% (down from 584 in 2024–25 to 239 this year), following improvements to processes, forms, digital functionality and support for executors, next-of-kin and legal personal representatives.

Complaints relating to requests for copies of tax records remained significant and increased in 2025–26. These were generally linked to processing delays, particularly for tax professionals and other authorised representatives. Complaints about payment plans, interest and penalty remission also increased, reflecting greater engagement with taxpayers about outstanding obligations and payment arrangements. These trends are being monitored as we continue to drive improved payment performance across the tax and superannuation systems.

As part of our work to manage complaint levels, we have also strengthened support for taxpayers experiencing vulnerability, including through a dedicated vulnerability hub established in January 2026. This work supports earlier intervention, more consistent handling and better access to tailored assistance.

Feedback and compliments

Feedback and compliments from the community provide additional insight into taxpayer experience and service performance, helping us understand community expectations and identify opportunities for improvement. In 2025–26, we received 2,623 feedback items, a decrease of 6.5% compared with 2024–25. We use this feedback to better understand community needs and inform future service improvements.

We also received 2,716 compliments, a 5% increase on 2024–25. These compliments recognised staff for their clear communication, respectful engagement and practical support for taxpayers, representatives and stakeholders.

Communication and interactions were the primary feedback topic, while the assistance provided to taxpayers on income tax topics generated the highest volume of compliments. Most feedback and compliments were received through our website, accounting for 39% of feedback and 63% of compliments.

Building international capability

We continue to support developing countries to strengthen their tax administration, through:

- formal Official Development Assistance programs with the Department of Foreign Affairs and Trade (DFAT)
- building capacity across Asia and the Pacific through partnerships with global and regional institutions such as the Study Group on Asia-Pacific Tax Administration and Research (SGATAR), and the Commonwealth Association of Tax Administrators (CATA)
- partnering with multilateral development and financial institutions including the International Monetary Fund (IMF), Asian Development Bank (ADB) and the World Bank.

Reporting on tax administration

The *Taxation Administration Act 1953* (TAA) provides the ATO with powers to administer the tax system. Under section 3B of the Act, we must report each year on whether the information we hold has been disclosed to other parties.

Disclosures to ministers

During 2025–26, there were 9 occasions where information was disclosed to the Assistant Treasurer under subsection 355-55(1) in Schedule 1 of the TAA.

Requests and disclosures made to law enforcement agencies

Subsection 355-70(1) in Schedule 1 of the TAA allows the ATO to disclose information to law enforcement agencies in certain circumstances. Details of the information requests made and subsequently provided under this section are reported in [Appendix 12](#) on pages 268–272.

Disclosure of protected information

We are required to report on the number (if any) of taxation officers found guilty of disclosing protected information, which is a specific offence listed in section 355-25 in Schedule 1 of the TAA.

In 2025–26, one matter involved a former taxation officer who pleaded guilty to an offence of disclosing protected information contrary to subsection 355-25(1)(b)(ii). In August 2025, the individual was sentenced to a 12-month good behaviour bond, with no conviction recorded.

Exercise of the Commissioner's remedial power

Subdivision 370-A in Schedule 1 of the TAA grants the Commissioner limited power to modify the operation of the law where it is not working as intended. The Commissioner's remedial power provides the ability to resolve smaller unforeseen or unintended outcomes in the tax and superannuation law in limited circumstances, including where it is creating disproportionate compliance costs.

The Commissioner did not exercise this power in 2025–26.

The Commissioner considered exercising the power, but ultimately did not do so, on 9 occasions in 2025–26. There are a further 3 matters due for finalisation in 2026–27.

More information about the Commissioner's remedial power and when it has, and has not, been used is available at ato.gov.au/CRP.

Workforce management

The ATO has a skilled, adaptable and inclusive workforce, working as one to deliver trusted outcomes for Australians.

Our workforce is central to achieving the ATO purpose and vision and delivering on the ATO Strategy. In 2025–26, we continued to build a capable, adaptable and high performing workforce, aligned to our enterprise priorities through investment in leadership, management, technical capability and wellbeing.

The Australian Public Service Commission's 2025 capability review of the Australian Taxation Office provided a valuable perspective on our strong foundations and areas to improve. The ATO's response, *Our performance evolution*, set a clear direction for strengthening organisational capability, culture and performance.

A significant milestone in 2025–26 was the release of the ATO Strategy, which articulates our strategic direction and 5 strategic shifts, including equipping a future-ready workforce. To support delivery of the ATO Strategy, we refreshed our culture commitments to provide clear guidance on how we want to work together. Our culture commitments ask our staff to: Think Bigger, Act Bolder, and Deliver Together.

To support these commitments, we encouraged staff to:

- think bigger by exploring possibilities, broadening perspectives and embracing change
- act bolder by striving for improvement, taking smart risks and owning outcomes
- deliver together by leveraging strengths, sharing knowledge and prioritising shared goals.

Complementing the APS Values, the culture commitments guide how the ATO makes decisions, collaborates and delivers outcomes.

We are committed to fostering a workplace culture where our people are safe, supported and able to perform at their best. During 2025–26, the ATO:

- developed a Health, safety and wellbeing action plan, bringing to life our legislative responsibilities and commitments under the ATO Thriving Minds mental health strategy
- supported career development and progression opportunities for people with disability and Aboriginal and Torres Strait Islander employees
- actively strengthened connection, allyship and engagement across the organisation
- launched the ATO Culturally and Linguistically Diverse (CALD) Action Plan 2025–28
- was recognised in the Australian Disability Network's Access and Inclusion Index, ranking second and Best in Class for Employee Experience
- retained Platinum Employer status in the Australian Workplace Equality Index, with ATOMIC (ATO Making Inclusion Count) being recognised as Employee Network of the Year.

Our focus on learning, leadership and capability continued to build a high-performing, adaptable and future-ready workforce.

We continued to prioritise manager capability to meet current and future workforce needs. The flagship ATO Manager Program equipped managers with the practical skills and knowledge needed to lead people effectively, manage performance and wellbeing, and fulfil financial responsibilities. Open to all managers, there were more than 5,700 participants across the year.

Recognising the significant impact of artificial intelligence (AI) on the future of work, we continued to build foundational AI capability across the workforce through a range of learning opportunities and supporting policy frameworks, helping employees develop AI literacy and apply emerging technologies safely, responsibly and ethically.

Leadership development remained a key focus, with continued investment in senior executive service (SES) and executive level (EL) 2 talent development programs and targeted SES masterclasses. The talent development programs support high-potential SES Band 1 and EL 2 leaders through structured development opportunities, while SES masterclasses addressed topics including AI, cybersecurity and integrity.

We continued to grow and invest in technical capability across the workforce through targeted learning, professional development and specialist capability programs that strengthened expertise in areas such as taxation, law, data, digital and service delivery. We invested in specific graduate program streams including taxation and law, and information technology to grow future leaders with critical skills. Together, these initiatives helped develop the specialist knowledge and practical skills required to support a capable, adaptable and future-ready workforce.

We embedded a refreshed SES performance approach by refining development discussions, enhancing feedback mechanisms and improving visibility of readiness for the next level. Together, these initiatives:

- strengthened leadership capability
- supported future workforce insight investment decisions
- contributed to a pipeline of leaders equipped to respond to increasing complexity and ambiguity.

The ATO also continued to support APS-wide capability through leadership of the human resources professional stream, helping build workforce capability and future talent pipelines across agencies. In 2025–26, 6 HR Professional Stream networking events were held across Australia, with 940 participants. In the first 6 months of 2026, 45 HR graduates were placed across the APS through the Australian Government Graduate Program.

Our 2026 APS Employee Census results demonstrate the positive impact of our ongoing investment in our people and culture. The ATO continues to be a highly engaged and purpose-driven organisation, supported by strong leadership and a positive workplace environment. Employee engagement remained strong at 76%, 2 percentage points above the APS average, while wellbeing remained stable at 73%, 3 percentage points above the APS.

Leadership continues to underpin organisational performance, with improved results across both the SES Manager and Immediate Supervisor indices. Gains in career development and internal mobility measures also reflect growing confidence among employees in their ability to build capabilities, progress their careers, and access future opportunities within the organisation.

To ensure we remain well positioned to deliver on the ATO purpose, vision and ATO Strategy, we will continue to focus on building a capable, adaptable and future-ready workforce.

Note

As the Commissioner of Taxation provides employees to the TPB and ACNC, this workforce management overview refers to staff working for the ATO, TPB and ACNC. Additional workforce information for the TPB and ACNC may be included in their respective annual reports, available at tpb.gov.au/annual-report and acnc.gov.au/tools/reports.

Strategic Commissioning Framework

In 2025–26, the ATO continued to implement the APS Strategic Commissioning Framework by reviewing vendor arrangements and strengthening internal capability to undertake core work in-house.

The ATO set a target to bring \$0.5 million (excluding GST) of core work in-house in 2025–26. This target was exceeded, with an actual reduction of \$1.0 million (excluding GST) in supplier expenditure for information technology services. The reduction in supplier expenditure was offset by increased average staffing level (ASL) costs related to bringing the work in-house.

Combined with the \$80.4 million reduction in supplier expenditure achieved in 2024–25, this represents a cumulative reduction of \$81.4 million (excluding GST) in supplier expenditure over the 2-year period.

Statistics on our employees

To meet our legislative obligations and support workforce planning, we need to understand the size and composition of our workforce – including employment types, diversity, skill sets, work distribution, accommodation requirements and employee retention rates.

As the Commissioner of Taxation provides employees to the TPB and ACNC, the following workforce statistics include staff undertaking work for the ATO, TPB and ACNC, and exclude statutory appointments for Commissioner and Second Commissioner roles unless noted otherwise. Refer to subsections 60–130(1) of the *Tax Agent Services Act 2009* (for the TPB) and 120–5(1) of the *Australian Charities and Not-for-profits Commission Act 2012* (for the ACNC).

Our workforce

Table 5.4 shows the number of employees by substantive classification level and employment type at 30 June 2026. Table 5.5 shows the same information for the previous year.

Table 5.4 Employees, by level and employment type, at 30 June 2026

Level	Ongoing			Non-ongoing			Casual	Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	Total casual	
SES 3	1	0	1	0	0	0	0	1
SES 2	32	0	32	0	0	0	0	32
SES 1	193	5	198	0	0	0	0	198
EL 2	2,139	149	2,288	6	0	6	1	2,295
EL 1	4,309	449	4,758	13	1	14	0	4,772
APS 6	4,066	470	4,536	15	2	17	1	4,554
APS 5	1,794	193	1,987	12	0	12	0	1,999
APS 4	3,425	362	3,787	20	0	20	11	3,818
APS 3	2,252	304	2,556	7	3	10	86	2,652
APS 2	401	78	479	1	0	1	1,268	1,748
APS 1	58	16	74	0	0	0	166	240
Total	18,670	2,026	20,696	74	6	80	1,533	22,309

Table 5.5 Employees, by level and employment type, at 30 June 2025

Level	Ongoing			Non-ongoing			Casual	Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	Total casual	
SES 3	2	0	2	0	0	0	0	2
SES 2	32	0	32	0	0	0	0	32
SES 1	194	9	203	0	0	0	0	203
EL 2	2,015	134	2,149	20	0	20	2	2,171
EL 1	4,042	426	4,468	24	1	25	1	4,494
APS 6	3,899	484	4,383	16	2	18	0	4,401
APS 5	1,848	192	2,040	11	0	11	0	2,051
APS 4	3,307	343	3,650	10	3	13	7	3,670
APS 3	1,902	320	2,222	8	1	9	113	2,344
APS 2	421	91	512	2	0	2	1,397	1,911
APS 1	37	13	50	0	0	0	164	214
Total	17,699	2,012	19,711	91	7	98	1,684	21,493

Ongoing employees

Table 5.6 shows our ongoing workforce by substantive classification level, gender and employment type at 30 June 2026. Table 5.7 shows the same information for the previous year.

Table 5.6 Ongoing employees, by level and gender, at 30 June 2026

Level	Man/Male			Woman/Female			Different term			Total
	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Part time	Total different term	
SES 3	1	0	1	0	0	0	0	0	0	1
SES 2	16	0	16	16	0	16	0	0	0	32
SES 1	98	1	99	93	4	97	2	0	2	198
EL 2	1,139	24	1,163	996	125	1,121	4	0	4	2,288
EL 1	2,192	55	2,247	2,110	393	2,503	7	1	8	4,758
APS 6	1,911	57	1,968	2,143	410	2,553	12	3	15	4,536
APS 5	821	26	847	967	166	1,133	6	1	7	1,987
APS 4	1,616	59	1,675	1,788	303	2,091	21	0	21	3,787
APS 3	1,063	65	1,128	1,177	238	1,415	12	1	13	2,556
APS 2	173	22	195	224	56	280	4	0	4	479
APS 1	28	6	34	30	10	40	0	0	0	74
Total	9,058	315	9,373	9,544	1,705	11,249	68	6	74	20,696

Table 5.7 Ongoing employees, by level and gender, at 30 June 2025

Level	Man/Male			Woman/Female			Different term			Total
	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Part time	Total different term	
SES 3	1	0	1	1	0	1	0	0	0	2
SES 2	17	0	17	15	0	15	0	0	0	32
SES 1	99	2	101	93	7	100	2	0	2	203
EL 2	1,071	17	1,088	942	117	1,059	2	0	2	2,149
EL 1	2,082	49	2,131	1,954	377	2,331	6	0	6	4,468
APS 6	1,828	52	1,880	2,060	429	2,489	11	3	14	4,383
APS 5	826	24	850	1,016	168	1,184	6	0	6	2,040
APS 4	1,617	47	1,664	1,681	296	1,977	9	0	9	3,650
APS 3	833	69	902	1,045	249	1,294	24	2	26	2,222
APS 2	169	31	200	249	60	309	3	0	3	512
APS 1	24	4	28	13	9	22	0	0	0	50
Total	8,567	295	8,862	9,069	1,712	10,781	63	5	68	19,711

Non-ongoing employees

Non-ongoing employees are engaged for a specified term or for the duration of a specified task in accordance with the *Public Service Act 1999*, whereas casual employees are engaged to perform duties that are irregular or intermittent.

Table 5.8 shows our non-ongoing workforce by substantive level, gender and employment type at 30 June 2026. Table 5.9 shows the same information for the previous year.

Table 5.8 Non-ongoing employees, by level and gender, at 30 June 2026^{(a)(b)}

Level	Man/Male			Woman/Female			Different term		Total
	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Total different term	
SES 3	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0
EL 2	4	0	4	2	0	2	0	0	6
EL 1	7	1	8	6	0	6	0	0	14
APS 6	8	1	9	7	1	8	0	0	17
APS 5	5	0	5	7	0	7	0	0	12
APS 4	7	0	7	12	0	12	1	1	20
APS 3	5	1	6	2	2	4	0	0	10
APS 2	1	0	1	0	0	0	0	0	1
APS 1	0	0	0	0	0	0	0	0	0
Total	37	3	40	36	3	39	1	1	80

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no part-time non-ongoing employees who identified as a different term at 30 June 2026.

Table 5.9 Non-ongoing employees, by level and gender, at 30 June 2025^{(a)(b)}

Level	Man/Male			Woman/Female			Different term		Total
	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Total different term	
SES 3	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0
EL 2	13	0	13	6	0	6	1	1	20
EL 1	17	1	18	6	0	6	1	1	25
APS 6	9	1	10	7	1	8	0	0	18
APS 5	6	0	6	5	0	5	0	0	11
APS 4	5	0	5	4	3	7	1	1	13
APS 3	2	1	3	6	0	6	0	0	9
APS 2	1	0	1	1	0	1	0	0	2
APS 1	0	0	0	0	0	0	0	0	0
Total	53	3	56	35	4	39	3	3	98

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no part-time non-ongoing employees who identified as a different term at 30 June 2025.

Diversity

The ATO recognises that a diverse and inclusive workforce improves staff engagement and experience, leading to greater creativity and capability. It also strengthens the design and delivery of taxpayer services and programs to best support the diverse community we serve. The ATO Diversity and Inclusion Strategy sets out our ongoing commitment to increasing diversity and embedding inclusion in the ATO.

In 2025–26, we:

- launched a new mentoring initiative supporting Aboriginal and Torres Strait Islander executive level employees
- retained our Australian Workplace Equality Index Platinum Employer status and were awarded Employee Network of the Year for the ATO Making Inclusion Count (ATOMIC) network
- delivered a range of diversity and inclusion training, including for cultural capability and support for managers to confidently lead diverse teams
- held corporate and site-based events supporting diversity days/weeks of importance
- supported 8 employee networks and 21 SES diversity champions to drive inclusion and allyship
- offered 49 Aboriginal and Torres Strait Islander and disability affirmative measure recruitment processes.

In July 2025, we launched the ATO Culturally and Linguistically Diverse (CALD) Action Plan 2025–28, which focused on strengthening the representation, inclusion and retention of CALD employees. In 2025–26, we:

- expanded the CALD mentoring program
- promoted learning pathways and encouraged staff participation in the APS Academy's Multicultural Organisation – Staff Awareness, Innovation and Capability (MOSAIC) and Many Cultures, One APS programs to build cultural capability
- delivered a series of spotlight communications featuring senior leaders from culturally diverse backgrounds.

For more details about our commitment to diversity, see ato.gov.au/diversity.

Table 5.10 shows the proportion of our employees in diversity groups. Table 5.11 shows the numbers of First Nations employees by employment type.

Table 5.10 Ongoing employees belonging to diversity groups, at 30 June^{(a)(b)}

Diversity group	2025 %	2026 %	Change from 2025
Culturally and linguistically diverse	36.6	37.7	1.1
First Nations people	3.2	3.1	–0.1
Lesbian, gay, bisexual, trans/transgender and intersex (LGBTI+)	4.4	4.6	0.2
Mature age (50 years+)	34.9	34.1	–0.8
Neurodivergent	4.4	5.5	1.1
People with disability	6.1	6.4	0.3

Notes

(a) We provide staff with the opportunity to self-report as being culturally and linguistically diverse, First Nations people (Aboriginal and Torres Strait Islander peoples), identifying as LGBTI+, neurodivergent or as a person with disability.

(b) Workforce statistics by gender are provided in Tables 5.6–5.9.

Table 5.11 First Nations employees, by employment type, at 30 June^(a)

Type	At 30 June 2025			At 30 June 2026		
	First Nations employees	Total employees	First Nations employees %	First Nations employees	Total employees	First Nations employees %
Ongoing	627	19,711	3.2	641	20,696	3.1
Non-ongoing	1	98	1.0	2	80	2.5
Casual	27	1,684	1.6	19	1,533	1.2
Total	655	21,493	3.0	662	22,309	3.0

Note

(a) We provide staff with the opportunity to self-report as being First Nations people (Aboriginal and Torres Strait Islander peoples).

Disability reporting

Australia's Disability Strategy 2021–2031 is the overarching national framework for inclusive policies, programs and infrastructure to support people with disability to participate in all areas of Australian life. It sets out practical changes to improve the lives of people with disability in Australia. It ensures the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver comprehensive and transparent reporting, available at disabilitygateway.gov.au/ads.

The ATO is committed to achieving the outcomes of the Australian Public Service Disability Employment Strategy 2020–25. Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the APS statistical bulletin. These reports are available at apsc.gov.au.

At 30 June 2026, 6.4% of ongoing employees in the ATO identified as having disability – an increase from 6.1% the previous year.

We continued to implement our diversity and inclusion strategy to support participation of employees with disability in the workforce.

In 2025–26, we:

- participated in the Australian Disability Network's Access and Inclusion Index, achieving equal second place out of 27 participating organisations and receiving Best in Class for Employee Experience
- retained our Disability Confident Recruiter accreditation for a third consecutive year and used affirmative measures disability recruitment
- launched neuro-inclusion training, available to all APS agencies through the APS Learning Bank
- extended a career mentoring program for employees with disability, following a successful pilot.

Gender equality reporting

The Australian Government is committed to creating a more gender equal Australia. A key part of this commitment, is Working for Women: A Strategy for Gender Equality, which requires departments of state to report on their efforts to advance gender equality and build gender analysis capability. While these reporting requirements are not mandatory for the ATO, we support the intent of the initiative. We are committed to fostering an inclusive workplace and promote gender equality as essential elements of a high-performing workforce.

At 30 June 2026, employees who identified as a woman or female made up 54.4% of ongoing employees in the ATO, with 51.4% representation within leadership roles (EL 1, EL 2 and SES combined).

In 2025–26, we:

- submitted the ATO's annual workplace gender equality report and endorsed 3 gender equality targets for the next 3 years in accordance with the *Workplace Gender Equality Act 2012*
- delivered International Women's Day events across all sites, supported by video interviews with senior leaders
- launched the Women Empowering Women initiative, creating opportunities for women to connect with peers and senior leaders across the ATO
- supported men's health through awareness activities and resources to promote physical and mental health.

Job families

We use job families to categorise roles. A job family is a high-level grouping of roles that carry out similar types of work and would require similar skills, capabilities and job-related knowledge to be proficiently performed. Any job role can only fall under one specific job family.

Table 5.12 Employees, by job family, at 30 June^{(a)(b)(c)}

Job family	2025 %	2026 %
Accounting/Finance	1.5	1.5
Administration	3.8	3.3
Analytics, risk and intelligence	8.9	8.9
Communication/Marketing	1.6	1.5
Engagement, assurance and compliance	25.5	25.1
Entry-level programs	1.8	2.6
Governance and performance	7.2	7.7
Human resources management	3.0	2.9
Information and organisational professionals	1.9	1.9
Information technology	9.6	10.1
Law	7.6	7.5
Other agencies	1.6	1.4
Project management	2.6	2.8
Senior executive	1.4	1.3
Service delivery	22.1	21.5
Total	100	100

Notes

(a) Includes ongoing, non-ongoing and casual employees; excludes contractors.

(b) Job family category names may vary from previous annual reports – to align with changes in organisational governance or capability initiatives.

(c) Totals may differ from the sum of components due to rounding.

Table 5.13 Employees, by business area, 2025–26^{(a)(b)(c)}

Business area	Number of employees
ATO Corporate	422
ATO Executive	17
ATO Finance	485
ATO People ^(d)	1,314
Australian Charities and Not-for-profits Commission	130
Enterprise Solutions and Technology	2,598
Enterprise Strategy and Design	365
Fraud and Criminal Behaviours	636
Frontline Business Improvement	559
Frontline Compliance	1,244
Frontline Resource Management	424
Frontline Risk and Strategy	240
Frontline Services	3,298
Individuals and Intermediaries	1,088
Integrity, Assurance and Law	178
International, Support and Programs	769
Law Design and Practice Strategy and Support	80
Objections and Review	563
Office of the Chief Tax Counsel	411
Policy, Analysis and Legislation	222
Private Wealth	2,317
Public Groups	1,459
Small Business	1,205
Smarter Data	951
Superannuation and Employer Obligations	1,144
Tax Practitioners Board	190
Total	22,309

Notes

(a) Includes ongoing, non-ongoing and casual employees; excludes contractors.

(b) Business area category names may vary from previous annual reports – to align with changes in organisational governance or structure.

(c) Employee numbers for the Enterprise, Risk, Change Integration and Evaluation and Litigation and Legal Services business areas established during the year, will be reported from 2026–27.

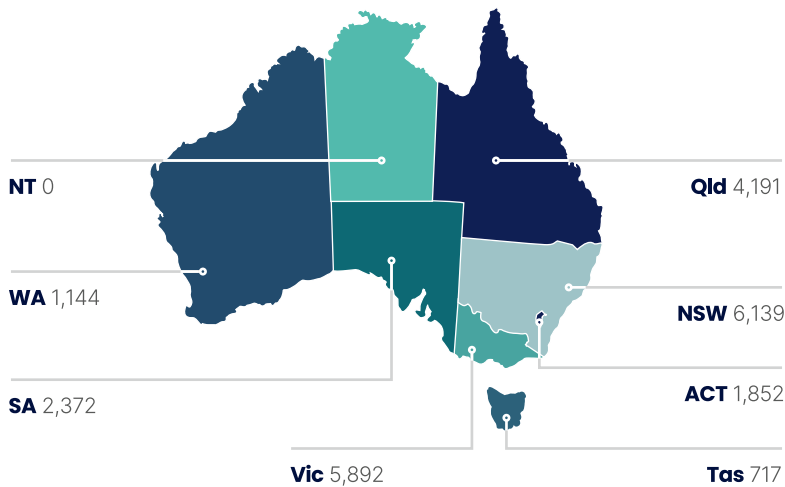
(d) Includes entry-level program participants and secondments.

Locations

The ATO has staff located in 21 buildings around Australia, including central business district (CBD), suburban and regional locations. During 2025–26, the ATO completed the relocation and consolidation of its Canberra workforce to a single new location in Barton, providing a modern workplace that supports collaboration, flexibility and contemporary ways of working.

The ATO property portfolio is managed in accordance with the Commonwealth Property Management Framework.

Figure 5.4 Our workforce by location, at 30 June 2026



Note

Does not include overseas staff.

Table 5.14 shows our workforce by location and employment type, at 30 June 2026, compared to the previous year. Some regions are made up of multiple locations. In the following tables:

- Brisbane includes Brisbane CBD and Upper Mount Gravatt
- Melbourne includes Melbourne CBD, Dandenong, Box Hill and Moonee Ponds
- Sydney includes Sydney CBD, Penrith and Parramatta.

Table 5.14 Total employees, by location and employment type, at 30 June^(a)

State/ Territory	Region	At 30 June 2025				At 30 June 2026			
		Ongoing	Non-ongoing	Casual	Total	Ongoing	Non-ongoing	Casual	Total
NSW	Albury	589	0	240	829	581	0	241	822
	Gosford	436	1	45	482	462	2	33	497
	Newcastle	520	2	1	523	512	5	6	523
	Sydney	3,405	9	250	3,664	3,548	13	228	3,789
	Wollongong	374	0	119	493	396	1	111	508
	Total	5,324	12	655	5,991	5,499	21	619	6,139
Qld	Brisbane	3,553	19	207	3,779	3,678	9	183	3,870
	Townsville	340	1	0	341	319	1	1	321
	Total	3,893	20	207	4,120	3,997	10	184	4,191
SA	Adelaide	2,016	8	222	2,246	2,182	8	182	2,372
Tas	Burnie	67	0	24	91	77	0	20	97
	Hobart	519	0	94	613	535	1	84	620
	Total	586	0	118	704	612	1	104	717
Vic	Geelong	108	0	0	108	132	0	0	132
	Melbourne	4,999	36	386	5,421	5,377	27	356	5,760
	Total	5,107	36	386	5,529	5,509	27	356	5,892
WA	Perth	990	5	81	1,076	1,062	2	80	1,144
ACT	Canberra	1,793	17	15	1,825	1,833	11	8	1,852
Overseas	Various	2	0	0	2	2	0	0	2
Grand total	All locations	19,711	98	1,684	21,493	20,696	80	1,533	22,309

Note

(a) There were no employees in the Northern Territory at 30 June 2025 or 30 June 2026.

Ongoing employees

Table 5.15 shows our ongoing workforce by location, gender and employment type, at 30 June 2026.
Table 5.16 shows the same information for the previous year.

Table 5.15 Ongoing employees, by location and gender, at 30 June 2026^(a)

State/ Territory	Region	Man/Male			Woman/Female			Different term			Total
		Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Part time	Total different term	
NSW	Albury	166	17	183	325	72	397	1	0	1	581
	Gosford	168	4	172	231	56	287	3	0	3	462
	Newcastle	193	7	200	258	53	311	1	0	1	512
	Sydney	1,394	41	1,435	1,805	300	2,105	8	0	8	3,548
	Wollongong	163	15	178	167	50	217	1	0	1	396
	Total	2,084	84	2,168	2,786	531	3,317	14	0	14	5,499
Qld	Brisbane	1,715	57	1,772	1,649	246	1,895	11	0	11	3,678
	Townsville	86	3	89	200	30	230	0	0	0	319
	Total	1,801	60	1,861	1,849	276	2,125	11	0	11	3,997
SA	Adelaide	982	39	1,021	957	196	1,153	6	2	8	2,182
Tas	Burnie	25	4	29	39	9	48	0	0	0	77
	Hobart	215	18	233	228	73	301	1	0	1	535
	Total	240	22	262	267	82	349	1	0	1	612
Vic	Geelong	49	0	49	76	7	83	0	0	0	132
	Melbourne	2,605	63	2,668	2,288	392	2,680	25	4	29	5,377
	Total	2,654	63	2,717	2,364	399	2,763	25	4	29	5,509
WA	Perth	462	18	480	481	96	577	5	0	5	1,062
ACT	Canberra	834	29	863	839	125	964	6	0	6	1,833
Overseas	Various	1	0	1	1	0	1	0	0	0	2
Grand total	All locations	9,058	315	9,373	9,544	1,705	11,249	68	6	74	20,696

Note

(a) There were no ongoing employees in the Northern Territory at 30 June 2026.

Table 5.16 Ongoing employees, by location and gender, at 30 June 2025^{(a)(b)}

State/ Territory	Region	Man/Male			Woman/Female			Different term			Total
		Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Part time	Total different term	
NSW	Albury	180	15	195	321	72	393	1	0	1	589
	Gosford	152	4	156	221	56	277	3	0	3	436
	Newcastle	187	9	196	272	51	323	1	0	1	520
	Sydney	1,309	32	1,341	1,758	298	2,056	8	0	8	3,405
	Wollongong	149	10	159	161	54	215	0	0	0	374
	Total	1,977	70	2,047	2,733	531	3,264	13	0	13	5,324
Qld	Brisbane	1,670	63	1,733	1,552	258	1,810	10	0	10	3,553
	Townsville	83	3	86	216	38	254	0	0	0	340
	Total	1,753	66	1,819	1,768	296	2,064	10	0	10	3,893
SA	Adelaide	909	31	940	886	183	1,069	4	3	7	2,016
Tas	Burnie	22	3	25	28	14	42	0	0	0	67
	Hobart	207	18	225	223	68	291	2	1	3	519
	Total	229	21	250	251	82	333	2	1	3	586
Vic	Geelong	35	1	36	64	8	72	0	0	0	108
	Melbourne	2,388	62	2,450	2,141	382	2,523	25	1	26	4,999
	Total	2,423	63	2,486	2,205	390	2,595	25	1	26	5,107
WA	Perth	431	17	448	446	92	538	4	0	4	990
ACT	Canberra	843	27	870	780	138	918	5	0	5	1,793
Overseas	Various	2	0	2	0	0	0	0	0	0	2
Grand total	All locations	8,567	295	8,862	9,069	1,712	10,781	63	5	68	19,711

Notes

(a) There were no ongoing employees in the Northern Territory at 30 June 2025.

(b) Employees from the Traralgon office moved to the Australian Securities and Investments Commission (ASIC) in a machinery of government process in April 2025.

Non-ongoing employees

Non-ongoing employees are engaged for a specified term or task. In some circumstances their engagement can be extended up to 3 years. The term ‘non-ongoing’ does not include casual (irregular/intermittent) employees, contractors or others paid through a third party.

Table 5.17 shows our non-ongoing employees by location and gender, at 30 June 2026, further broken down by employment type. Table 5.18 shows the same information for the previous year.

Table 5.17 Non-ongoing employees, by location and gender, at 30 June 2026^{(a)(b)(c)}

State/ Territory	Region	Man/Male			Woman/Female			Different term		Total
		Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Total different term	
NSW	Gosford	0	1	1	1	0	1	0	0	2
	Newcastle	3	0	3	2	0	2	0	0	5
	Sydney	9	0	9	4	0	4	0	0	13
	Wollongong	0	0	0	1	0	1	0	0	1
	Total	12	1	13	8	0	8	0	0	21
Qld	Brisbane	3	0	3	5	1	6	0	0	9
	Townsville	0	0	0	1	0	1	0	0	1
	Total	3	0	3	6	1	7	0	0	10
SA	Adelaide	4	1	5	3	0	3	0	0	8
Tas	Hobart	1	0	1	0	0	0	0	0	1
Vic	Melbourne	12	0	12	13	1	14	1	1	27
WA	Perth	0	1	1	1	0	1	0	0	2
ACT	Canberra	5	0	5	5	1	6	0	0	11
Grand total	All locations	37	3	40	36	3	39	1	1	80

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no part-time non-ongoing employees reported for the different term gender category at 30 June 2026.

(c) There were no non-ongoing employees in the Northern Territory at 30 June 2026.

Table 5.18 Non-ongoing employees, by location and gender, at 30 June 2025^{(a)(b)(c)}

State/ Territory	Region	Man/Male			Woman/Female			Different term		Total
		Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Total different term	
NSW	Gosford	0	0	0	1	0	1	0	0	1
	Newcastle	0	1	1	0	1	1	0	0	2
	Sydney	5	0	5	3	0	3	1	1	9
	Total	5	1	6	4	1	5	1	1	12
Qld	Brisbane	12	1	13	6	0	6	0	0	19
	Townsville	1	0	1	0	0	0	0	0	1
	Total	13	1	14	6	0	6	0	0	20
SA	Adelaide	3	0	3	4	1	5	0	0	8
Vic	Melbourne	19	1	20	12	2	14	2	2	36
WA	Perth	2	0	2	3	0	3	0	0	5
ACT	Canberra	11	0	11	6	0	6	0	0	17
Grand total	All locations	53	3	56	35	4	39	3	3	98

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no part-time non-ongoing employees reported for the different term gender category at 30 June 2025.

(c) There were no non-ongoing employees in Tasmania or the Northern Territory at 30 June 2025.

Employee retention and separation

The following tables provide information on our ongoing employee retention rates and separations.

Table 5.19 shows the numbers of ongoing employees by years of service at the ATO, at 30 June 2025 and 30 June 2026.

Table 5.19 Ongoing employees, by years of service at the ATO, at 30 June

Years of service at the ATO	At 30 June 2025	At 30 June 2026	Change %
0–4 years	6,824	7,435	9.0
5–9 years	3,180	3,464	8.9
10–14 years	2,434	2,058	–15.4
15–19 years	2,383	2,899	21.7
20–24 years	2,561	2,319	–9.4
25–29 years	1,356	1,629	20.1
30–34 years	243	217	–10.7
35–39 years	543	472	–13.1
40–44 years	164	175	6.7
45–49 years	20	22	10.0
50 years or more	3	6	100.0
Total	19,711	20,696	5.0

Table 5.20 shows the numbers of ongoing employees that left the ATO during the year, grouped by reason for separation, for 2024–25 and 2025–26.

Table 5.20 Reasons for ongoing employee separations, 2024–25 and 2025–26

Employee separations	2024–25	2025–26	Change %
Age retirement	435	437	0.5
Dismissal	19	32	68.4
Invalidity and death	49	35	–28.6
Machinery of government ^(a)	187	0	–100.0
Movement to another agency	278	121	–56.5
Redundancy	13	14	7.7
Resignation	426	446	4.7
Total	1,407	1,085	–22.9

Note

(a) The Australian Government transferred responsibility for business registers from the ATO to the Australian Securities and Investments Commission (ASIC) in April 2025. This included the transfer of staff in accordance with Section 72 of the *Public Service Act 1999*.

Our employment arrangements

The policy outlining remuneration and conditions for Australian Public Service (APS) agencies was set by the Australian Government Public Sector Workplace Relations Policy 2023.

More information about remuneration in the APS is available in the APSC's remuneration reports, available at apsc.gov.au.

The following information on our employment arrangements includes staff working for the ATO, TPB and ACNC, unless noted otherwise.

Workplace agreements

ATO employees engaged under the *Public Service Act 1999* (PS Act) at APS classification levels 1 to 6 and executive levels 1 and 2 are covered by the Australian Taxation Office Enterprise Agreement 2024 (ATO Enterprise Agreement), which sets out employment conditions. This agreement has a nominal expiry date of 28 February 2027.

Table 5.21 shows the numbers of staff covered by the agreement, and those employed under other employment arrangements.

There are 8 non-SES employees who have an Individual Flexibility Arrangement in place, which alters one or more specific aspects of the agreement.

Table 5.21 Employment arrangements of substantive SES and non-SES employees, at 30 June 2026

Arrangement	SES	Non-SES	Total
ATO Enterprise Agreement 2024	0	22,078	22,078
Determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	231	0	231
Total	231	22,078	22,309

Remuneration

Base rates of pay and other remuneration arrangements are set for the majority of non-SES staff by the ATO Enterprise Agreement 2024. The agreement includes provision for individual salary advancement within set ranges subject to satisfactory performance. The rates for ATO staff for 2025–26 are shown in Table 5.22.

The APS Executive Remuneration Management Policy sets out arrangements for the management of executive remuneration, including an approval process for remuneration proposals above a notional amount. Total remuneration for staff in the SES includes a notional component for provision of parking, and for superannuation calculated at 15.4% of 101% of base salary.

Table 5.22 Salary ranges (excluding non-salary benefits) by classification level, at 30 June 2026

Level	Minimum \$	Maximum \$
SES 3	376,990	427,188
SES 2	296,816	335,568
SES 1	234,846	271,401
EL 2	155,911	185,713
EL 1	129,551	141,239
APS 6 and equivalent	101,142	116,131
APS 5 and equivalent	93,676	99,307
APS 4 and equivalent	84,028	91,199
APS 3 and equivalent	75,431	81,381
APS 2 and equivalent	66,274	73,452
APS 1 and equivalent	58,608	64,728
Cadets while undertaking practical training in the workplace	58,608	64,728
Cadets while undertaking study	31,712	32,583

The Remuneration Tribunal sets the remuneration and conditions for the Commissioner. The tribunal issues the Guide to the Principal Executive Office (PEO) Structure, which is used by the Commissioner to determine remuneration and conditions for Second Commissioners. Second Commissioners and those who have acted in a Second Commissioner role for 3 months or more are also eligible for performance pay under the guidelines. The remuneration of our key management personnel, including performance pay, is shown in Table 5.23.

Key management personnel

The Commissioner of Taxation and other members of the ATO Executive are considered key management personnel as they have responsibility and authority for planning, directing and controlling the activities of the ATO. Details about the responsibilities of the ATO Executive are outlined in Part 1 of this report.

Table 5.23 Remuneration for key management personnel, 2025–26^(a)(b)(c)(d)(e)

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits			Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Superannuation contributions	Long service leave	Other long-term benefits	
Rob Heferen	Commissioner of Taxation	\$815,531	\$0	\$3,051		\$122,703	\$11,305	\$0	\$952,590
David Allen ^(f)	Second Commissioner	\$421,918	\$69,803	\$0		\$30,786	\$16,642	\$0	\$539,149
Jacqui Curtis PSM FCPHR ^(g)	Chief Operating Officer	\$419,269	\$0	\$22,334		\$84,919	\$26,794	\$0	\$553,316
Kirsten Fish ^(f)	Second Commissioner	\$435,337	\$69,803	\$3,051		\$30,786	\$12,327	\$0	\$551,304
Jeremy Hirschhorn ^(f)	Second Commissioner	\$472,809	\$69,803	\$3,051		\$39,444	\$9,373	\$0	\$594,480
Mark Sawade	Chief Information Officer	\$384,361	\$0	\$3,125		\$69,688	\$14,239	\$0	\$471,413

Notes

- (a) Figures exclude acting periods in key management positions less than 3 months in the reporting period.
(b) Staff are not offered long-term benefits other than long service leave. Only Second Commissioners are eligible for bonuses. The Bonuses column reflects performance payments made in line with the remuneration arrangements for Second Commissioner as set out in the relevant Remuneration Tribunal Determination.
(c) Base salary may be higher than the maximum salary range due to the inclusion of annual leave paid and the net movement in annual leave balances in the reporting period.
(d) Long service leave is calculated using accounting inputs such as the 10-year Commonwealth bond rate and estimated future salary increases.
(e) Key management personnel information for the TPB and ACNC is published in their annual reports.
(f) Figures include higher duties while acting as Commissioner of Taxation during 2025–26.
(g) Figures reflect the period each person occupied in a key management personnel position. Jacqui Curtis was Chief Operating Officer from 1 July 2025 to 8 June 2026.

Senior executives

Under the PGPA Rule, we must provide summary information about the remuneration of senior executive officers who are not listed as key management personnel. For the ATO, TPB and ACNC this comprises SES Band 1 and 2 officers, including those who may have acted through the year.

Table 5.24 Remuneration for senior executives, 2025–26 (a) (b) (c) (d)

Total remuneration bands	No. of senior executives	Short-term benefits			Average other benefits and allowances	Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits			Average long service leave	Average other long-term benefits		
\$0–\$220,000	61	\$110,314	\$0	\$0	\$3,266	\$19,983	\$3,001	\$0	\$0	\$136,564
\$220,001–\$245,000	7	\$179,999	\$0	\$0	\$8,113	\$36,993	\$7,178	\$0	\$0	\$232,284
\$245,001–\$270,000	13	\$204,522	\$0	\$0	\$11,279	\$35,631	\$7,630	\$0	\$0	\$259,063
\$270,001–\$295,000	44	\$231,779	\$0	\$0	\$5,664	\$40,248	\$7,275	\$0	\$0	\$284,966
\$295,001–\$320,000	74	\$244,890	\$0	\$0	\$11,458	\$44,159	\$6,984	\$0	\$0	\$307,491
\$320,001–\$345,000	58	\$265,552	\$0	\$0	\$8,788	\$46,423	\$6,807	\$0	\$4,023	\$331,593
\$345,001–\$370,000	9	\$292,907	\$0	\$0	\$2,748	\$51,292	\$7,848	\$0	\$0	\$354,796
\$370,001–\$395,000	12	\$309,177	\$0	\$0	\$10,006	\$54,857	\$12,741	\$0	\$0	\$386,780
\$395,001–\$420,000	12	\$323,646	\$0	\$0	\$15,287	\$56,637	\$10,360	\$0	\$0	\$405,931
\$420,001–\$445,000	2	\$321,818	\$0	\$0	\$39,886	\$58,846	\$11,738	\$0	\$0	\$432,287
\$445,001–\$470,000	1	\$172,471	\$0	\$0	\$2,620	\$36,534	\$7,838	\$0	\$247,888	\$467,351
\$470,001–\$495,000	1	\$232,013	\$0	\$0	\$203,268	\$42,024	\$6,891	\$0	\$0	\$484,195
\$545,001–\$570,000	1	\$265,425	\$0	\$0	\$228,366	\$52,914	\$1,572	\$0	\$0	\$548,277

Notes

- (a) Totals may differ from the sum of components due to rounding. Remuneration bands with no reportable data have been removed.
 (b) Figures reflect period occupied in an SES position for greater than 3 months.
 (c) Long service leave is calculated using accounting inputs such as the 10-year Commonwealth bond rate and estimated future salary increases.
 (d) Includes overseas allowances and both the reportable and non-reportable fringe benefits tax (FBT).

Other highly paid staff

Other highly paid staff are those officials who are not listed as key management personnel or senior executives.

The ATO has 4 staff in this category.

Table 5.25 Remuneration for other highly paid staff, 2025–26^(a)(b)(c)

Total remuneration bands	No. of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	
\$270,001–\$295,000	1	\$75,268	\$0	\$2,053	\$15,771	\$2,382	\$0	\$182,475	\$277,949
\$295,001–\$320,000	1	\$181,870	\$0	\$79,271	\$39,527	\$5,674	\$0	\$0	\$306,342
\$345,001–\$370,000	1	\$144,156	\$0	\$2,053	\$26,755	\$4,887	\$0	\$188,680	\$366,531
\$370,001–\$395,000	1	\$196,996	\$0	\$137,355	\$37,473	\$4,186	\$0	\$0	\$376,010

Notes

- (a) Totals may differ from the sum of components due to rounding. Remuneration bands with no reportable data have been removed.
(b) Long service leave is calculated using accounting inputs such as the 10-year Commonwealth bond rate and estimated future salary increases.
(c) Includes overseas allowances and both the reportable and non-reportable fringe benefits tax (FBT).

Non-salary benefits

The ATO provides its employees with a range of non-salary benefits.

SES officers are entitled to:

- cash in lieu of a motor vehicle (applicable to existing SES who do not have this included in their base salary)
- parking at work or cash in lieu of parking
- airline lounge memberships for SES who had memberships in place prior to the implementation of the Australian Government's ban on the purchase of airline airport lounge memberships for officials, announced in May 2026.

Executive level 2 employees are entitled to:

- a taxable annual allowance (\$2,123 in 2025–26) to assist with the purchase of goods and/or services that help maintain or increase their level of professionalism, such as membership of a professional association, or subscriptions
- airline lounge memberships if they are likely to undertake 8 or more return flights in the forthcoming 12-month period (in line with the ATO Enterprise Agreement).

We offer our employees non-salary benefits in some circumstances:

- Mobile phones and tablets are available for work use, for employees who require them. For example, highly mobile employees, employees who need to be contactable for emergency support, or for accessibility purposes.
- Fees will be reimbursed for employees who must be a member of a professional body or require an annual licence or professional practising certificate to perform their duties. Reimbursement of professional membership fees may also be approved in other circumstances, such as where it provides a benefit to the ATO.
- We provide support for approved employees to undertake eligible part-time studies, which may include time off work and/or financial assistance.

We also offer salary packaging to all ongoing employees, and employees with an individual agreement.

We outsource salary packaging administration and novated leasing arrangements to an external company.

Our employees have access to salary packaging for:

- cars, including electric vehicles and utility vehicles (novated lease), with fringe benefits tax (FBT) applicable
- car parking, with FBT applicable
- superannuation, self-only, exempt from FBT
- airline lounge membership, exempt from FBT
- professional association membership fees and subscriptions, exempt from FBT
- portable electronic devices, exempt from FBT.

Over 3,000 employees had salary packaging arrangements in place in 2025–26.

Carer support

The ATO is not responsible for the development, implementation, provision or evaluation of carer support services and, therefore, section 8(3) of the *Carer Recognition Act 2010* does not apply.

We support carers in the workplace through our employment conditions and policies, including flexible hours, access to a range of leave provisions including personal/carers leave, parental leave for both primary and secondary caregivers, and our employee diversity networks. The types of flexible working arrangements that may be available to ATO employees to support carers include:

- part-time work agreements
- breastfeeding/lactation breaks
- flexible and non-standard working hours
- work from home/remote work arrangements
- job-share arrangements
- purchased leave
- career break or sabbatical leave schemes
- flex leave.

These arrangements demonstrate our commitment to supporting employees with caring responsibilities and maintaining a workplace that is flexible, inclusive and responsive to diverse needs.

Work health and safety

The ATO is committed to providing a healthy and safe working environment for all workers and visitors.

We ensure that we have robust arrangements in place to meet our obligations under the *Work Health and Safety Act 2011* (WHS Act) and the ATO Enterprise Agreement 2024.

Supporting the health, safety and wellbeing of workers extends beyond our compliance obligations. The ATO supports people to thrive at work and deliver more effective and productive outcomes for government and the community. The ATO APS Employee Census 2026 results showed:

- 75% of respondents think the ATO does a good job of promoting health and wellbeing
- 88% of respondents believe their immediate supervisor cares about their health and wellbeing.

In 2025–26, we developed a health, safety and wellbeing action plan that sets out the actions we will focus on and invest in over the next 2 years to support the health, safety and wellbeing of our workforce. The plan brings to life our legislative responsibilities and commitments under the ATO's Thriving Minds mental health strategy, with a key focus on continuing to support psychosocial safety through the development of new tools and education.

We continued to deliver a range of proactive and risk-based initiatives that support a healthy and safe workplace and prevent harm, by:

- reviewing work health and safety education in annual mandatory training
- maintaining the National Health and Safety Committee and network of health and safety representatives
- undertaking regular work health and safety inspections in all ATO sites
- maintaining first aid services at all ATO sites, including mental health first aid officers and harassment contact officers
- offering annual flu vaccinations to all staff

- offering an employee assistance program to all staff and their families, and in-house psychology services for high-risk intervention and support
- having a Speak Up hotline to report issues of concern, plus dedicated onsite People Support teams
- providing learning opportunities through the ATO Manager Program and ‘Manager on Demand’ sessions to support staff in assisting taxpayers experiencing vulnerability
- having a Thriving Minds hub with resources to support mental health
- providing a single point of contact for our staff (and their managers) who are experiencing or impacted by family and domestic violence to confidentially seek support, with HR professionals specifically trained to respond.

The ATO continued to perform strongly against the Safety, Rehabilitation and Compensation Commission performance indicators in 2025–26, reflecting our ongoing focus on safe work practices, early support and effective rehabilitation.

Table 5.26 Safety, Rehabilitation and Compensation Commission performance indicators, 2023–24 to 2025–26^(a)

Indicator	2023–24	2024–25	2025–26
P1.1 Incidence of injuries with 5 or more days lost time per 1,000 full-time equivalent employees	0.5	0.9	0.6
P1.2 Incidence of injuries with 30 or more days lost time per 1,000 full-time equivalent employees	0.4	0.5	0.5
P1.3 Incidence of injuries with 60 or more days lost time per 1,000 full-time equivalent employees	0.2	0.5	0.3
P4 Lost time injury (claims) frequency rate	0.3	0.5	0.3
R1 Percentage of claims with incapacity for 10 or more days and a return to work plan (%)	20	7	25
R2 Quality of return to work (% achieving return to work on case closure)	50	0	100

Note

(a) Figures for previous years in this table may vary from those reported in past annual reports as Comcare may continue to accept claims for past years.

Details of work health and safety investigations

The WHS Act requires that we provide information about any investigations conducted during the year that relate to us, including details of all notices given to us during the year under Part 10 of the WHS Act.

During 2025–26, 3 WHS investigations were conducted by the regulator, including:

- a proactive inspection to assess the implementation of the ATO’s risk management system
- a monitoring compliance inspection relating to alleged psychosocial concerns raised in an area
- a monitoring compliance inspection following a security breach involving unauthorised entry into an office.

Comcare inspectors did not identify any non-compliance in 2 inspections finalised in 2025–26, with the remaining inspection still awaiting outcome.

In 2025–26, 6 notifiable incidents were reported to Comcare. We received no notices under Part 10 of the WHS Act – enforcement measures.

Financial performance

The ATO is responsible for managing substantial Commonwealth resources. We demonstrate sound financial stewardship through effective and efficient management of public funds in accordance with Australian Government policies, including the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

For our financial statements, prepared in accordance with subsection 43(4) of the PGPA Act, see [Part 6 Financial statements](#).

For details on the ATO's financial policy framework, see the Organisational capability – Financial investment section in the *Australian Taxation Office corporate plan 2025–26*.

This section includes financial information for the ATO, TPB and ACNC, unless noted otherwise.

Operating expense budget

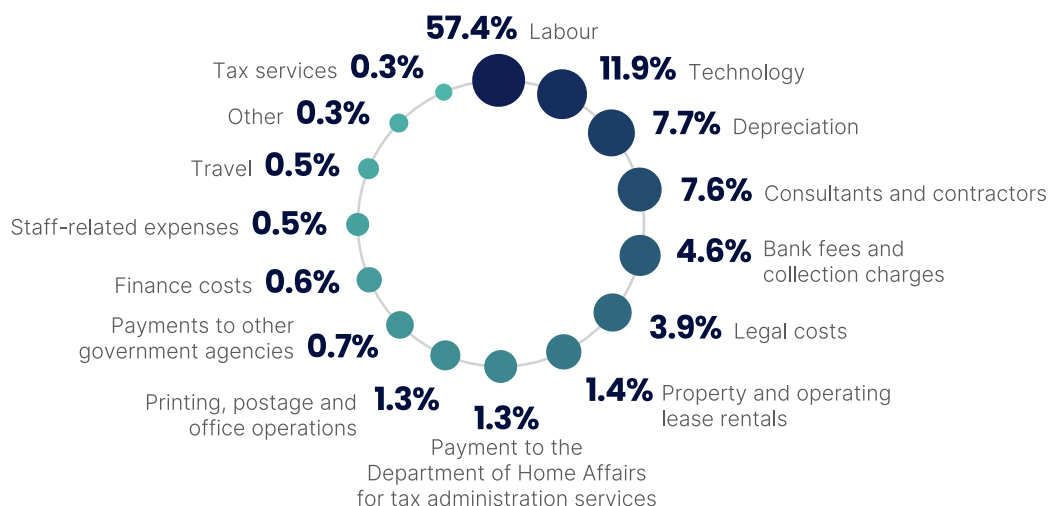
The ATO actively manages its budget through established governance and assurance processes, including oversight by the ATO Finance Committee and ATO Executive Committee. These arrangements support effective resource management and prioritisation of significant investment decisions across the organisation.

Sound stewardship of resources has enabled the ATO to deliver essential services to the government and the Australian community while progressing strategic investments to improve compliance and revenue collection, enhance the taxpayer experience, strengthen system integrity and security, and modernise digital services.

The ATO's operating budget for 2025–26 was \$4.7 billion, and the 2025–26 financial result is an operating surplus of \$80.5 million, excluding depreciation and asset write-downs. The surplus primarily reflects adjusted schedules for program delivery and associated expenditure. Delivery of some programs was affected by legislative delays, challenges in securing and retaining specialised workforce capabilities and other critical resources. As a result, some planned expenditure was deferred to future years and is expected to be incurred as program activities progress.

This operating result includes lease principal repayments under Australian Accounting Standards Board (AASB) 16 Leases, and excludes non-cash accounting adjustments, including impairments, asset write-offs, depreciation and amortisation.

Figure 5.5 Operating expenditure, 2025–26



Capital budget

The ATO's approach to capital management is supported by a capital management plan that contains information about our proposed capital expenditure across all funding sources.

The ATO commenced 2025–26 with a capital budget of \$222.1 million, comprising:

- departmental capital budget of \$151.5 million
- equity funding of \$70.6 million.

During 2025–26, the capital budget decreased by \$24.5 million as a result of government decisions and internal reprioritisation decisions made by the ATO.

The ATO's 2025–26 capital expenditure was \$211.0 million, reflecting continued strategic investment in technology, digital capital infrastructure and other assets that support the delivery of ATO services and government priorities.

Table 5.27 Capital expenditure, 2023–24 to 2025–26^(a)

Capital item	2023–24 \$m	2024–25 \$m	2025–26 \$m
Building improvements	48.1	43.0	32.5
Internally-developed software	17.3	19.0	106.3
IT infrastructure and hardware	23.2	41.9	49.2
Purchased software	34.1	–	23.0
Total	122.7	104.0	211.0

Note

(a) Totals may differ from the sum of components due to rounding.

Administering GST

The ATO administers the goods and services tax (GST) on behalf of the Australian states and territories. The states and territories reimburse the Commonwealth for the ATO's actual cost of administering GST, with our obligations to the states and territories set out in the GST Administration Performance Agreement between the ATO and the Council on Federal Financial Relations (per the Intergovernmental Agreement on Federal Financial Relations).

The agreed estimate for administering GST in 2025–26 was \$693 million. The actual cost of GST administration is subject to an annual special-purpose audit by the ANAO. The final audited costs are reported against the agreed estimate and presented to the states and territories at the conclusion of the audit. GST actual costs, administration outcomes and performance are published annually in the GST administration annual performance report, which is available at ato.gov.au/GSTadministration.

This section includes GST information for the ATO and TPB. It does not apply to the ACNC.

Agency resource statement

Table 5.28 Agency resource statement, 2025–26⁽¹⁾⁽²⁾

Agency resources	Actual available appropriations 2025–26 \$'000	Payments made 2025–26 \$'000	Balance remaining 2025–26 \$'000
Departmental			
Annual appropriations – ordinary annual services⁽³⁾	5,518,032	4,662,291	855,740
Current year appropriations ⁽⁴⁾	4,843,018	4,015,806	827,212
Prior year appropriations ⁽⁵⁾⁽⁶⁾	675,013	646,485	28,528
Annual appropriations – capital budget⁽⁷⁾	280,579	147,407	133,172
Current year appropriations	129,722		129,722
Prior year appropriations	150,857	147,407	3,450
Annual appropriations – other services, non-operating⁽⁸⁾	114,923	54,554	60,370
Current year appropriations ⁽⁹⁾	57,763	24,994	32,769
Prior year appropriations ⁽¹⁰⁾	57,160	29,559	27,601
Total annual departmental resources (a)	5,913,534	4,864,252	1,049,282
Special accounts (b)⁽¹¹⁾	79,068	53,686	25,382
Opening balance	14,710		
Appropriation receipts	54,544		
Non-appropriation receipts	9,814		
Payments		53,686	
Closing balance			25,382
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts (c)	34,655	34,655	
Total departmental resources (a) + (b) – (c)	5,957,947	4,883,283	1,074,664

Table 5.28 Agency resource statement, 2025–26⁽¹⁾⁽²⁾ *continued*

Agency resources	Actual available appropriations 2025–26 \$'000	Payments made 2025–26 \$'000	Balance remaining 2025–26 \$'000
Administered			
Annual appropriations – ordinary annual services⁽³⁾	10,470	30	10,440
Current year appropriations			
Prior year appropriations ⁽¹²⁾	10,365	30	10,335
Prior year appropriations adjustment ⁽¹³⁾	105		105
Total administered annual appropriations (d)	10,470	30	10,440
Special appropriations limited by criteria/entitlement (e)		177,201,857	
<i>Taxation Administration Act 1953 – section 161</i>		175,890,957	
<i>Product Grants and Benefits Administration Act 2000 – section 55</i>		88,852	
<i>Superannuation Guarantee (Administration) Act 1992 – section 71</i>		1,157,667	
<i>Small Superannuation Accounts Act 1995 – section 76⁽⁹⁾</i>		177	
<i>Public Governance, Performance and Accountability Act 2013 – section 77</i>		64,204	
Special accounts (f)⁽¹¹⁾	131,363	29,246	102,117
Opening balance	93,458		
Receipts	37,905		
Payments		29,246	
Closing balance			102,117
Total administered resources (d) + (e) + (f)	141,833	177,231,133	112,557
Total resourcing and payments	6,099,780	182,114,416	

Notes

1. This includes all programs outlined in Table 5.29 Budgeted expenses and resources for Outcome 1.
2. Totals may differ from the sum of components due to rounding.
3. Appropriation Act (No.1) 2025–26, Appropriation Act (No.3) 2025–26, Supply Act (No.1) 2025–26, prior year departmental appropriations, PGPA Act section 74 agency receipts and PGPA Act section 75 transfer.
4. Includes \$400,000 withheld from Appropriation Act (No.1) 2025–26, under section 51 of the PGPA Act. These funds are considered legally available appropriation at 30 June 2026.
5. Includes \$5,027,922 transferred to the Australian Securities and Investments Commission (ASIC) under section 75 of the PGPA Act.
6. Includes \$1,804,000 withheld from Appropriation Act (No.1) 2023–24 and \$3,398,000 withheld from Appropriation Act (No.1) 2024–25 under section 51 of the PGPA Act. These funds are considered legally available appropriation at 30 June 2026.
7. Departmental capital budgets are not separately identified in Appropriation Acts and form part of ordinary annual services items. For accounting purposes, capital budget appropriations have been designated as a 'contribution by owner'.
8. Appropriation Act (No.2) 2025–26, Appropriation Act (No.4) 2025–26, Supply Act (No.2) 2025–26 and prior year departmental appropriations.
9. Includes \$7,403,000 withheld from Appropriation Act (No.2) 2025–26 under section 51 of the PGPA Act. These funds are considered legally available appropriation at 30 June 2026.
10. Includes \$15,397,000 withheld from Appropriation Act (No.2) 2023–24 and \$265,000 withheld from Appropriation Act (No.2) 2024–25 under section 51 of the PGPA Act. These funds are considered legally available appropriation at 30 June 2026.
11. Excludes trust moneys held in Services for Other Entities and Trust Moneys and Superannuation Clearing House special account. For further information on special accounts, refer to Budget Paper No.4 – Agency Resourcing.
12. Includes \$5,576,000 withheld from Appropriation Act (No.1) 2023–24 under section 51 of the PGPA Act. These funds are considered legally available appropriation at 30 June 2026.
13. The balance remaining of Appropriation Act (No.1) 2024–25 includes an adjustment of \$104,816 under Section 74 of the PGPA Act, relating to the repayment of advertising campaign expenses.

Table 5.29 Budgeted expenses and resources for Outcome 1, 2025–26^{(a)(b)(c)}

Budgeted expenses and resources	Budget ^(d) 2025–26 \$'000	Actual expenses 2025–26 \$'000	Variation 2025–26 \$'000
Program 1.1: Australian Taxation Office			
Administered expenses			
Ordinary annual services		-18	18
Departmental expenses			
Departmental items	4,709,239	4,674,337	34,902
Total for Program 1.1	4,709,239	4,674,320	34,919
Program 1.2: Tax Practitioners Board			
Departmental expenses			
Special accounts	40,253	32,714	7,539
Total for Program 1.2	40,253	32,714	7,539
Program 1.4: Australian Charities and Not-for-profits Commission			
Departmental expenses			
Special accounts	20,739	22,071	-1,332
Total for Program 1.4	20,739	22,071	-1,332
Program 1.5: Australian Screen and Digital Game Production Incentive			
Administered expenses			
Special appropriations	818,359	799,630	18,729
Total for Program 1.5	818,359	799,630	18,729
Program 1.6: Junior Minerals Exploration Incentive			
Administered expenses			
Special appropriations			
Total for Program 1.6			
Program 1.7: Fuel Tax Credits Scheme			
Administered expenses			
Special appropriations	8,857,487	8,923,562	-66,075
Total for Program 1.7	8,857,487	8,923,562	-66,075
Program 1.8: National Rental Affordability Scheme			
Administered expenses			
Special appropriations	32,164	17,107	15,057
Total for Program 1.8	32,164	17,107	15,057
Program 1.9: Product Stewardship for Oil			
Administered expenses			
Special appropriations	93,131	91,090	2,041
Total for Program 1.9	93,131	91,090	2,041

Table 5.29 Budgeted expenses and resources for Outcome 1, 2025–26^{(a)(b)(c)} *continued*

Budgeted expenses and resources	Budget ^(d) 2025–26 \$'000	Actual expenses 2025–26 \$'000	Variation 2025–26 \$'000
Program 1.10: Research and Development Tax Incentive			
Administered expenses			
Special appropriations	4,227,257	2,839,762	1,387,495
Total for Program 1.10	4,227,257	2,839,762	1,387,495
Program 1.11: Low Income Superannuation Tax Offset			
Administered expenses			
Special appropriations	581,593	586,271	-4,678
Total for Program 1.11	581,593	586,271	-4,678
Program 1.12: Private Health Insurance Rebate			
Administered expenses			
Special appropriations	286,450	307,581	-21,131
Total for Program 1.12	286,450	307,581	-21,131
Program 1.13: Superannuation Co-contribution Scheme			
Administered expenses			
Special appropriations	101,024	112,670	-11,646
Total for Program 1.13	101,024	112,670	-11,646
Program 1.14: Superannuation Guarantee Scheme			
Administered expenses			
Special appropriations	1,186,000	1,290,261	-104,261
Total for Program 1.14	1,186,000	1,290,261	-104,261
Program 1.15: Interest on Unclaimed Superannuation Accounts Paid			
Administered expenses			
Special appropriations	36,836	56,616	-19,780
Total for Program 1.15	36,836	56,616	-19,780
Program 1.16: Interest on Overpayment and Early Payments of Tax			
Administered expenses			
Special appropriations	572,982	543,537	29,445
Total for Program 1.16	572,982	543,537	29,445
Program 1.17: Bad and Doubtful Debts and Remissions			
Administered expenses			
Expenses not requiring appropriation in budget year ^(d)	6,318,286	10,852,403	-4,534,117
Total for Program 1.17	6,318,286	10,852,403	-4,534,117
Program 1.18: Seafarer Tax Offset			
Administered expenses			
Special appropriations	46	339	-293
Total for Program 1.18	46	339	-293

Table 5.29 Budgeted expenses and resources for Outcome 1, 2025–26^{(a)(b)(c)} *continued*

Budgeted expenses and resources	Budget ^(d) 2025–26 \$'000	Actual expenses 2025–26 \$'000	Variation 2025–26 \$'000
Program 1.19: Economic Response to the Coronavirus			
Administered expenses			
Special appropriations			
Cash Flow Boost for Employers			
JobMaker Hiring Credit			
JobKeeper Payment			
Total for Program 1.19			
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services		–18	18
Special appropriations	16,793,329	15,568,426	1,224,903
Expenses not requiring appropriation in budget year ^(e)	6,318,286	10,852,403	–4,534,117
Departmental expenses			
Departmental appropriation	4,571,975	4,516,679	55,296
Special accounts	60,992	54,786	6,206
Expenses not requiring appropriation in budget year ^(e)	137,264	157,658	–20,394
Total expenses for Outcome 1	27,881,846	31,149,935	–3,268,089
	2025–26	2025–26	
Average staffing level (number)^(f)	19,938	19,710	–

Notes

- (a) This table is prepared on the basis of accrued expense amounts, while the administered payments table on page 263 is prepared on a cash basis.
- (b) Totals may differ from the sum of components due to rounding.
- (c) Not all programs from the 2025–26 Portfolio Budget Statements are reflected in this table. Programs with no budget estimates or legal payment obligations for 2025–26 are omitted, while programs with ongoing statutory or legal payment obligations are included, even where no expenditure was recorded in 2025–26.
- (d) Budget 2025–26 relates to estimated actual expenses published in the 2026–27 Portfolio Budget Statements, and includes any subsequent adjustments made to the original 2025–26 Budget.
- (e) Expenses not requiring appropriation in the Budget year includes depreciation, resources received free of charge and write-down and impairment of assets.
- (f) The average staffing level (number) figures reflect the average number of employees receiving salary or wages over the financial year, with adjustments for casual and part-time employees to show the full-time equivalent, whereas workforce data reported elsewhere in Part 5 is based on employee headcount at a point in time.

Efficient administrative practices

Along with agency budgets that provide funding to deliver specific programs, government expenditure is guided by legislation that provides direction and sets minimum requirements, including reporting obligations. The ATO complies with the PGPA Act, PGPA Rule and ANAO requirements.

Asset management

The ATO's asset management framework outlines how we plan and maintain the optimal asset mix for effective delivery of our programs. This includes:

- detailed procedures and guidance on asset management
- an asset register, which is subject to a regular stocktake
- regular assessments of asset values and useful lives.

Procurement

The ATO conducts procurement in accordance with the PGPA Act and related procurement legislation and government policies including the Commonwealth Procurement Rules, the *Modern Slavery Act 2018*, the *Government Procurement (Judicial Review) Act 2018* and the APS Strategic Commissioning Framework.

The ATO maintains a robust procurement governance framework supported by policies, controls, assurance activities and guidance that promote value for money, effective risk management and compliance throughout the procurement lifecycle.

Procurement policies, procedures and guidance are regularly reviewed and updated to reflect legislative and policy changes and to support adherence with Australian Government procurement requirements. The ATO was compliant with the Commonwealth Procurement Rules during the financial year.

This section includes procurement information for the ATO, TPB and ACNC, unless noted otherwise.

Consultancy contracts

The ATO procures consultants when specialist expertise or independent advice is required but cannot be accessed from within the ATO. Decisions to engage consultants are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and the APS Strategic Commissioning Framework.

Consultants are engaged through a procurement process, using open tender, limited tender or an established panel arrangement. During 2025–26, consultants were primarily engaged to provide management advisory services and specialist expert services, including tax panel experts, valuation services and probity advice for complex procurements.

During 2025–26, the ATO entered into 51 new reportable consultancy contracts, with total actual expenditure of \$2.6 million. In addition, 60 ongoing reportable consultancy contracts were active during the year, with total actual expenditure of \$5.9 million.

Table 5.30 Number of and expenditure on reportable consultancy contracts, 2025–26^(a)

Reportable consultancy contracts 2025–26	Number	Expenditure \$m
New contracts entered into during the reporting period	51	2.6
Ongoing contracts entered into during a previous reporting period	60	5.9
Total	111	8.5

Note

(a) Amounts are GST inclusive.

Table 5.31 Significant reportable consultancy contracts expenditure, 2025–26^{(a)(b)(c)(d)}

Organisation	ABN	Expenditure \$	Proportion of total expenditure %
The Boston Consulting Group Pty Ltd	70 007 347 131	2,629,000	31.0
Nous Group	66 086 210 344	716,661	8.4
Gerson Lehrman Group	ABN Exempt	564,743	6.7
HKA Global	75 085 532 047	400,746	4.7
Proximity Advisory Services	92 147 937 844	353,220	4.2
Total		4,664,370	55.0

Notes

(a) Amounts are GST inclusive.

(b) Provides information on those organisations that received the 5 largest shares of an entity's expenditure on such contracts, and those organisations that received 5% or more of an entity's expenditure.

(c) Where expenditure with an organisation is spread across both reportable consultancy and reportable non-consultancy contracts, only the expenditure on reportable consultancy contracts is considered for this table.

(d) Totals may differ from the sum of components due to rounding.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website at tenders.gov.au.

Non-consultancy contracts

The ATO engages non-consultancy services to support the delivery of its operations, programs and corporate functions. Non-consultancy services are procured through appropriate procurement processes, using open tender, limited tender or an established panel arrangement.

The primary categories of non-consultancy expenditure during 2025–26 included:

- IT equipment, services and software
- building leases, property management services
- contact centre services.

During 2025–26, the ATO entered into 835 new reportable non-consultancy contracts, with total actual expenditure of \$420.6 million. In addition, 1,015 ongoing reportable non-consultancy contracts were active during 2025–26, with total actual expenditure of \$1,376.9 million.

Table 5.32 Number of and expenditure on reportable non-consultancy contracts, 2025–26^(a)

Reportable non-consultancy contracts 2025–26	Number	Expenditure \$m
New contracts entered into during the reporting period	835	420.6
Ongoing contracts entered into during a previous reporting period	1,015	1,376.9
Total	1,850	1,797.5

Note

(a) Amounts are GST inclusive.

Table 5.33 Significant reportable non-consultancy contracts expenditure, 2025–26^{(a)(b)(c)(d)}

Organisation	ABN	Expenditure \$	Proportion of total expenditure %
Accenture Australia Pty Ltd	49 096 776 895	164,971,548	9.2
IBM Australia Limited	79 000 024 733	151,728,005	8.4
Optus Networks Pty Ltd	92 008 570 330	132,715,444	7.4
Probe Operations Pty Ltd	94 624 615 925	105,034,957	5.8
Datacom Systems Pty Ltd	39 135 427 075	61,388,590	3.4
Total		615,838,544	34.2

Notes

(a) Amounts are GST inclusive.

(b) Provides information on those organisations that received the 5 largest shares of an entity's expenditure on such contracts, and those organisations that received 5% or more of an entity's expenditure.

(c) Where expenditure with an organisation is spread across both reportable consultancy and reportable non-consultancy contracts, only the expenditure on reportable non-consultancy contracts is considered for this table.

(d) Totals may differ from the sum of components due to rounding.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website at tenders.gov.au.

Small and medium enterprises

The ATO supports small and medium enterprise (SME) participation in the Commonwealth Government procurement market through a range of measures, including:

- considering the disaggregation of larger procurements, where appropriate, to increase the opportunity for SME participation
- streamlining tender requirements for lower-value and lower-complexity procurements
- using clear, simple and accessible procurement documentation and standard contract templates including the Commonwealth Contracting Suite
- supporting Australian Industry Participation policies, where applicable
- engaging with Indigenous businesses, many of which are SMEs, in support of the Indigenous Procurement Policy
- using electronic finance systems to support efficient invoice processing and on-time payment of suppliers.

SME and small enterprise participation statistics are available on the Department of Finance website at finance.gov.au.

The ATO recognises the importance of paying suppliers on time and supporting the sustainability of small businesses. In 2025–26, the ATO achieved 93% compliance with the Supplier Pay On-Time or Pay Interest Policy, demonstrating its commitment to prompt supplier payments.

Indigenous procurement policy

The ATO is committed to supplier diversity and increasing economic opportunities for Indigenous businesses through its procurement activities.

The ATO actively supports the Indigenous Procurement Policy and uses panel arrangements and exemption 16 of the Commonwealth Procurement Rules to streamline engagement with Indigenous businesses and expand their participation in the ATO's supply chain.

In 2025–26, the ATO strengthened its engagement with Indigenous businesses by:

- working closely with Supply Nation and Indigenous suppliers to strengthen existing procurement relationships and identify opportunities to establish new ones
- spending \$21.8 million with 81 Indigenous businesses through new and existing contracts.

Grants

The ATO's grant activities meet the requirements and principles of grants administration contained in the *Commonwealth Grants Rules and Principles 2024*, including reporting and publishing of all grants provided throughout the year.

During 2025–26, the ATO awarded 14 grants. Information on grants awarded by the ATO is available at grants.gov.au.

Compliance with finance law

The PGPA Act requires agencies to provide a statement of significant issues reported to the minister under paragraph 19(1)(e), which relates to non-compliance with finance law and action taken to remedy non-compliance.

The ATO had no instances of significant non-compliance with finance law to report to the minister in 2025–26.

Compliance with statutory conditions for payments from the Consolidated Revenue Fund

Amounts paid from the Consolidated Revenue Fund under section 83 of the *Commonwealth of Australia Constitution Act* must be supported by an appropriation made by law.

In 2025–26, we made 144 payments totalling \$236,842.22 (including prior year breaches not previously disclosed) from the Superannuation Clearing House special account, that may have occurred contrary to section 83. While preventative controls were in place, the volume of payments processed through the special account meant the risk of section 83 breaches could not be fully eliminated. Remediation activities to recover overpaid amounts are ongoing.

These breaches are not considered significant non-compliance with the finance law as they represent less than 0.02% of total payments made through the special account. The special account was closed permanently from 1 July 2026 as part of the Payday Super reform.

6 Financial statements

About the financial statements

The ATO's financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The financial statements have been prepared in accordance with the:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR)
- Australian Accounting Standards and Interpretations, including simplified disclosures for Tier 2 entities under Australian Accounting Standards Board (AASB) 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, that apply for the reporting period.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value.

The financial statements include the operations of the Tax Practitioners Board (TPB) through the TPB Special Account, and the Australian Charities and Not-for-profits Commission (ACNC) through the ACNC Special Account.



Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Australian Taxation Office (the Entity) for the year ended 30 June 2026:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Commissioner of Taxation and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter**Accuracy of taxation revenue**

Refer to Note 14 'Administered – Income'

I focused on the estimation processes adopted by the Entity for financial reporting of taxation revenue given the value of the transactions and the complexity and judgement involved in the estimation processes and calculations. The reliable estimation of taxation revenue is complex due to uncertain timing of tax return assessments, payments and forecasting of likely taxation revenue outcomes. The Entity applies significant judgement when selecting the appropriate base for revenue recognition.

The Entity uses two bases for revenue recognition – the Economic Transactions Method (ETM) and the Taxation Liability Method (TLM). Under the ETM the Entity recognises taxation revenue when it gains control over future economic benefits that arise from tax legislation. The ETM involves significant estimates based on available information. The TLM recognises revenue at the earlier of when an assessment of tax liability is or can be made, or payment is received. Revenue recognised under the TLM is generally recognised at a later time than if it were measured under the ETM.

The methodologies used by the Entity to recognise taxation revenue involve data analysis and estimation processes that increase the likelihood of error. As part of the estimation process, the Entity conducts data analysis of past taxpayer behaviours and records, together with assumptions about economic factors such as future wage growth and gross domestic product.

For the year ended 30 June 2026, the Entity reported total taxation revenue of \$703,856 million.

How the audit addressed the matter

To audit the accuracy of taxation revenue, I:

- assessed the appropriateness of the base for revenue recognition with reference to the accuracy of prior year results and historical trends;
- assessed the design, implementation and operating effectiveness of the taxation estimation process controls and the associated validation procedures;
- performed a recalculation, on a sample basis, of processed income tax returns and activity statements by reference to taxation legislation;
- assessed the reasonableness of the interpretation and analysis of data used by the Entity for material estimates and recalculated these estimates as at 30 June 2026; and
- assessed the adequacy of documentation to support the Entity's judgements made in relation to key estimates and allocations of revenue at year-end. This included an assessment of the quality assurance process over manual adjustments processed as at 30 June 2026.

Key audit matter	How the audit addressed the matter
<p>Valuation of taxation receivables</p> <p><i>Refer to Note 15 'Administered – Non-Financial Assets'</i></p> <p>I focused on the calculations that support the valuation of the impairment of taxation receivables and estimates of amendments arising from disputed cases and allowances for taxation receivables. These balances reduce the total comprehensive income reported by the Entity and involve significant judgement.</p> <p>In each component there are complex methodologies and assumptions underpinning the calculation and assessment of the recoverability of taxation receivables. Estimate methodologies are based on assumptions including taxpayer compliance and lodgment history, the existence of dispute over a receivable and the taxpayer's capacity to pay. Models use historical data to predict future taxpayer behaviour.</p> <p>For the year ended 30 June 2026, the Entity reported:</p> <ul style="list-style-type: none"> total taxation receivables of \$112,603 million; impairment allowance of \$58,489 million; and allowance for credit amendments of \$8,921 million. 	<p>To audit the valuation of taxation receivables, I:</p> <ul style="list-style-type: none"> evaluated the adequacy of the Entity's oversight processes which included the documentation and quality assurance processes to support judgements made in relation to overdue and disputed debts; assessed the work undertaken by the Entity's actuary by evaluating the reasonableness of the underlying assumptions and methodology developed and adopted by the Entity; recalculated the impairment allowance at balance date and assessed whether it was appropriately reflected in the Entity's financial statements; tested a sample of individual taxation receivables, to assess the Entity's application of taxation law and the revenue recognition for individual taxpayers' accounts; and examined the provision balance and evaluated the appropriateness of management's processes to determine whether judgements and assumptions used remain appropriate and reasonable for the impairment rate applied to large disputed taxation cases where an individual assessment has not been made.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Commissioner of Taxation is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Commissioner of Taxation is also responsible for such internal control as the Commissioner of Taxation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner of Taxation is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner of Taxation is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Dr Caralee McLiesh PSM

Auditor-General

Canberra

14 September 2026

AUSTRALIAN TAXATION OFFICE**STATEMENT BY THE COMMISSIONER OF TAXATION
AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the period ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Taxation Office will be able to pay its debts as and when they fall due.



Rob Heferen
Commissioner of Taxation
as the Accountable Authority
Australian Taxation Office
14 September 2026



Janine Bristow
Chief Finance Officer
Australian Taxation Office

14 September 2026

Australian Taxation Office
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2026

		2026	2025	Original budget
	Note	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	2,715,606	2,635,800	2,792,424
Suppliers	1B	1,610,907	1,439,053	1,592,564
Depreciation and amortisation	4A	366,035	345,898	379,376
Finance costs	1C	28,540	26,426	24,465
Impairment loss on financial instruments	1D	4,099	4,303	-
Write-down and impairment of other assets	1E	2,985	542	-
Other expenses	1F	954	176	-
Total expenses		4,729,126	4,452,198	4,788,829
Own-source revenue				
Rendering of services	2A	206,675	198,346	146,405
Rental income	2B	13,866	18,957	17,075
Other revenue and gains	2C	32,731	31,269	34,462
Total own-source revenue		253,272	248,572	197,942
Net cost of services		(4,475,854)	(4,203,626)	(4,590,887)
Revenue from the Australian Government	2D	4,408,303	4,231,432	4,457,056
Surplus / (Deficit) on continuing operations		(67,551)	27,806	(133,831)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Revaluation of restoration obligations provision		257	89	-
Other changes in asset revaluation reserves	4A	45,357	20,047	-
Total comprehensive income / (loss)		(21,937)	47,942	(133,831)

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office

STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Note	2026 \$'000	2025 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash	3A	46,389	38,036	39,430
Trade and other receivables	3B	1,066,989	922,154	586,140
Total financial assets		1,113,378	960,190	625,570
Non-financial assets¹				
Buildings	4A	783,721	767,268	740,932
Buildings - leasehold improvements	4A	249,183	221,224	223,687
Plant and equipment	4A	198,833	174,998	187,699
Intangibles - computer software	4A	366,130	303,215	369,460
Other non-financial assets	4C	116,867	108,276	124,635
Total non-financial assets		1,714,734	1,574,981	1,646,413
Total assets		2,828,112	2,535,171	2,271,983
LIABILITIES				
Payables				
Employees	5A	100,238	81,993	79,871
Suppliers	5B	197,738	208,192	188,382
Other payables	5C	7,103	5,516	6,230
Total payables		305,079	295,701	274,483
Interest bearing liabilities				
Leases	6	966,548	943,705	847,307
Total interest bearing liabilities		966,548	943,705	847,307
Provisions				
Employee provisions	7A	923,333	890,377	860,843
Other provisions	7B	135,221	42,937	45,401
Total provisions		1,058,554	933,314	906,244
Total liabilities		2,330,181	2,172,720	2,028,034
Net assets		497,931	362,451	243,949
EQUITY				
Contributed equity		2,802,662	2,641,847	2,830,294
Reserves		220,231	174,617	154,480
Accumulated deficit		(2,524,962)	(2,454,013)	(2,740,825)
Total equity		497,931	362,451	243,949

¹ Right-of-use assets are included in the following line items:
- Buildings
- Plant and equipment

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2026

	Contributed equity			Asset revaluation surplus			Retained earnings			Total equity		
	2026	2025	Original budget	2026	2025	Original budget	2026	2025	Original budget	2026	2025	Original budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	2,641,847	2,473,380	2,643,747	174,617	154,481	154,480	(2,454,013)	(2,481,819)	(2,606,994)	362,451	146,042	191,233
Opening balance	2,641,847	2,473,380	2,643,747	174,617	154,481	154,480	(2,454,013)	(2,481,819)	(2,606,994)	362,451	146,042	191,233
Comprehensive gain/(loss)												
Other comprehensive gain/(loss)	-	-	-	45,614	20,136	-	-	-	-	45,614	20,136	-
(Deficit) for the period	-	-	-	-	-	-	(67,551)	27,806	(133,831)	(67,551)	27,806	(133,831)
Total comprehensive gain/(loss)	-	-	-	45,614	20,136	-	(67,551)	27,806	(133,831)	(21,937)	47,942	(133,831)
Transactions with owners												
Distributions to owners												
Returns of contributed equity ¹	(14,239)	(7,193)	-	-	-	-	(3,398)	-	-	(17,637)	(7,193)	-
Restructuring ²	(5,028)	-	-	-	-	-	-	-	-	(5,028)	-	-
Contributions by owners												
Equity injection - appropriations	50,360	43,299	56,825	-	-	-	-	-	-	50,360	43,299	56,825
Departmental capital budget	129,722	127,333	129,722	-	-	-	-	-	-	129,722	127,333	129,722
Restructuring ²	-	5,028	-	-	-	-	-	-	-	-	5,028	-
Total transactions with owners	160,815	168,467	186,547	-	-	-	(3,398)	-	-	157,417	168,467	186,547
Closing balance as at 30 June	2,802,662	2,641,847	2,830,294	220,231	174,617	154,480	(2,524,962)	(2,454,013)	(2,740,825)	497,931	362,451	243,949

¹Return of contributed equity relates to amounts withheld through a section 51 determination, which represent a loss of control to the ATO. Current period amounts also include the repeal of Appropriation Act (No. 2) 2023-24, which automatically lapsed on 1 July 2026.

²Following the cessation of the Modernising Business Registers (MBR) Program, a section 75 determination was made to finalise the transfer of appropriation on 1 July 2025. The prior period restructuring amount represents the transfer of net liabilities.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2026

Accounting policyEquity Injection

Amounts appropriated which are designated as 'equity injections' for a period (less any formal reductions) and departmental capital budgets (DCBs) are recognised directly in contributed equity in that period.

Restructuring of Administrative Arrangement

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
CASH FLOW STATEMENT
for the period ended 30 June 2026

	Note	2026 \$'000	2025 \$'000	Original budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		4,245,396	3,986,961	4,473,194
Rendering of services		227,638	224,836	196,183
Receipts transferred from the Official Public Account		426,282	401,673	-
GST received		172,001	153,352	-
Other		7,648	4,422	-
Total cash received		5,078,965	4,771,244	4,669,377
Cash used				
Employees		2,664,330	2,560,509	2,791,867
Suppliers		1,533,638	1,400,180	1,589,964
GST paid		176,694	155,336	-
Interest payments on lease liabilities		27,476	25,123	24,465
s74 receipts transferred to the Official Public Account		445,496	410,876	-
Total cash used		4,847,634	4,552,024	4,406,296
Net cash from operating activities		231,331	219,220	263,081
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		95,574	72,498	109,539
Purchase of intangibles		106,387	22,905	112,601
Total cash used		201,961	95,403	222,140
Net cash used by investing activities		(201,961)	(95,403)	(222,140)
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity		201,437	94,981	204,760
Total cash received		201,437	94,981	204,760
Cash used				
Principal payments of lease liabilities		222,454	220,169	245,545
Total cash used		222,454	220,169	245,545
Net cash used by financing activities		(21,017)	(125,188)	(40,785)
Net increase in cash held		8,353	(1,371)	156
Cash at the beginning of the reporting period		38,036	39,407	39,274
Cash at the end of the reporting period	3A	46,389	38,036	39,430

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office BUDGET VARIANCES COMMENTARY *for the period ended 30 June 2026*

Budget variances commentary:

The table below provides explanations for major variances between the agency's original budget estimates, as published in the 2025-26 Portfolio Budget Statements (PBS), and the actual financial performance for the period ended 30 June 2026.

Affected line items	Explanation of major variances
Employee benefits Employee provisions	Employee benefits was below the original budget due to lower than anticipated staffing levels, reflecting delays in enabling legislation to progress the delivery of several major programs. Employee provisions was above the original budget due to higher opening balances carried forward from the prior period and lower than expected leave taken during the current period.
Suppliers	Suppliers expense was above the original budget due to merchant fees associated with credit card transactions. This was partially offset by delays in enabling legislation to progress several major programs and lower than anticipated payments to other Government agencies.
Leases	Lease liabilities were higher than budget primarily due to the recognition and timing of new Canberra Barton office building and plant and equipment leases entered during the period, as well as higher than anticipated lease obligations at the commencement of the reporting period. The timing and details of these arrangements were not fully known when the budget was prepared.
Rendering of services	Revenue from rendering of services was above the original budget due to higher than expected credit card transaction volumes, resulting in increased bank merchant fees.
Revenue from the Australian Government	Revenue from the Australian Government was below the original budget due to reduced expenditure on consultants, contractors and other non-wage expenses.
Trade and other receivables	Trade and other receivables was above the original budget due to a higher than expected appropriation receivable balance carried forward from the prior period, and lower than expected expenditure during the period.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
BUDGET VARIANCES COMMENTARY
for the period ended 30 June 2026

Affected line items	Explanation of major variances
Depreciation and amortisation	Non-financial assets were higher than the original budget primarily due to lease-related adjustments and revaluations recognised during 2025-26 that were not known when the budget was prepared. This was partially offset by lower asset additions and a lower depreciation expense than originally estimated.
Buildings	
Plant and equipment	
Intangibles	
Other non-financial assets	
Other provisions	Other provisions was above the original budget due to higher provisioning for legal costs and indemnities than anticipated at the time the budget was prepared.
Equity	Equity was above the original budget due to a stronger than expected operating result, as well as an increase in asset revaluation reserves following the annual assets fair value review.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2026

	Note	2026 \$'m	2025 \$'m	Original budget \$'m
NET COST OF SERVICES				
Expenses				
Subsidies	13A	12,672	15,120	16,120
Personal benefits	13B	1,007	910	1,067
Impairment of receivables	13C	10,223	10,921	10,263
Penalty and interest charge remission expenses		629	1,625	1,320
Interest on overpayments and early payments		544	552	300
Superannuation guarantee charge		1,290	1,110	1,291
Unclaimed superannuation monies interest		57	48	12
Other expenses		-	6	-
Total expenses		26,422	30,292	30,373
Revenue				
Income tax	14A	567,914	520,841	533,643
Indirect tax	14B	130,627	129,622	134,170
Other taxes	14C	4,815	4,333	4,696
Non-taxation revenue	14D	500	361	288
Total revenue		703,856	655,157	672,797
Net contribution by services		677,434	624,865	642,424
Surplus on continuing operations		677,434	624,865	642,424
Total comprehensive income		677,434	624,865	642,424

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2026

	Note	2026 \$'m	2025 \$'m	Original budget \$'m
ASSETS				
Financial assets				
Cash		522	581	563
Cash held in special accounts ¹		102	93	90
Total financial assets		624	674	653
Non-financial assets				
Receivables	15A	45,677	41,798	46,937
Accrued revenue	15B	22,167	21,321	21,207
Total non-financial assets		67,844	63,119	68,144
Total assets administered on behalf of the Australian Government		68,468	63,793	68,797
LIABILITIES				
Payables				
Subsidies		16	40	75
Personal benefits		24	17	14
Superannuation guarantee charge		145	117	106
Taxation refunds due		2,198	2,463	2,175
Superannuation holding account		102	93	96
Other payables		1	1	3
Total payables		2,486	2,731	2,469
Provisions				
Subsidies	16	4,441	6,290	6,755
Personal benefits	16	1,140	1,120	1,185
Income taxation refunds	16	2,050	1,817	2,223
Indirect taxation refunds	16	24	27	6
Superannuation guarantee payments	16	718	580	567
Unclaimed superannuation payments	16	683	638	543
Unclaimed superannuation monies interest	16	56	56	38
Interest on overpayment of taxes	16	198	163	138
Other refunds	16	25	16	14
Total provisions		9,335	10,707	11,469
Total liabilities administered on behalf of the Australian Government		11,821	13,438	13,938
Net assets		56,647	50,355	54,859

¹ Cash held in special accounts does not include amounts held on trust for special accounts of \$141 million (2025: \$241 million). Refer Note 20.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2026

Accounting policyAdministered liabilities

Administered liabilities includes payables and provisions. Payables are recognised for claims on hand due to be paid and provisions are recognised in accordance with the accounting policies in Notes 13 and 14. The ATO's administered liabilities are not categorised as financial liabilities as they are statutory in nature.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED RECONCILIATION SCHEDULE
for the period ended 30 June 2026

	2026 \$'m	2025 \$'m
Opening assets less liabilities as at 1 July	50,355	44,658
Adjustments to equity¹		
Family tax benefit equity transfer	52	67
Higher education loan program equity transfer	(687)	(460)
Australian apprenticeship support loan equity transfer	(42)	36
Student financial supplement scheme equity transfer	5	4
Net (cost of)/contribution by services		
Income	703,856	655,157
Expenses	(26,422)	(30,292)
Transfers (to)/from the Australian Government		
Appropriation transfers from the Official Public Account		
Annual appropriations	-	6
Special appropriations (unlimited)	177,280	169,286
Appropriation transfers to the Official Public Account		
Transfers to the Official Public Account	(847,750)	(788,107)
Closing assets less liabilities as at 30 June	56,647	50,355

¹ Adjustments to equity include the movement in family tax benefit debt repayments and estimated compulsory repayments of income contingent loans during the current period.

Accounting Policy

Administered cash transfers to and from the Official Public Account

Revenue collected by the ATO for use by the Australian Government rather than the ATO is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriations on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash held by the ATO on behalf of the Australian Government and are reported in the schedule of administered cash flows and in the administered reconciliation schedule.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED CASH FLOW STATEMENT
for the period ended 30 June 2026

	2026 \$'m	2025 \$'m
OPERATING ACTIVITIES		
Income tax	556,965	508,711
Indirect tax	126,311	123,908
Other revenue	4,350	3,918
Superannuation holding account	9	7
Subsidies	(14,540)	(15,011)
Personal benefits	(979)	(988)
Interest	(509)	(527)
Other	(1,187)	(1,174)
Net cash from operating activities	670,420	618,844
Cash at the beginning of the reporting period	674	649
Cash from the Official Public Account		
Appropriations	177,243	169,259
Special accounts	37	29
Total cash used from the Official Public Account	177,280	169,288
Cash to the Official Public Account		
Administered receipts	(847,713)	(788,078)
Special accounts	(37)	(29)
Total cash to the Official Public Account	(847,750)	(788,107)
Cash at the end of the reporting period	624	674

Accounting policy

The administered cash flow statement represents the total cash received or paid through primary operating activities of the ATO, and categories disclosed above are treated on a net basis. For example, a refund relating to income tax is defined as an overpayment of tax and treated as a reduction to the income tax category. Positive amounts represent an inflow and negative amounts represent an outflow for the relevant category. More detailed information in relation to refunds can be found in Note 19C special appropriations.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office

BUDGET VARIANCES COMMENTARY

for the period ended 30 June 2026

Budget variances commentary

Commentary for major variances between the original budget estimates, as published in the 2025-26 Portfolio Budget Statements (PBS), and the actual amounts disclosed in the 2025-26 financial statements is presented below.

The nature and timing of the Commonwealth's Budget Process can contribute to variances. Budget estimates for 2025-26 were updated where appropriate throughout the period as presented in the 2025-26 Portfolio Additional Estimates Statements (PAES), and the 2026-27 PBS.

Major variances are those relevant to an assessment of the discharge of accountability and to an analysis of the agency's administered performance, not merely numerical differences between original budget and actual amounts.

Affected line items	Explanation of major variances
Subsidies Subsidies payable Subsidies provision	Subsidies expenses were lower than the original budget due to lower-than-expected subsidy provision growth for the research and development tax incentive refundable tax offset and fuel tax credits scheme. The fuel tax credits scheme also contributed to lower subsidies payable, due to the Fuel Excise Relief package in effect from 1 April to 30 June 2026.
Personal benefits Personal benefits provision	Personal benefits were lower than the original budget due to lower-than-expected growth in low income superannuation tax offset (LISTO), which was partly offset by higher-than-expected growth in the private health insurance rebate and the super co-contributions scheme.
Impairment of receivables	Impairment of receivables were broadly in line with the original budget. Net bad debt write-offs were lower than the original budget. During 2025-26, debts previously placed on hold were reassessed, resulting in debt being re-raised where changes in taxpayer circumstances supported the removal of the on-hold status. The lower-than-expected write-offs were partially offset by increased impairment of small debts, particularly activity statement debts, due to higher-than-expected impairment rates.
Penalty and interest charge remission expenses	Penalty and interest charge remission expenses were lower than the original budget primarily due to lower-than-expected remissions for GST, income tax withholding and other individuals. Remissions can be volatile year to year due to compliance activity.
Interest on overpayments and early payments Interest on overpayment of taxes provision	Interest on overpayments and early payments were higher than the original budget, primarily due to higher-than-expected number of taxpayers eligible for interest on overpayments and a small number of significant cases. As these expenses are largely driven by taxpayer behaviour, they are subject to significant variability. Interest on overpayment of taxes (provision) were higher than the original budget, primarily due to increased provisions for several large interest on overpayments cases, together with a higher-than-expected opening balance carried forward from the prior year.
Superannuation guarantee charge Superannuation guarantee payments provision	Superannuation guarantee charge was broadly in line with the original budget. Superannuation guarantee payments provision was higher than the original budget primarily due to a lower impairment rate.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
BUDGET VARIANCES COMMENTARY
for the period ended 30 June 2026

Affected line items	Explanation of major variances
Income tax Direct tax receivables Direct tax accrued revenue Income taxation refunds provision	<p>Income tax was higher than the original budget largely reflecting strength in individuals, superannuation and company tax. The strength in income tax was largely due to stronger business and investment income, with stronger compensation of employees also contributing to individuals income tax.</p> <p>Direct tax receivables were higher than the original budget reflecting compliance activity and debt relating to individuals, partly offset by lower company receivables. Direct tax accrued revenue was higher than the original budget, primarily due to higher Petroleum Resource Rent Tax (PRRT) and Fringe Benefits Tax (FBT) revenue.</p> <p>Income taxation refund provision was lower than the original budget primarily due to a lower-than-expected provision for refunds of company income tax. Provision for refunds can be volatile due to the timing of lodgments, payments and compliance activity from year to year.</p>
Indirect tax Indirect tax receivables Indirect tax accrued revenue	<p>Indirect tax was lower than the original budget largely reflecting lower-than-expected excise revenue due to the temporary reduction in excise rates as part of the Fuel Excise Relief package in effect from 1 April to 30 June 2026. This was partially offset by higher GST revenue due to stronger-than-expected growth in consumption. GST accrued revenue was higher than the original budget reflecting the same drivers as GST revenue.</p> <p>Indirect tax receivables were higher than the original budget reflecting the new debt models moving previously written-off or non-pursued debt back into collectable debt. This is discussed in the impairment of receivables explanation above.</p>
Other taxes Other taxes receivables	Other taxes were higher than the original budget largely reflecting strength in the major bank levy. Other taxes receivables were lower than the original budget, mainly reflecting lower completion of superannuation guarantee compliance activities.
Non-taxation revenue Unclaimed superannuation payments provision	<p>Non-taxation revenue was higher than the original budget largely reflecting higher lodgements for unclaimed superannuation monies (USM) inflow. This was partly offset by higher-than-expected payments for USM outflow.</p> <p>Unclaimed superannuation payments provision was higher than the original budget primarily due to higher-than-expected lodgments for USM inflow.</p>
Cash	The lower cash balance mainly reflects timing differences in administered receipts and payments compared with assumptions used in the original budget.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
Notes to and forming part of the financial statements
for the period ended 30 June 2026

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Australian Taxation Office

Notes to and forming part of the financial statements

Overview

The Australian Taxation Office (ATO) conducts the following administered activities on behalf of the Australian Government:

- collecting revenue
- administering the goods and services tax (GST) on behalf of the Australian states and territories
- administering a range of programs that provide transfers and benefits to the community
- administering aspects of Australia's superannuation system.

The ATO's administered programs are:

- Australian Screen and Digital Game Production Incentive
- Junior Minerals Exploration Incentive
- Fuel Tax Credits Scheme
- National Rental Affordability Scheme
- Product Stewardship for Oil
- Research and Development Tax Incentive
- Low Income Superannuation Tax Offset
- Private Health Insurance Rebate
- Superannuation Co-contribution Scheme
- Superannuation Guarantee Scheme
- Interest on Unclaimed Superannuation Accounts Paid
- Interest on Overpayment and Early Payments of Tax
- Bad and Doubtful Debts and Remissions
- Seafarer Tax Offset

The ATO's departmental activities are dependent on government policy and continued funding by the Parliament.

The ATO is a non-corporate Commonwealth entity, domiciled in Australia. The main office location is 15 Sydney Avenue, Barton, Australia.

Basis of preparation of the financial statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR)
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities measured at fair value. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand (departmental) or the nearest million (administered), unless disclosure of the full amount is required.

Prior period comparatives have been restated or adjusted to ensure consistency and comparability with current period information.

Australian Taxation Office

Notes to and forming part of the financial statements

The ATO reporting entity

Included in the ATO's financial statements are the operations of the Australian Charities and Not-for-profits Commission (ACNC) through the ACNC Special Account, and the Tax Practitioners Board (TPB) through the TPB Special Account.

Reporting of administered activities

Administered revenue, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Significant accounting judgments and estimates for departmental items

Item	Note
Fair value of leasehold improvements	4
Fair value of plant and equipment	4

No other accounting assumptions or estimates have been identified that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Significant accounting judgments and estimates for administered items

Item	Note
Accrual for administered expense items	13
Taxation revenue items reported under the economic transaction method	14
Allowance for credit amendments and provision for refunds	14, 15
Allowance for impairment losses	15

Accrual estimates for administered expense items and certain taxation revenue products are inherently subject to measurement uncertainty due to volatility in economic conditions and taxpayer behaviour. Forecasting models are used to produce these estimates and are based on a combination of projections using historical data, judgment, and assumptions. The assumptions and inputs are based on what the ATO believes to be the relevant inputs to arrive at the best estimate.

Although estimates have been prepared using the best information available at the time, actual outcomes could differ from estimate outcomes due to the areas of uncertainty involved. Actual outcomes are reviewed to determine whether a change in methodology could produce a better estimate result, and changes are made to the methodology where appropriate. Refer to the accounting policy in Notes 13 and 14.

Valuation of administered receivables is inherently subject to volatility in economic conditions and taxpayer behaviour which directly impact lodgment and payment behaviours/patterns. Heightened uncertainty remains surrounding the impairment allowance estimate due to the significant balance of unpaid debts, prevailing economic conditions, and whether the ATO's current and future debt management response will result in improvements to collections.

Structural shifts in payment behaviour could cause material future changes to the impairment allowance and continue to be monitored.

No other accounting assumptions or estimates have been identified that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Adoption of new or amended accounting standards

No new accounting standards or interpretations have impacted these financial statements.

Australian Taxation Office

Notes to and forming part of the financial statements

Changes in accounting estimates

There have been no material changes in accounting estimates applied to the 2025-26 financial statements.

Taxation

The ATO is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenue, expenses, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable under the applicable legislation
- for receivable and payables.

Events after the reporting date

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the ATO.

Australian Taxation Office

Notes to and forming part of the financial statements

1: Expenses

	2026	2025
	\$'000	\$'000
Note 1A: Employee benefits		
Wages and salaries	1,925,696	1,825,259
Superannuation:		
Defined contribution plans	263,380	249,005
Defined benefit plans	146,440	152,771
Leave and other entitlements	372,995	401,462
Separation and redundancies	3,161	2,553
Other employee expenses	3,934	4,750
Total employee benefits	2,715,606	2,635,800

Accounting policy

Accounting policies for employee related expenses is contained in Note 7A Employee provisions.

Note 1B: Suppliers

Goods and services supplied or rendered

Contractors and consultants	359,804	324,316
IT and communications	561,548	565,466
Legal	186,341	88,522
Office operations	281,235	249,932
Property	64,442	58,075
Tax administration services provided by the Department of Home Affairs	60,037	59,218
Payments to other Government agencies	31,318	32,401
Staff related expenses	22,146	21,947
Travel	23,267	17,979
Tax services	13,278	13,371
Audit fees	2,592	2,690
Total goods and services supplied or rendered	1,606,008	1,433,917

Other suppliers

Short term leases	-	751
Workers compensation expenses	4,899	4,385
Total other suppliers	4,899	5,136
Total suppliers	1,610,907	1,439,053

Australian Taxation Office
Notes to and forming part of the financial statements

	2026	2025
	\$'000	\$'000
<u>Note 1C: Finance costs</u>		
Interest on lease liabilities	27,441	25,123
Unwinding of discount	1,099	1,303
Total finance costs	28,540	26,426

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 2B, 4A and 6.

Accounting policy

All finance charges are expensed as incurred.

<u>Note 1D: Impairment loss on financial instruments</u>		
Impairment on trade and other receivables	4,099	4,303
Total impairment loss on financial instruments	4,099	4,303

<u>Note 1E: Write-down and impairment of other assets</u>		
Buildings	49	-
Plant and equipment	1,835	194
Intangibles	1,101	348
Total write-down and impairment of other assets	2,985	542

<u>Note 1F: Other expenses</u>		
Losses from lease modifications	889	-
Compensation	62	160
Losses from asset sales	3	16
Total other expenses	954	176

Australian Taxation Office

Notes to and forming part of the financial statements

2: Own-source revenue

	2026	2025
	\$'000	\$'000
Note 2A: Rendering of services		
Rendering of services	206,675	198,346
Total revenue from rendering of services	206,675	198,346

Disaggregation of rendering of services

Type of customer:

Australian Government entities (related parties)	4,594	21,338
State and Territory Governments	306	324
Non-government entities	201,775	176,684
	206,675	198,346

Accounting policy

Revenue from rendering of services is recognised when the ATO satisfies a performance obligation by performing a promised service to a customer. Revenue is recognised either as:

- the performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits provided by the ATO or
- the performance obligation is satisfied at a point in time when the customer obtains control of the asset.

Receivables for goods and services, which have 28 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Australian Taxation Office

Notes to and forming part of the financial statements

	2026 \$'000	2025 \$'000
Note 2B: Rental income		
Finance lease:		
Finance income	2	26
Operating lease:		
Lease income	13,864	18,931
Total rental income	13,866	18,957

Leases

The ATO, in its capacity as lessor, has long and short-term leases with fixed dates for expiry. A number of subleases are due to end over the next four years. The ATO's only finance sublease expired in November 2025.

Maturity analysis of operating and finance lease receivables:

Within 1 year	5,596	9,496
One to two years	2,307	4,427
Two to three years	2,025	2,307
Three to four years	1,129	2,025
Four to five years	-	1,129
More than 5 years	-	-
Total undiscounted lease payments receivable	11,057	19,384
Unearned finance income	-	2
Discounted unguaranteed residual value	-	-
Net investment in leases	11,057	19,382

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1C, 4A and 6.

The ATO subleases space excess to its needs in certain office buildings. Sublease terms (including rent escalation clauses and make good requirements) are consistent with those in the headlease, in order to reduce the risk associated with the ATO's obligations under the headlease. These leases have a range of terms between one month and thirteen years, reflecting the ATO's expected operational needs for the subleased premises.

Australian Taxation Office

Notes to and forming part of the financial statements

	2026	2025
	\$'000	\$'000
Note 2C: Other revenue and gains		
Recovery of legal costs	18,499	13,648
Resources received free of charge		
Services received	11,221	11,882
Remuneration of auditors	2,500	2,600
Secondments	356	295
Other revenue and gains	155	2,844
Total other revenue and gains	32,731	31,269

Accounting policy

Legal costs

Revenue from recovery of legal costs is recognised at the time the court awards those costs to the ATO.

Resources received free of charge

Resources received free of charge are recognised as revenue when the fair value can be reliably measured at the time the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Note 2D: Revenue from the Australian Government

Departmental appropriations	4,408,303	4,231,432
Total revenue from the Australian Government	4,408,303	4,231,432

Accounting policy

Departmental appropriations for the period (adjusted for any formal additions and reductions) are recognised as revenue from the Australian Government when the ATO gains control of the appropriation.

Appropriation receivables are recognised at their nominal amounts.

Australian Taxation Office

Notes to and forming part of the financial statements

3: Financial assets

	2026	2025
	\$'000	\$'000
Note 3A: Cash		
Special account - ACNC	11,990	10,085
Special account - TPB	13,392	4,625
Cash on hand or on deposit	21,007	23,326
Total cash	46,389	38,036

Accounting policy

Cash is recognised at its nominal amount. Cash includes cash on hand or on deposit, and cash held in bank and the Official Public Account for special accounts.

Note 3B: Trade and other receivables

Service receivables

Service receivables	19,515	20,041
Total service receivables	19,515	20,041

Appropriations receivables

Existing programs

Cash held in the Official Public Account: ATO	995,379	857,277
Total appropriations receivables	995,379	857,277

Other receivables

GST receivable from the ATO (as Tax Administrator)	33,939	29,246
Lease receivables	425	1,831
Other receivables	35,272	27,973
Total other receivables	69,636	59,050
Total trade and other receivables (gross)	1,084,530	936,368

Less expected credit loss allowance

	(17,541)	(14,214)
Total trade and other receivables (net)	1,066,989	922,154

Australian Taxation Office

Notes to and forming part of the financial statements

4: Non-financial assets

Note 4A: Current period - Reconciliation of the opening and closing balances of property, plant, equipment, and intangibles 2026

	Buildings	Buildings - leasehold improvements	Plant and equipment	Intangibles - computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2025					
Gross book value	1,865,565	207,288	265,725	1,907,842	4,246,420
Work in progress	-	38,090	12,704	23,088	73,882
Accumulated depreciation, amortisation and impairment	(1,098,297)	(24,154)	(103,431)	(1,627,715)	(2,853,597)
Total as at 1 July 2025	767,268	221,224	174,998	303,215	1,466,705
Movements¹					
Additions:					
Purchased	-	32,461	49,227	23,048	104,736
Right-of-use assets	197,806	-	32,912	-	230,718
Internally developed	-	-	-	106,277	106,277
Revaluations recognised in other comprehensive income	-	38,476	6,881	-	45,357
Impairment write-offs recognised in net cost of services	-	(49)	(1,835)	(1,101)	(2,985)
Transfers between asset classes in/(out)	(382)	382	-	-	-
Disposals	-	-	-	-	-
Remeasurements of right-of-use assets	22,585	-	(9,491)	-	13,094
Depreciation / amortisation expense	-	(43,311)	(35,462)	(65,309)	(144,082)
Depreciation on right-of-use assets	(203,556)	-	(18,397)	-	(221,953)
Total as at 30 June 2026	783,721	249,183	198,833	366,130	1,597,867
Total as at 30 June 2026 represented by					
Gross book value	2,085,956	259,586	268,511	1,934,687	4,548,740
Work in progress	-	2,221	18,955	119,337	140,513
Accumulated depreciation, amortisation and impairment	(1,302,235)	(12,624)	(88,633)	(1,687,894)	(3,091,386)
Total as at 30 June 2026	783,721	249,183	198,833	366,130	1,597,867
Carrying amount of right-of-use assets	783,721	-	86,917	-	870,638

¹ Non financial asset movements are presented at net book value, and can include both gross book value and depreciation elements.

Australian Taxation Office

Notes to and forming part of the financial statements

Revaluations of tangible assets

Buildings – leasehold improvements and plant and equipment are recognised at fair value. All revaluations are conducted in accordance with the ATO revaluation policy stated below. The ATO engaged the service of accredited valuer, Jones Lang LaSalle (JLL), to conduct a fair value desktop review as at 31 March 2026. Fair values were estimated based on highest and best use and the valuation premise utilised was that market participants would maximise the value of the asset by using the asset in combination with other assets as a group (an in-combination basis). JLL relied upon the accuracy of the ATO's fixed asset register and that any items not sighted are in fair to good operational condition. There is a revaluation surplus of \$220.2 million (2025: \$174.6 million), an increase of \$45.6 million from the prior period. There are no restrictions on the reserve.

Accounting policy

Assets are initially recognised at cost, except as stated below. The initial cost of an asset includes transaction costs and an estimate of the cost of dismantling and removing the item and restoring the site in which it is located, where applicable.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Tangible assets

Asset recognition thresholds

Purchases of leasehold improvements and plant and equipment are recognised initially at cost in the statement of financial position, except for assets costing less than the relevant asset recognition threshold. Asset recognition thresholds can be found in the table below, except for ACNC and TPB assets, which have an asset recognition threshold of \$3,000.

Leased right of use (ROU) assets

Leased ROU assets are capitalised at the commencement date of the lease and are comprised of the initial lease liability amount, initial direct costs incurred when entering into the lease, less any lease incentives received. These assets are accounted for by ATO as separate asset classes to corresponding assets owned outright, but included in the same column where the corresponding underlying assets would be presented if they were owned.

An impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, leasehold improvements and plant and equipment assets (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less accumulated depreciation and accumulated impairment losses. Fair value of leasehold improvements is determined by estimating the depreciated replacement cost after taking the remaining useful life of the asset into consideration. Fair value of plant and equipment is determined based on the market value for items of similar type and age or, where there is no active or comparable market, by estimating the depreciated replacement cost. The ATO conducts a comprehensive valuation every three years for all tangible assets. Valuation reviews ensure that the carrying amounts of assets do not materially differ from the fair value as at the reporting date. Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Any accumulated depreciation and accumulated impairment as at the revaluation date are eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciation methods and rates (useful lives) are reviewed at each reporting date and necessary adjustments are recognised in the current or future reporting periods, as appropriate.

Australian Taxation Office

Notes to and forming part of the financial statements

If an asset is not fully constructed at the reporting date, its cost to date is reported as an asset under construction. Depreciation does not commence until the asset is available for use.

Asset type	Threshold	2026	2025
Leasehold improvements	\$1,000,000	Lesser of lease term or a maximum 20 year useful life (Straight-line method)	Lesser of lease term or a maximum 20 year useful life (Straight-line method)
Plant and equipment	Bulk purchases furniture and fittings \$200,000	5 – 25 years (Straight-line method)	5 – 25 years (Straight-line method)
Other than desktop computers, laptops, monitors and printers	Individual purchases plant and equipment \$3,000		
Desktop computers, laptops, monitors and printers	Bulk purchases \$200,000	4 – 5 years (Reducing balance method)	4 – 5 years (Reducing balance method)
	Individual purchases \$3,000		

Depreciation rates applying to each class of depreciable asset are based on the above useful lives and methods.

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

Impairment testing is conducted during the annual fair value review of leasehold improvements and bulk furniture and fittings, as well as during stocktakes. All leasehold improvements, plant and equipment and computer assets were assessed for indicators of impairment as at 30 June 2026. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, its recoverable amount is expected to be materially the same as its fair value and taken as such.

Derecognition

Leasehold improvements and plant and equipment assets are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Intangible assets

Asset recognition thresholds

The ATO's intangible assets comprise internally developed and purchased software. All intangible assets are carried at cost less accumulated amortisation and accumulated impairment and are not subject to revaluation.

Asset recognition thresholds can be found in the table below, except for ACNC and TPB assets. ACNC and TPB have an asset recognition threshold of \$100,000 for new internally developed software and \$50,000 for enhancements. ACNC and TPB purchased software have an asset recognition threshold of \$3,000.

Australian Taxation Office Notes to and forming part of the financial statements

Amortisation

Amortisation rates (useful lives) are reviewed at each reporting date and necessary adjustments are recognised in the current reporting period, or current and future reporting periods, as appropriate. In determining useful life, all known legislative changes are taken into account. If an asset is not fully constructed at the reporting date, its cost to date is reported as an asset under construction. Amortisation does not commence until the asset is available for use. Computer software assets are amortised based on the following useful lives:

Asset type	Threshold	2026	2025
Purchased software	\$200,000	3 - 20 years (Straight-line method)	3 - 20 years (Straight-line method)
Internally developed software	\$2,500,000 Enhancements to previously capitalised software \$1,000,000	5 - 26 years (Straight-line method)	5 - 26 years (Straight-line method)

Impairment

Impairment testing is conducted through annual reviews of internally developed and purchased software. Where indicators of impairment are evident, the recoverable amount of the intangible asset is estimated and an impairment loss is recognised where the recoverable amount is less than the carrying amount.

The recoverable amount for purchased software and internally developed software in use is taken to be the current replacement cost.

The recoverable amount for internally developed software assets under construction is the current replacement cost. In circumstances where the asset would be replaced if the ATO were deprived of it, the recoverable amount is taken to be the original budgeted cost as amended for additional functionality requirements. In circumstances where the asset would not be replaced if the ATO were deprived of the asset, the recoverable amount is assessed to be nil.

All computer software assets were assessed for indicators of impairment as at 30 June 2026.

Other non-financial assets

No indicators of impairment were identified for other non-financial assets.

2026	2025
\$'000	\$'000

Note 4B: Capital commitments

Maturity analysis - capital commitments

Within 1 year	47,681	36,617
Total capital commitments	47,681	36,617

Note 4C: Other non-financial assets

Prepayments	116,867	107,530
Sublease incentives provided	-	746
Total other non-financial assets	116,867	108,276

Australian Taxation Office

Notes to and forming part of the financial statements

5: Payables

	2026	2025
	\$'000	\$'000
Note 5A: Employees		
Salaries and wages	86,323	70,825
Superannuation	13,595	10,933
Separations and redundancies	320	235
Total employees	100,238	81,993
Note 5B: Suppliers		
Trade creditors and accruals	197,738	208,192
Total suppliers	197,738	208,192
Note 5C: Other payables		
Unearned income	3,245	2,215
Other	3,858	3,301
Total other payables	7,103	5,516

6: Interest bearing liabilities

	2026	2025
	\$'000	\$'000
Leases		
Lease liabilities		
Buildings	880,806	871,958
Plant and equipment	85,742	71,747
Total leases	966,548	943,705
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	249,205	244,601
Between 1 to 5 years	580,630	614,656
More than 5 years	284,118	163,229
Total leases	1,113,953	1,022,486

Total cash outflow for leases for the period ended 30 June 2026 was \$250 million (2025: \$246 million). The ATO leases various offices, storage areas, data centre facilities, equipment and vehicles. Lease contracts are typically made for fixed periods of twelve months to fifteen years but may have extension options.

Contracts may contain both lease and non-lease components. The ATO allocates the consideration in the contracts to the lease and non-lease components based on their relative stand-alone prices. However, for leases of data centre facilities, the ATO has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Extension and termination options are included in a number of leases across the ATO. These are used to maximise operational flexibility in terms of managing the assets used in the ATO's operations. Extension options (or termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated).

As at 30 June 2026, the lease liabilities above do not include undiscounted potential future cash outflows of \$1,189 million (2025: \$970 million) as it is not reasonably certain that the associated leases will be extended.

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1C, 2B and 4A.

Australian Taxation Office

Notes to and forming part of the financial statements

Accounting policy

For all new contracts entered into, the ATO considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Australian Government's incremental borrowing rate based on zero-coupon bond parameters, which are published quarterly by the Department of Finance.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Australian Taxation Office

Notes to and forming part of the financial statements

7: Provisions

	2026	2025
	\$'000	\$'000
Note 7A: Employee provisions		
Leave	922,929	889,913
Performance bonus payments	208	201
Other	196	263
Total employee provisions	923,333	890,377

Accounting policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of the reporting period are measured at the amount expected to be paid on settlement.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

Leave liabilities are calculated based on the employees' remuneration at the estimated salary rates that will apply at the time the leave is taken. This includes an allowance for the ATO's employer superannuation contribution rates, annual leave and long service leave accrued when the leave is taken, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to work undertaken by the Australian Government Actuary in 2023-24. The estimate of the present value of the liability considers attrition rates and pay increases through promotion and inflation.

Superannuation

Employees of the ATO include members of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PSS), which are defined benefit schemes for the Government, or a defined contribution scheme. The defined contribution scheme can be the PSS accumulation plan (PSSap), a fund of the employee's choice or Australian Super (as the default fund for employees who are covered under the *Superannuation (Productivity Benefits) Act 1988*).

The liability for defined benefits is recognised in the financial statements of the Government and is settled by the Government in due course. This liability is reported in the Department of Finance's administered schedules and notes. The ATO makes employer contributions to the employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ATO accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised at the end of the reporting period represents employer contribution accruals for the period from the last pay to 30 June 2026.

Australian Taxation Office

Notes to and forming part of the financial statements

Note 7B: Other provisions

	Legal costs and indemnities	Restoration obligations	Total
	\$'000	\$'000	\$'000
As at 1 July 2025	25,216	17,721	42,937
Additional provisions made	107,919	-	107,919
Amounts used	(12,559)	(334)	(12,893)
Amounts reversed	(3,238)	(257)	(3,495)
Unwinding of discount or change in discount rate	-	753	753
Total as at 30 June 2026	117,338	17,883	135,221

There are no expected reimbursements of these amounts.

Accounting policy

Legal costs and indemnities

Legal costs and indemnity provisions principally relate to legal claims, court awarded legal costs, and indemnity arrangements to support recovery action where the ATO is a creditor in an insolvency administration.

A provision is recognised where the recognition criteria for a provision under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* are met. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Restoration obligations - accommodation

A small number of ATO property leases are subject to restoration costs upon vacating the site.

An asset and provision are recognised at the commencement of a lease at the present value of the restoration obligations. Movements in the liability are recognised as finance expenses as the payment of restoration costs advances. Any difference between the provision and the amount paid at final settlement is recognised as a restoration obligation expense or gain.

The restoration obligations provision on all new leasehold improvement assets is determined in accordance with a valuation supplied by Jones Lang LaSalle.

Revaluation increments and decrements in relation to the provision of the restoration obligations and the associated assets are recognised in Other Comprehensive Income as a change in the asset revaluation reserve.

The restoration obligations asset and provision are reviewed and adjusted annually to assess whether the ATO is likely to make payments under a restoration obligation.

Australian Taxation Office

Notes to and forming part of the financial statements

8: Financial instruments

Note 8A: Categories of financial instruments

	2026	2025
	\$'000	\$'000
Financial assets at amortised cost		
Cash	46,389	38,036
Service receivables	19,515	20,041
Other receivables	17,240	13,104
Total financial assets at amortised cost	83,144	71,181
Financial liabilities measured at amortised cost		
Supplier payables	197,738	208,192
Total financial liabilities measured at amortised cost	197,738	208,192

Accounting policy

Financial assets

The ATO classifies departmental financial assets depending on nature and purpose. Departmental financial assets are recognised and derecognised upon 'trade date'. Financial assets held in order to collect contractual cash flows and where cash flows are solely payment of principal and interest are measured subsequently at amortised cost using the effective interest method adjusted for any loss allowance.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial assets.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Financial liabilities are recognised and derecognised upon 'trade date'.

Suppliers are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

Australian Taxation Office Notes to and forming part of the financial statements

	2026 \$'000	2025 \$'000
Note 8B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment gains/(losses)	(4,099)	(4,303)
Net gains/(losses) on financial assets at amortised cost	(4,099)	(4,303)
Note 8C: Net gains or losses on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense on financial liabilities measured at amortised cost	346	728
Net losses on financial liabilities measured at amortised cost	346	728

9: Contingent assets and liabilities

	Indemnities		Claims for compensation/ damages or costs		Total	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Contingent liabilities						
Balance from previous period	47,962	33,648	5,073	1,844	53,035	35,492
New contingent liabilities recognised	9,405	15,081	1,891	3,937	11,296	19,018
Re-measurement	-	-	(109)	43	(109)	43
Liabilities realised	(900)	-	(21)	(188)	(921)	(188)
Obligations expired	(3,926)	(767)	(4,143)	(563)	(8,069)	(1,330)
Total contingent liabilities	52,541	47,962	2,691	5,073	55,232	53,035

Quantifiable contingencies

Indemnities

An indemnity may be granted to a trustee/liquidator to help fund recovery action where the ATO is a creditor in an insolvency administration. Adverse costs may form part of an indemnity where it is possible that litigation may occur as a result of the indemnified recovery action.

Claims for compensation / damages or costs

At any point in time, the ATO has claims associated with actions brought against the ATO for unfair dismissal, unlawful termination, alleged breach of general protections provisions of the *Fair Work Act 2009*, unlawful discrimination and claims for compensation unrelated to the employment. This also includes claims under the 'Scheme for Compensation for Detriment Caused by Defective Administration' (CDDA) which provide for compensation to individuals and other bodies adversely affected by the maladministration by a Government body, but who have no legal means to seek redress, such as a legal claim.

Unquantifiable contingencies

Claims and legal actions

At any point in time, the ATO is subject to claims and legal actions. It is not possible to estimate the amounts and in some cases, the timing of any potential payments that may be required in relation to these claims.

Court awarded legal costs

A party successful in a legal action may be compensated for their expenses through a court award of legal costs against the opposing party. Due to the uncertainty over the outcome of outstanding and pending court cases, duration of court cases and the legal costs of the opposing party, the ATO is unable to reliably estimate either its potential payments to, or potential cost recoveries from, opposing litigants. The recoverability of certain costs awarded to the ATO remains improbable and a corresponding contingent asset is unquantifiable.

Australian Taxation Office

Notes to and forming part of the financial statements

Contingent gain - indemnities

If the indemnity is paid and the action is successful, the ATO may recover the indemnity. The ATO is not able to reliably estimate potential recoveries from outstanding indemnities because of the duration and uncertainty of cases and the fluctuation in the number of indemnities granted each period.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes.

Contingent assets and liabilities arise from uncertainty as to the existence of a liability or asset, or represent an obligation in respect of which the settlement is not probable or where the amount cannot be reliably measured. Significant remote contingencies form part of this disclosure. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Disclosure of amounts in the note is neither an admission nor acceptance of responsibility by the ATO in advance of any court decisions or other relevant determinations.

10: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the ATO, directly or indirectly. In the 2025-26 period, the key management personnel for the ATO are the Commissioner and members of the ATO Executive.

	2026 \$'000	2025 \$'000
Short-term employee benefits	3,193	3,068
Post-employment benefits	378	363
Other long-term employee benefits	91	141
Total key management personnel remuneration expenses¹	3,662	3,572

The total number of key management personnel included in the above table is 6 (2025: 7).

¹The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and is not paid by the ATO.

11: Related party disclosures

Related party relationships

The ATO is an Australian Government controlled entity. Related parties to the ATO are key management personnel including the ATO Executive, Cabinet Ministers, and other Australian Government entities.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans
- purchases of goods and services incurred on non-market terms and/or not part of normal business operations
- asset purchases, sales, transfers or leases
- debts forgiven
- guarantees

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, no related party transactions are required to be separately disclosed.

Australian Taxation Office

Notes to and forming part of the financial statements

12: Current/non-current distinction for assets and liabilities

	2026 \$'000	2025 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash	46,389	38,036
Trade and other receivables	1,066,621	921,433
Other non-financial assets	94,444	98,654
Total no more than 12 months	1,207,454	1,058,123
More than 12 months		
Other receivables	368	721
Buildings	783,721	767,268
Buildings – leasehold improvements	249,183	221,224
Plant and equipment	198,833	174,998
Intangibles - computer software	366,130	303,215
Other non-financial assets	22,423	9,622
Total more than 12 months	1,620,658	1,477,048
Total assets	2,828,112	2,535,171
Liabilities expected to be settled in:		
No more than 12 months		
Employees	100,238	81,993
Suppliers	197,710	208,164
Other payables	7,103	5,516
Leases	219,796	222,346
Employee provisions	251,471	235,271
Other provisions	117,338	25,808
Total no more than 12 months	893,656	779,098
More than 12 months		
Suppliers	28	28
Leases	746,752	721,359
Employee provisions	671,862	655,106
Other provisions	17,883	17,129
Total more than 12 months	1,436,525	1,393,622
Total liabilities	2,330,181	2,172,720

Australian Taxation Office

Notes to and forming part of the financial statements

13: Administered - expenses

	2026	2025
	\$'m	\$'m
Note 13A: Subsidies		
Subsidies in connection with		
Fuel tax credits scheme	8,924	9,813
Research and development tax incentive	2,840	4,072
Australian screen and digital games production incentive	800	1,105
National rental affordability scheme	17	33
Product stewardship for oil	91	91
Other	-	6
Total subsidies	12,672	15,120
Note 13B: Personal benefits		
Direct		
Low income superannuation tax offset	586	529
Private health insurance rebate	308	282
Superannuation co-contribution scheme	113	99
Total personal benefits	1,007	910
Note 13C: Impairment of receivables		
Movement in impairment allowance	8,672	6,582
Write-offs	6,173	4,978
Re-raises	(4,622)	(639)
Total impairment of receivables	10,223	10,921

Accounting policy

Administered expenses include subsidies, personal benefits, impairment of administered receivables, penalty and interest charge remission expenses, interest on overpayments and early payments, superannuation guarantee charge and unclaimed superannuation monies interest.

Subsidies, personal benefits, superannuation guarantee charge and unclaimed superannuation monies interest expense are recognised when they can be reliably measured. This recognition point relies on estimation methodologies and techniques to determine taxpayer liabilities that have not yet been reported to the ATO. Estimation techniques have inherent risks of error and rely on assumptions in economic conditions (such as wage growth and gross domestic product growth), taxpayer behaviour, and recent historical information. At the reporting date, the amounts disclosed represent a best estimate of expenses incurred in the period.

The table below outlines the expense recognition point, key assumptions, and methodology changes for the period end accrual estimates for material subsidies, personal benefits, superannuation guarantee charge and unclaimed superannuation monies interest.

Australian Taxation Office

Notes to and forming part of the financial statements

The impairment of administered receivables and penalty and interest charge remission expenses (refer to Note 14) include both actual and accrued amounts in accordance with operational policies.

The Commissioner is required to use available tax credits and refunds to offset existing debts. This includes instances where a debt has been written off as not economical to pursue (placed on hold). The Commissioner has deferred recovery action for debts placed on hold prior to 1 January 2017, pending enactment of an announced legislative change. This has resulted in \$80 million of written off taxpayer debts not being offset against available tax credits or refunds in the 2025-26 reporting period (2024-25: \$81 million). Offsetting has recommenced for debts to which the legislative change is not expected to apply.

During 2025–26, debts previously placed on hold were reassessed, resulting in \$3,384 million of debt being re-raised where changes in taxpayer circumstances supported the removal of the on hold status.

Refer to Note 15 for the accounting policy on receivables.

Interest on overpayments and early payments represents actual payments of interest in accordance with the *Taxation (Interest on Overpayments and Early Payments) Act 1983*, and an estimate of future interest charges where the ATO considers that the probable outcome of tax in dispute at the period end will result in a refund being issued to the taxpayer. This estimate is based on statistical modelling, informed by historical data and expert advice, as well as manually estimated dispute outcomes.

Refer to Note 14 for the accounting policy on allowance for credit amendments and provisions for refunds.

Administered expense	Nature of expense
Fuel tax credits scheme (FTC)	FTC is recognised when fuel is purchased for use in an eligible activity. An estimate is made at the period end of claims not yet received that relate to transactions which occurred during the reporting period. This estimate assumes late lodgments and amendments are consistent with historical lodgment patterns.
Research and development tax incentive (R&DTI)	R&DTI is recognised when a company has undertaken research and development expenditure and meets the criteria for the R&DTI refundable tax offset. An estimate is made at the period end of claims not yet received that relate to transactions which occurred during the reporting period. The key assumptions of this estimate are the estimated total value of eligible research and development expenditure and historical claims trends.
Australian screen and digital games production incentive (ASDGPI)	ASDGPI is recognised when film and television production and digital games companies receive certificates of eligibility from either Screen Australia or Office for the Arts on qualifying production or development expenditure. An estimate is made at the period end of claims not yet received by comparing all certified productions for the period and respective tax offset amounts already claimed. The estimate assumes the offset amount claimed in the current period is consistent with prior claims.
National rental affordability scheme (NRAS)	NRAS is recognised when participants are eligible to receive incentives from the Secretary of the Department of Social Services. An estimate is made at the period end of claims not yet received that relate to transactions which occurred during the reporting period. This estimate assumes claims will continue to reflect observed prior period processing patterns.
Product stewardship for oil (PSO)	PSO is recognised when a registered client recycles used oil or consumes eligible oil. An estimate is made at the period end of claims not yet received that relate to transactions which occurred during the reporting period. This key assumption of this estimates is that claims will continue to reflect observed prior period processing patterns.
Low income superannuation tax offset (LISTO)	LISTO is recognised when eligible concessional superannuation contributions are made to superannuation fund accounts of eligible individuals within the reporting period. An estimate is made at the

Australian Taxation Office
Notes to and forming part of the financial statements

Administered expense	Nature of expense
	period end for entitlements arising during the reporting period against such contributions. The key assumption of this estimate is that the characteristics of eligible recipients in the prior processing period will be reflective of the eligible recipients for the current period.
Private health insurance rebate (PHIR)	PHIR is recognised when eligible claimants have paid private health insurance premiums. The ATO's liability to pay PHIR is limited to rebate claims or adjustments made through the tax system in individual income tax returns. An estimate is made at the period end of claims not yet received that relate to transactions which occurred during the reporting period. The key assumptions of this estimate include population growth rates, private health insurance premium growth rates and taxpayer lodgments reflect observed prior period lodgment patterns.
Superannuation co-contribution scheme	Superannuation co-contribution is recognised when individuals make eligible personal super contributions and the eligibility criteria are met. An estimate is made at the period end of claims not yet received that relate to transactions which occurred during the reporting period. The key assumptions of this estimate include incomes of eligible recipients, the number of eligible recipients and average co-contribution payments.
Unclaimed superannuation monies (USM) interest	USM interest is recognised when the USM outflows are recognised (see Note 14). An estimate of the interest payable is made at the period end based on the estimated amount of USM outflow to be paid. The interest expense estimate amount is directly linked to USM outflow and is adjusted in accordance with outflow estimates.

Australian Taxation Office Notes to and forming part of the financial statements

14: Administered - income

	Primary revenue		Penalties		Interest		Total Revenue	
	2026 \$'m	2025 \$'m	2026 \$'m	2025 \$'m	2026 \$'m	2025 \$'m	2026 \$'m	2025 \$'m
Note 14A: Income tax								
Individuals and others withholding tax	370,082	341,098	1,485	830	5,114	4,470	376,681	346,398
Companies	147,885	138,008	355	2,682	1,203	1,021	149,443	141,711
Superannuation funds	34,611	25,819	29	17	119	219	34,759	26,055
Fringe benefits tax	5,309	5,150	14	8	47	36	5,370	5,194
Petroleum resource rent tax	1,638	1,465	1	-	22	18	1,661	1,483
Total income tax	559,525	511,540	1,884	3,537	6,505	5,764	567,914	520,841
Note 14B: Indirect tax								
Goods and services tax	97,901	93,691	810	832	1,864	2,020	100,575	96,543
Excise duty	27,884	30,856	1	-	-	-	27,885	30,856
Wine equalisation tax	1,073	1,130	-	-	4	5	1,077	1,135
Luxury car tax	1,088	1,082	-	1	2	5	1,090	1,088
Total indirect tax	127,946	126,759	811	833	1,870	2,030	130,627	129,622
Note 14C: Other taxes								
Major bank levy	1,972	1,807	-	-	-	2	1,972	1,809
Superannuation guarantee charge	1,788	1,344	247	209	184	172	2,219	1,725
Offshore petroleum levy	338	360	-	-	-	-	338	360
Foreign investment fees	95	239	-	-	-	-	95	239
Self managed superannuation fund levy	168	165	-	-	-	-	168	165
Other	5	16	18	19	-	-	23	35
Total other taxes	4,366	3,931	265	228	184	174	4,815	4,333
Note 14D: Non-taxation revenue								
Unclaimed superannuation monies	383	249	-	-	1	1	384	250
Fines	-	-	9	40	84	53	93	93
Other	6	2	7	5	10	11	23	18
Total non-taxation revenue	389	251	16	45	95	65	500	361

Australian Taxation Office

Notes to and forming part of the financial statements

Accounting policy

The ATO recognises revenue when, and only when, the following three conditions have been satisfied:

1. there is a basis establishing the ATO's right to receive the revenue
2. it is probable that future economic benefits will be received by the ATO
3. the amount of revenue to be received can be reasonably and appropriately measured.

Estimating some revenues can be difficult due to impacts of economic conditions and timing of final taxable income, and accordingly the ATO uses two bases of recognition:

1. Economic transaction method (ETM)

Revenue is recognised when the ATO, through the application of legislation to taxation and other relevant activities, gains control over the future economic benefits that arise from taxes and other statutory charges.

Where a taxation revenue type is able to be reasonably and appropriately measured, including transactions that are yet to occur but are likely to be reported, then ETM is applied.

Estimation techniques have inherent risks of error and rely on assumptions and recent historical patterns. Based on the information and evidence available at the date of these financial statements, the amounts disclosed represent the best estimate of revenue.

2. Taxation liability method (TLM)

Revenue is recognised at the earlier of when an assessment of a tax or superannuation liability is made, or payment is received by the ATO, and when sufficient information exists to raise an assessment but an event has occurred which delays the issue of the assessment. This method is permitted under AASB 9 *Financial Instruments* if a tax base is volatile and reliable estimation is not possible. Revenue recognised under this method is generally measured at a later time than would be the case if it were measured under ETM.

In accordance with the revenue recognition approach adopted by the Australian Government, the ATO applies the ETM and TLM approaches as set out in the following tables. The recognition point, key assumptions, and methodology changes where applicable have been disclosed below.

Administered revenue recognised on an ETM basis

Administered revenue	Nature of revenue
Fringe benefits tax (FBT)	FBT is recognised when a fringe benefit is provided to employees, or to employees' family or other associate. An estimate is made at the period end for amounts outstanding that relate to FBT events which occurred during the reporting period. The key assumption is that the proportion of FBT processed after period end will be similar to historical observations.
Petroleum resource rent tax (PRRT)	PRRT is recognised based on actual taxable profits for the period in respect of offshore petroleum projects. An estimate is made at the period end for assessable dealings which occurred during the reporting period. This is based on actual lodgement and payment information received after period end.
Goods and services tax (GST)	GST is recognised when a taxable supply or importation occurs that gives rise to the liability to pay GST or when a creditable acquisition or importation occurs that gives rise to an input tax credit. An estimate is based on amounts outstanding that relate to transactions which occurred during the reporting period. The key assumption of the estimate is that the proportion of GST processed in the following period is consistent with historical patterns.

Australian Taxation Office Notes to and forming part of the financial statements

Administered revenue	Nature of revenue
Excise duty	Excise duty is recognised when certain commodities (excisable goods) are distributed for home consumption. At the period end where excise returns have not yet been lodged, an estimate is made for excise duty that entities are liable to pay. With the exception of crude oil, the period end estimate is based on actual lodgment information received after the period end. For the crude oil estimate, the key assumption is consistency in the pattern of collections, adjusted for oil price differences over the last 12 months.
Wine equalisation tax (WET)	WET is recognised when an assessable dealing gives rise to a tax liability. An estimate is made at the period end for amounts outstanding that relate to transactions which occurred during the reporting period. The key assumption of the period end estimate is that the proportion of amounts processed in the following period is consistent with historical patterns.
Luxury car tax (LCT)	LCT is recognised when the sale or private import of a luxury vehicle occurs. An estimate is made at the period end of amounts outstanding that relate to transactions which occurred during the reporting period. The key assumption is that the proportion of LCT liabilities processed in the following period is consistent with historical patterns.
Major bank levy (MBL)	MBL is recognised when an authorised deposit-taking institution's total liabilities exceed the \$100 billion threshold at the end of each quarter. An estimate is made at the period end for the fourth quarter MBL lodgment not received by the end of the reporting period. The estimate is primarily based on actual lodgment information received after the period end.
Foreign investment fees	Foreign investment fees include foreign investment application fees and vacancy fees. Foreign investment application fees revenue is in relation to foreign individuals or entities who make an application or give notice to invest in Australia within the reporting period. Revenue is not recognised until the relevant application or notice fee has been paid. Vacancy fees revenue is recognised at the time the vacancy fee return is raised. There is generally no population of lodgments or payments occurring after 30 June that are attributable to the reporting period.
Offshore petroleum levy (OPL)	OPL is recognised for registered holders of petroleum production licenses based on the amount of leviable petroleum production. An estimate is made at the period end for leviable production that occurred during the reporting period where the associated return had not been received by the end of the reporting period. The estimate includes assumptions in respect of production and a per barrel rate of levy.
Self managed superannuation fund (SMSF) Levy	SMSF levy is recognised when a registered and active SMSF exists at any time during the reporting period. An estimate is made at the period end for SMSF levies incurred during the reporting period but have not yet been lodged. The key assumptions of the estimate are lodgment rates of registered SMSFs and a consistent lodgment timing pattern between periods.
Unclaimed Superannuation Monies (USM)	USM relates to the superannuation benefits that super funds report and pay to the ATO in accordance with the Superannuation (Unclaimed Money and Lost Members) Act 1999 (the Act), net of amounts transferred to active super accounts or paid out as otherwise permitted by the Act. USM revenue is recognised based on the annual amount of unclaimed superannuation received by the ATO (inflows), less an estimate of the amount of unclaimed superannuation that the

Australian Taxation Office

Notes to and forming part of the financial statements

Administered revenue	Nature of revenue
	<p>ATO will be able to reunite (outflows or claims). Revenue in relation to inactive low balance accounts and trustee voluntary payments are recognised on a TLM basis as a reasonable estimate cannot be made. Revenue in relation to general USM, superannuation of former temporary residents, superannuation of small lost member accounts and insoluble lost member accounts are recognised on an ETM basis. An estimate is made at the period end of amounts outstanding and reunification still expected to be completed in relation to transactions attributable to the reporting period. The key assumption of the period end estimate for USM inflows is that the amount of inflow for each type of USM follows a similar pattern to the amounts seen in prior periods. The estimate for USM outflows assumes claims will reflect observed prior period processing patterns.</p>

Administered revenue recognised on a TLM basis

Administered revenue	Nature of revenue
Income tax - individuals	<p>Individuals income tax includes income tax withholding, income tax instalments, income tax payments, Medicare levy, and income tax refunds.</p> <p>Income tax withholding represents amounts withheld from remuneration paid during the period. Other individuals includes income tax instalments for the period and prior period final tax returns received by the ATO during the period. Income tax refunds are made where tax credits exceed the final liability on assessment. Refunds include prior period refunds made or assessed during the period.</p> <p>Individuals income tax does not include estimates of revenue or refunds related to the current taxation period that will be recognised in tax returns lodged after the end of the current period.</p>
Income tax - companies	<p>Company income tax includes company tax payable that relates to income tax instalments and final payments received/raised for the current and prior reporting periods.</p> <p>It does not include estimates of revenue related to the current taxation period that will be recognised in tax returns lodged after the end of the current period.</p>
Income tax - superannuation funds	<p>Superannuation income tax includes amounts payable by superannuation funds that relate to income tax instalments and final payments for the current and prior reporting periods. Superannuation funds income tax is levied on earnings and taxable contributions.</p> <p>It does not include estimates of revenue related to the current taxation period that will be recognised in tax returns lodged after the end of the current period.</p>
Superannuation guarantee charge	<p>Superannuation guarantee charge is a charge on employers that have not paid the compulsory superannuation guarantee for their employees. The ATO assesses and collects the guarantee, interest owing and an administrative fee.</p>

Australian Taxation Office

Notes to and forming part of the financial statements

Accounting policy

Allowance for credit amendments and provisions for refunds

Taxpayers are entitled to dispute amounts assessed by the ATO. Where the ATO considers that the probable outcome will be a reduction in the amount of tax owed by a taxpayer, an allowance for credit amendment (if the probable outcome would result in a reduction to debt owing) or a provision for refund (if the probable outcome would result in a refund to the taxpayer) will be recognised.

The allowance for credit amendments and provisions for refunds are recognised as a reduction in revenue.

For disputes less than \$30 million, these estimates are calculated using a statistical model. The model incorporates trends and patterns.

Disputes greater than or equal to \$30 million are manually assessed. Where there is insufficient certainty to make a manual assessment, a statistical model is used to estimate the value.

Penalties and interest charges

Penalties and interest arising under taxation legislation are recognised as revenue at the time the penalty or interest is imposed on the taxpayer. Generally, subsequent remissions and write-offs of such penalties and interest are treated as an expense of the period. Penalties and interest that are imposed by law and immediately remitted by the Commissioner are not recognised as revenue or as an expense. Additional interest is recognised for the period between the last imposition and the end of the period to recognise amounts not yet recorded on taxpayer accounts.

Settlements

A settlement involves an agreement between the ATO and the taxpayer to resolve matters in dispute where one or more parties make concessions on what they consider is the legally correct position. Where this results in a reduction of the amounts payable by the taxpayer, the reductions for the assessment and any associated penalties and interest charges, excluding administrative type penalties, are recognised as a reduction in revenue.

Pay as you go (PAYG) system

The ATO collects compulsory repayment amounts of accumulated income contingent loan (ICL) debts through the PAYG tax system. The repayment of ICL debts reduces the loan that a person owes to the Commonwealth.

An adjustment is made to Individuals income tax revenue for the compulsory repayment of ICL debts as the collection of these amounts through the PAYG tax system does not represent revenue for the ATO and the compulsory repayments figure can be reliably estimated.

Australian Taxation Office
Notes to and forming part of the financial statements

15: Administered - non-financial assets		
	2026	2025
	\$'m	\$'m
Note 15A: Receivables		
Direct tax		
Individuals	60,631	50,855
Company	19,565	19,209
Superannuation	1,106	1,176
Petroleum resource rent tax	174	231
Fringe benefits tax	295	216
Total direct tax	81,771	71,687
Indirect tax		
Goods and services tax	25,909	21,869
Excise duty	206	179
Wine equalisation tax	71	126
Luxury car tax	32	50
Total indirect tax	26,218	22,224
Other tax		
Superannuation guarantee charge	4,437	3,952
Self managed superannuation fund levy	117	106
Foreign investment fees	20	13
Other	40	30
Total other tax	4,614	4,101
Non-taxation		
Fines	434	375
JobKeeper receivables ¹	32	37
Unclaimed superannuation monies	15	10
Foreign investment review board infringements	3	2
Total non-taxation	484	424
Total receivables (gross)	113,087	98,436
Less: Impairment allowance	(58,489)	(49,818)
Allowance for credit amendments	(8,921)	(6,820)
Total receivables (net)	45,677	41,798

¹ JobKeeper receivables relate to overpaid JobKeeper payments yet to be recovered.

Australian Taxation Office

Notes to and forming part of the financial statements

	2026 \$'m	2025 \$'m
Note 15B: Accrued revenue		
Direct tax		
Fringe benefits tax	1,355	1,310
Petroleum resource rent tax	547	258
Total direct tax	1,902	1,568
Indirect tax		
Goods and services tax	18,681	18,220
Excise duty	188	240
Wine equalisation tax	123	117
Luxury car tax	109	109
Total indirect tax	19,101	18,686
Other revenue		
Major bank levy	513	467
Unclaimed superannuation monies	254	188
Offshore petroleum levy	331	355
Self managed superannuation fund levy	66	57
Total other revenue	1,164	1,067
Total accrued revenue	22,167	21,321

Accounting policy

Cash

Cash is recognised at its nominal amount.

Receivables

ATO receivables are non-financial assets recoverable under law.

Collectability of receivables is reviewed on an ongoing basis. Where estimation is used, it represents the best estimate as at the reporting date, however inherent risks and uncertainties exist in the estimation process.

Debts which are irrecoverable at law or uneconomic to pursue are written off. However this does not preclude the Commissioner from re-raising these debts if information subsequently becomes available which indicates that recoverability action may be viable.

Parallel liabilities

Where a company fails to remit withholding tax, GST or superannuation guarantee amounts, the Commissioner is authorised to serve notices requiring payment of estimated and outstanding amounts on the company and all associated Directors. These are called parallel liabilities and are not included in receivables or revenue. Similarly, where multiple assessments have been issued for the same underlying amount any duplicated debts are excluded.

Impairment on receivables

An impairment allowance is created when there is evidence that the ATO will not be able to collect all of the amounts due. The ATO's administered receivables are not financial instruments as they arise from statutory charges. The impairment of statutory receivables is made under AASB 136 *Impairment of Assets*.

Impairment losses are recognised as an administered expense.

A threshold is applied to determine whether the impairment allowance is calculated manually or using a statistical model. For debts greater than \$30 million, manual assessment of the collectability of receivables includes compliance and lodgment history, the existence of a dispute over a receivable, the taxpayer's capacity to pay, and judgment. For debts less than \$30 million, estimation of collectability is determined through statistical modelling, informed by historical data and expert advice.

Australian Taxation Office

Notes to and forming part of the financial statements

Allowance for credit amendments

Allowance for credit amendments is recognised in relation to disputed assessments in accordance with Note 14.

Accrued revenue

Accrued revenue include revenue estimates made on an ETM basis and interest charges in accordance with Note 14.

Securities

In some instances, the ATO will enter into an agreement with a taxpayer to hold a security over a tax debt. These securities are not recorded in the financial statements as assets because the primary cash generating asset is the debt rather than the security over the debt.

Australian Taxation Office Notes to and forming part of the financial statements

16: Administered – reconciliation of movement in provisions

	Subsidies	Personal benefits	Income taxation refunds	Indirect taxation refunds	Super- annuation guarantee payments	Unclaimed super- annuation payments	Unclaimed super- annuation monies interest	Interest on over- payment of taxes	Other refunds	Total
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
As at 1 July 2025	6,290	1,120	1,817	27	580	638	56	163	16	10,707
Additional provisions made	4,505	1,024	1,967	24	1,859	413	19	75	25	9,911
Amounts used	(5,684)	(983)	(1,663)	(27)	(1,133)	(430)	(56)	(65)	(16)	(10,057)
Amounts reversed or remeasured	(670)	(21)	(71)	-	(588)	62	37	25	-	(1,226)
Total as at 30 June 2026	4,441	1,140	2,050	24	718	683	56	198	25	9,335

Australian Taxation Office

Notes to and forming part of the financial statements

17: Administered - contingent liabilities

	Tax in dispute	
	2026	2025
	\$'m	\$'m
Contingent liabilities		
Balance from previous period	14,795	11,742
New contingent liabilities recognised	3,731	5,485
Re-measurement	(355)	949
Obligations expired	(2,975)	(3,381)
Total contingent liabilities	15,196	14,795

Quantifiable administered contingencies

At any point in time, the ATO is involved in a range of dispute resolution processes, including litigation, relating to tax disputes. Details of the outcome of dispute resolution processes are uncertain and in most cases it is not possible to estimate the financial impact until a court ruling is made and/or an agreement is reached with the taxpayer.

Unquantifiable administered contingencies

In some cases, the decision in relation to the cases above will be precedential. No estimate can be made as to whether contingent liabilities exist with respect to other taxpayers who may be impacted as a result of the decision.

As a result, in most cases it is not possible to estimate with any reliability the likely financial impact of current disputes to other taxpayers who may be impacted by a decision. The ATO acknowledges that the incidence of tax evasion and other breaches of the taxation laws, unavoidably affect its fiduciary responsibilities to the Australian Government.

Accounting policy

The amount disclosed as a quantifiable administered contingent liability represents the total tax in dispute where an allowance or provision for refund has not been made.

These amounts represent the disputes for which the ATO has assessed that there is a possible, but not probable, reduction to the amount of tax payable. The future financial impact will likely be lower than the total disclosed as a proportion of these cases will be decided in favour of the Commissioner.

Refer to Note 14 for the accounting policy on allowance for credit amendments and provisions for refunds.

Australian Taxation Office

Notes to and forming part of the financial statements

18: Administered - current/non-current distinction for assets and liabilities

	2026	2025
	\$'m	\$'m
Assets expected to be recovered in:		
No more than 12 months		
Cash	624	674
Receivables	29,005	26,625
Accrued revenue	20,035	19,387
Total no more than 12 months	49,664	46,686
More than 12 months		
Receivables	16,672	15,173
Accrued revenue	2,132	1,934
Total more than 12 months	18,804	17,107
Total assets	68,468	63,793
Liabilities expected to be settled in:		
No more than 12 months		
Payables		
Subsidies	16	40
Personal benefits	24	17
Superannuation guarantee charge	145	117
Taxation refunds due	2,198	2,463
Superannuation holding account	21	22
Other payables	1	1
Provisions		
Subsidies	4,204	6,084
Personal benefits	1,023	1,008
Income taxation refunds	2,050	1,817
Indirect taxation refunds	24	27
Superannuation guarantee payments	718	580
Unclaimed superannuation payments	410	386
Unclaimed superannuation monies interest	22	25
Interest on overpayment of taxes	198	163
Other refunds	25	16
Total no more than 12 months	11,079	12,766
More than 12 months		
Payables		
Superannuation holding account	81	71
Provisions		
Subsidies	237	206
Personal benefits	117	112
Unclaimed superannuation payments	273	252
Unclaimed superannuation monies interest	34	31
Total more than 12 months	742	672
Total liabilities	11,821	13,438

Australian Taxation Office

Notes to and forming part of the financial statements

19: Appropriations

Note 19A: Annual appropriations

Annual appropriations for 2026

	Annual appropriation	Adjustments to appropriation ¹	Total appropriation	Appropriation applied in 2026 (current and prior periods)	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services ³	4,408,703	434,315	4,843,018	(4,862,291)	180,727
Capital budget ⁴	129,722	-	129,722	(147,407)	(17,685)
Other services					
Equity ⁵	57,763	-	57,763	(54,554)	3,209
Total departmental	4,596,188	434,315	5,030,503	(4,864,252)	166,251

Administered					
Ordinary annual services ³	-	-	-	(30)	(30)
Total administered	-	-	-	(30)	(30)

¹ Adjustments to current period annual appropriations relates to PGPA Act section 74 receipts. In 2025-26, a change in disclosure has been made to include GST amounts retained under section 74 of the PGPA Act.

² The variance between the departmental appropriation applied and total amount appropriated for the current period is due to incurred expenses being less than the level of forecast expenditure during the period, and the overall timing of expenses and accruals.

³ Departmental annual appropriations includes \$22,339,206 transferred to the ACNC special account, \$30,636,629 transferred to the TPB special account and \$400,000 withheld from Appropriation Act (No.1) 2025-26 under section 51 of the PGPA Act.

⁴ Administered annual appropriation for the 2025-26 period was nil due to the cessation of funding for administered annual advertising campaign expenses.

⁵ Departmental capital budgets (DCBs) are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. The total DCB amount appropriated for the current period was \$129,722,000 as per the 2025-26 Portfolio Budget Statements.

⁶ Departmental annual equity appropriation includes \$7,403,000 withheld from Appropriation Act (No. 2) 2025-26 under section 51 of the PGPA Act.

Australian Taxation Office Notes to and forming part of the financial statements

Annual appropriations for 2025

	Annual appropriation	Adjustments to appropriation ¹	Total appropriation	Appropriation applied in 2025 (current and prior periods)	Variance ²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services ³	4,257,535	226,392	4,483,927	(4,233,198)	250,729
Capital budget ⁴	127,333	-	127,333	(84,553)	42,780
Other services					
Equity ⁵	43,299	-	43,299	(10,849)	32,450
Total departmental	4,428,167	226,392	4,654,559	(4,328,600)	325,959
Administered					
Ordinary annual services ²	10,564	-	10,564	(6,250)	4,314
Total administered	10,564	-	10,564	(6,250)	4,314

¹ Adjustments to appropriation includes adjustments to current period annual appropriations, and relates to PGPA Act section 74 receipts and PGPA Act section 75 transfers.

² The variance between the departmental appropriation applied and amount appropriated for the current period is due to incurred expenses being less than the level of forecast expenditure during the period, and the overall timing of expenses and accruals.

Administered variance is due to:

- unspent annual appropriation for the period of \$4,573,692
- less accrued advertising campaign expenses of \$259,668 from the prior period drawn down in the current period.

³ Departmental annual appropriations includes \$20,159,000 transferred to the ACNC special account and \$27,663,000 transferred to the TPB special account.

Administered ordinary annual appropriation includes \$0 withheld from Appropriation Act (No. 1) 2024-25 under section 51 of the PGPA Act.

⁴ Departmental capital budgets (DCBs) are appropriated through Appropriation Acts (No. 1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. The total DCB amount appropriated for the current period was \$127,333,000 as per the 2024-25 Portfolio Budget Statements.

⁵ Equity annual appropriation includes \$265,000 withheld from Appropriation Act (No. 2) 2024-25 under section 51 of the PGPA Act.

Australian Taxation Office

Notes to and forming part of the financial statements

Note 19B: Unspent annual appropriations

	2026 \$'000	2025 \$'000
Departmental		
Supply Act (No. 2) 2022-23	-	8,973
Supply Act (No. 4) 2022-23	-	12,722
Appropriation Act (No. 1) 2022-23	-	36,352
Appropriation Act (No. 2) 2022-23	-	125
Appropriation Act (No. 1) 2023-24 ^{1,2}	1,804	1,804
Appropriation Act (No. 1) 2023-24-DCB	-	28,162
Appropriation Act (No. 2) 2023-24 ^{1,3,4}	19,626	23,671
Appropriation Act (No. 1) 2024-25 ^{5,6}	3,398	575,586
Appropriation Act (No. 1) 2024-25-DCB	3,450	122,695
Appropriation Act (No. 2) 2024-25 ⁷	7,207	20,282
Appropriation Act (No. 3) 2024-25	-	79,325
Appropriation Act (No. 4) 2024-25	768	13,207
Appropriation Act (No. 1) 2025-26-Cash	21,007	23,326
Appropriation Act (No. 1) 2025-26 ⁸	812,879	-
Appropriation Act (No. 1) (DCB) 2025-26	75,671	-
Supply Act (No. 1) 2025-26	-	-
Supply Act (No. 1) (DCB) 2025-26	54,051	-
Appropriation Act (No. 2) 2025-26 ⁹	26,998	-
Supply Act (No. 2) 2025-26	4,877	-
Appropriation Act (No. 3) 2025-26	16,652	-
Appropriation Act (No. 4) 2025-26	894	-
Total unspent departmental appropriations	1,049,282	946,230
Administered	2026 \$'000	2025 \$'000
Supply Act (No.3) 2022-23 ^{10,13}	-	3,710
Appropriation Act (No.1) 2022-23 ^{11,13}	-	4,997
Appropriation Act (No.1) 2023-24 ¹²	5,791	5,791
Appropriation Act (No.1) 2024-25 ¹⁴	4,649	4,574
Total unspent administered appropriations	10,440	19,072

¹ Total unspent departmental appropriation of \$21,429,935 lapsed on 1 July 2026.

² \$1,804,000 was withheld under section 51 of the PGPA Act.

³ \$5,387,000 was withheld under section 51 of the PGPA Act.

⁴ \$10,010,000 was withheld under section 51 of the PGPA Act.

⁵ \$3,398,000 was withheld under section 51 of the PGPA Act.

⁶ \$5,027,922 was transferred to ASIC under section 75 of the PGPA Act.

⁷ \$265,000 was withheld under section 51 of the PGPA Act.

⁸ \$400,000 was withheld under section 51 of the PGPA Act.

⁹ \$7,403,000 was withheld under section 51 of the PGPA Act.

¹⁰ \$3,709,735 was removed through 2022-23 Supply Acts repealed at the start of 1 July 2025.

¹¹ \$4,997,000 was removed through 2022-23 Annual Appropriation Acts repealed at the start of 1 July 2025.

¹² \$5,576,000 was withheld under section 51 of the PGPA Act.

¹³ \$5,790,805 unspent administered appropriation lapsed on 1 July 2026.

¹⁴ The unspent balance of Appropriation Act (No.1) 2024-25 includes an adjustment of \$104,816 under Section 74 of the PGPA Act, relating to the repayment of advertising campaign expenses.

Australian Taxation Office Notes to and forming part of the financial statements

Note 19C: Special appropriations

	Appropriation applied 2026 \$'000	Appropriation applied 2025 \$'000
Authority		
Taxation Administration Act 1953 - section 16 ^{1,2}	175,890,957	167,918,036
Product Grants and Benefits Administration Act 2000 - section 55	88,852	90,237
Superannuation Guarantee (Administration) Act 1992 - section 71	1,157,667	1,143,917
Small Superannuation Accounts Act 1995 - section 76(9)	177	194
Public Governance, Performance and Accountability Act 2013 - section 77 ²	64,204	99,485
Total	177,201,857	169,251,869

¹ The Department of Home Affairs made payments of \$355,811,685 (2025: \$318,721,107) from the Consolidated Revenue Fund on behalf of the ATO.

² In prior periods, payments made under the Indirect Tax Concession Scheme were appropriated via Section 77 of the Public Governance, Performance and Accountability Act 2013. For 2025-26, these payments have been appropriated via Section 16 of the Taxation Administration Act 1953.

Accounting policy

Appropriations provide a legislative basis to issue refunds. The amounts disclosed above represent the actual refunds paid by appropriation source for the period.

Australian Taxation Office

Notes to and forming part of the financial statements

20: Special accounts

	Australian Charities and Not-for-profits Commission Special Account ¹		Tax Practitioners Board Special Account ²		Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office (Comcare receipts) ³	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	10,085	13,137	4,625	-	-	-
Increases	22,897	20,511	41,461	41,300	-	-
Decreases	(20,992)	(23,563)	(32,694)	(36,675)	-	-
Total balance carried to the next period	11,990	10,085	13,392	4,625	-	-
Balance represented by:						
Cash held in entity bank accounts	1,233	667	1,860	1,093	-	-
Cash held in the Official Public Account	10,757	9,418	11,532	3,532	-	-
Total balance carried to the next period	11,990	10,085	13,392	4,625	-	-

¹ The Australian Charities and Not-for-profits Commission Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 80.

Establishing instrument: *Australian Charities and Not-for-profits Commission Act 2012* - section 125-5.

Purpose:

- (a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Commissioner's functions
- (b) paying any remuneration and allowances payable to any person under this Act (including staff mentioned in section 120-5)
- (c) meeting the expenses of administering the Account.

² Tax Practitioners Board Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 80.

Establishing instrument: *Tax Agent Services Act 2009* - section 60-145.

Purpose:

- (a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Board's functions under this Act;
- (b) paying any remuneration and allowances payable to any person under this Act (including APS employees mentioned in section 60-80);
- (c) reducing the balance of the account (and therefore the available appropriation for the account) without making a real or notional payment.

The special account was established on 1 July 2024.

³ Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office (Comcare receipts)

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *PGPA Act Determination (Australian Taxation Office SOETM Special Account 2022)*.

Purpose: for the receipt and disbursement of amounts that are held on trust or otherwise for the benefit of other persons.

Increases represent receipts from Comcare in respect of workers' compensation payments for ATO employees with injuries prior to 1 July 2006. Decreases represent reimbursements to ATO of payments made in advance by ATO to employees.

Australian Taxation Office Notes to and forming part of the financial statements

Accounting policy

Workers' compensation is insured through the Government's Comcare scheme, an integrated safety, rehabilitation and compensation system. The ATO continues to pay incapacitated employees and then receives reimbursement from Comcare.

Amendments to the *Safety, Rehabilitation and Compensation Act 1988* commencing 1 July 2006 provides for reimbursements directly to employers. Receipts from Comcare for payments made to the employee for injuries occurring after 1 July 2006 are treated as receipts under section 74 of the PGPA Act.

Receipts from Comcare for injuries prior to 1 July 2006 are credited to the Service for Other Entities Trust Moneys (SOETM) Special Account and held in the ATO's official bank account until the employee gives written consent for the ATO to offset these amounts against payments made to the employee.

	Superannuation Holding Accounts Special Account (Administered) ¹		Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office ²		Superannuation Clearing House Special Account ³	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	93,458	86,148	4	2,150	240,802	242,412
Increases	37,905	32,499	2,221	1,141	4,879,556	6,099,354
Decreases	(29,246)	(25,189)	(2,223)	(3,287)	(4,979,031)	(6,100,964)
Total balance carried to the next period	102,117	93,458	2	4	141,327	240,802
Balance represented by:						
Cash held in entity bank accounts	7	10	-	-	36,821	58,683
Cash held in the Official Public Account	102,110	93,448	2	4	104,506	182,119
Total balance carried to the next period	102,117	93,458	2	4	141,327	240,802

¹ Superannuation Holding Accounts Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 80.

Establishing instrument: *Small Superannuation Accounts Act 1995* - section 8.

Purpose: for the receipt of small superannuation contributions from depositors and distribution to individuals, their nominated superannuation fund, or retirement savings account.

² Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *PGPA Act Determination (Australian Taxation Office SOETM Special Account 2022)*.

Purpose: for the receipt and disbursement of amounts that are held on trust or otherwise for the benefit of other persons.

The full closing balance of the Special Account is held on trust for both the current and comparative periods.

³ Superannuation Clearing House Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *PGPA Act Determination (Superannuation Clearing House Special Account 2020)*.

The purpose of the Superannuation Clearing House Special Account is to:

- (a) make payments on behalf of small business employers to superannuation funds, retirement savings accounts and superannuation schemes;
- (b) repay to an original payer amounts credited to the Special Account, including the residual after any necessary payments are made for the purpose mentioned in paragraph (a);
- (c) reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment; and
- (d) repay amounts where a court order, Act or other law requires or permits the repayment of an amount received.

The full closing balance of the Special Account is held on trust for both the current and comparative periods.

Australian Taxation Office

Notes to and forming part of the financial statements

21: Regulatory charging summary

Receipts subject to cost recovery policy	2026	2025
	\$'000	\$'000
Amounts applied		
Departmental		
Annual appropriations	63,818	50,335
Total amounts applied	63,818	50,335
Expenses		
Departmental	63,818	50,335
Total expenses	63,818	50,335
Revenue		
Departmental	9,814	5,195
Total revenue	9,814	5,195

The cost recovery information included in this note relates to Financial Industry Supervisory Levies, Excise Equivalent Goods (EEG) warehouse licence and Tax Practitioners' Board (TPB) application fees.

Revenue collected by the Financial Industry Supervisory Levies by the Australian Prudential Regulation Authority from the superannuation industry includes a component to cover the expenses of the ATO in administering the Superannuation Lost Member Register (LMR), Unclaimed Superannuation Money (USM) frameworks, Compassionate Release of Super (CRS) and funding for the SuperStream Gateway Network Governance Body (GNGB).

The EEG information is for the warehouse licence applications and renewals issued by the ATO under delegation with the Department of Home Affairs. It also covers the compliance activities associated with the granting of warehouse licences. This is in accordance with the Customs Act 1901.

The TPB applications fees are for processing tax practitioner registration and renewal applications.

A copy of the Cost Recovery Implementation Statement for the Financial Industry Super Levies is available at [Cost recovery implementation statement - Prudential regulation of financial institutions \(apra.gov.au\)](https://www.apra.gov.au/cost-recovery-implementation-statement-prudential-regulation-financial-institutions).

A copy of the Cost Recovery Implementation Statement for Cargo and Trade related activities is available from the Department of Home Affairs.

A copy of the current Cost Recovery Implementation Statement for TPB application fees is available on the [Tax Practitioners Board website](https://www.ato.gov.au/Tax-Practitioners-Board).

Australian Taxation Office
Notes to and forming part of the financial statements
22: Restructuring

Following the cessation of the Modernising Business Registers (MBR) Program, the Government announced a Machinery of Government (MoG) change that has transferred the responsibility for registry services (including company and business name registrations) from the ATO to ASIC. Under s75 of the PGPA Act, a transfer of operating annual appropriations to fund the employee provisions relinquished to ASIC was processed by the Department of Finance with an effective date of 1 July 2025.

Departmental restructuring	2026	2025
	Modernising Business Registers	Modernising Business Registers
	Australian Securities and Investments Commission	Australian Securities and Investments Commission
	\$'000	\$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Trade and other receivables	5,028	-
Total assets relinquished	5,028	-
Liabilities relinquished		
Employee provisions	-	5,028
Total liabilities relinquished	-	5,028
Net assets/(liabilities) relinquished	5,028	(5,028)

7 Appendices

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Appendix 1: Laws conferring powers on the Commissioner

The Commissioner of Taxation has responsibilities under a wide range of laws¹¹. The main tax and superannuation laws conferring powers or functions on the Commissioner in 2025–26 are:

- *A New Tax System (Australian Business Number) Act 1999*
- *A New Tax System (Goods and Services Tax) Act 1999*
- *A New Tax System (Luxury Car Tax) Act 1999*
- *A New Tax System (Wine Equalisation Tax) Act 1999*
- *Business Names Registration Act 2011*
- *Commonwealth Places Windfall Tax (Collection) Act 1998*
- *Commonwealth Registers Act 2020*
- *Corporations (Aboriginal and Torres Strait Islander) Act 2006*
- *Corporations Act 2001*
- *Excise Act 1901*
- *Excise Tariff Act 1921*
- *Foreign Acquisitions and Takeovers Act 1975*
- *Fringe Benefits Tax Assessment Act 1986*
- *Fuel Tax Act 2006*
- *Higher Education Support Act 2003*
- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *International Tax Agreements Act 1953*
- *Petroleum Resource Rent Tax Assessment Act 1987*
- *Product Grants and Benefits Administration Act 2000*
- *Product Stewardship (Oil) Act 2000*
- *Small Superannuation Accounts Act 1995*
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997*
- *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*
- *Superannuation (Excess Non-concessional Contributions Tax) Act 2007*
- *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*
- *Superannuation Guarantee (Administration) Act 1992*
- *Superannuation Industry (Supervision) Act 1993*
- *Superannuation (Self-managed Superannuation Funds) Taxation Act 1987*
- *Superannuation (Unclaimed Money and Lost Members) Act 1999*
- *Taxation Administration Act 1953*
- *Taxation (Interest on Overpayments and Early Payments) Act 1983*
- *Trust Recoupment Tax Act 1985*.

¹¹ The annual report obligations established under the laws conferring powers on the Commissioner are met through the publication of the Commissioner of Taxation annual report.

Appendix 2: ATO Charter – our performance

Our Charter outlines what taxpayers can expect when they interact with us, what we will ask of them, and the steps they can take if they are not satisfied with decisions we make or with the delivery of our regulatory services. We ensure the commitments in our Charter are foundational to our day-to-day interactions and are key considerations in our strategic decision-making.

Table 7.1 shows how we performed against the commitments we make in our Charter, as measured by our survey of taxpayer experience. The survey uses a 5-point rating scale between 'Strongly disagree' and 'Strongly agree'. The result shown in the table is the number of respondents that answered either 'Agree' or 'Strongly agree', shown as a percentage of the total number of responses for the question.

Table 7.1 Our performance against the ATO Charter, 2025–26

Charter element	Relevant taxpayer experience survey question	2025–26 result
Fair and reasonable treatment: Our relationship with you is based on mutual trust and respect. We are committed to being fair, ethical and accountable in everything we do.	Thinking about your recent interaction with the ATO, to what extent do you agree or disagree with the following statement? <ul style="list-style-type: none"> The ATO was fair in how it administers the tax, superannuation and registry systems. 	53%
	<ul style="list-style-type: none"> The ATO treated me with respect. 	75%
Professional service: We know your rights and obligations under the law can be complex. We aim to provide you with reliable, accessible and useful information and service to help you understand your rights.	Thinking about your recent interaction with the ATO, to what extent do you agree or disagree with the following statement? <ul style="list-style-type: none"> The ATO provided me with information that was easy to understand. 	61%
	<ul style="list-style-type: none"> The ATO was responsive. 	60%
Support and assistance: We understand people may need help in different ways, at different times. We know it may be harder for you to meet your obligations if you are experiencing vulnerability, difficult times or are impacted by crisis events. While we can't remove your obligations in most cases, there may be ways we can assist you to meet them.	Thinking about your recent interaction with the ATO, to what extent do you agree or disagree with the following statement? <ul style="list-style-type: none"> The ATO was helpful. 	61%
	<ul style="list-style-type: none"> The ATO considered my circumstances. 	52%
Security of data and privacy:^(a) We take the responsibility to protect your information and data very seriously. We know how important the privacy and security of your personal information is in the modern digital world.	How confident are you in the ATO to keep your/ your clients' personal information secure?	64%
Keep you informed: We are committed to being transparent and accountable in our interactions with you and the community.	Thinking about your recent interaction with the ATO, to what extent do you agree or disagree with the following statement? <ul style="list-style-type: none"> The ATO explained my options. 	55%
	<ul style="list-style-type: none"> The ATO kept me informed. 	51%

Note

(a) The 'Security of data and privacy' Charter element uses a 5-point rating scale between 'Not at all confident' and 'Very confident'. The result shows the number of respondents that answered either 'Quite confident' or 'Very confident' as a percentage of the total number of responses.

Complaint data also provides insight into areas where taxpayers experienced difficulties. Table 7.2 provides a breakdown of complaints received in 2025–26 against their associated ATO Charter commitment.

Table 7.2 Complaints received, by ATO Charter commitment, 2025–26

ATO Charter commitment	Number of complaints received in 2025–26 – associated with the ATO Charter commitment
Fair and reasonable treatment	4,289
Professional service	33,084
Support and assistance	3,409
Security of data and privacy	251
Keep you informed	5,509
Unassigned (no commitment recorded) ^(a)	6,844
Total	53,386

Note

(a) Complaints may not have an associated Charter commitment recorded for various reasons.

Appendix 3: Public advice and guidance

The ATO tailors its approach to providing public advice and guidance. This allows taxpayers and their advisers to access the level of detail they need from products ranging from web-based guidance and fact sheets through to legally binding rulings.

During 2025–26, we provided public advice and guidance on a number of priority items, including in relation to:

- rental properties and holiday homes
- Payday Super
- changes to the deductibility of interest charges
- GST treatment of formula products, prepared meals and sunscreen
- capital raised for funding franked distributions
- related party loans by private companies
- personal services business and the anti-avoidance rules
- thin capitalisation
- public country-by-country reporting
- Pillar Two global and domestic minimum tax.

In the lead-up to tax time, we also proactively engaged with the media (television, radio and print) to help members of the community meet their obligations.

Table 7.3 provides details of the public advice and guidance published on prioritised topics to assist people to understand their tax and superannuation obligations. Table 7.4 shows other public advice and guidance activities completed during the year.

We have updated how we present public advice and guidance data in 2025–26 to better distinguish between key products, other published products and updates to existing guidance. Where categories have changed, prior-year figures have been included on the same basis to support comparison.

Information on the timeliness of finalising our draft prioritised public rulings is presented in Table 7.5.

Table 7.3 Public advice and guidance products, 2023–24 to 2025–26

Product	2023–24	2024–25	2025–26
Key public advice and guidance products			
Public rulings (including significant addenda) ^(a)	32	35	45
Practical compliance guidelines (including significant updates) ^(a)	9	11	21
Taxpayer alerts	3	3	3
Law administration practice statements ^{(a)(b)}	12	13	18
Decision impact statements ^(c)	13	11	11
Other key public advice and guidance ^{(b)(d)}	19	22	21
Other public rulings			
Class rulings	74	84	87
Product rulings	27	18	17
Total	189	197	223

Notes

- (a) Includes draft and final products.
(b) Category added in 2025–26, including historical data.
(c) Includes final and interim decision impact statements.
(d) Includes website guidance, guides and fact sheets.

Table 7.4 Other published products, 2023–24 to 2025–26

Product	2023–24	2024–25	2025–26
Other updates to public rulings ^(a)	43	23	29
Other updates to guidance products ^(a)	92	121	60
Edited versions of private rulings ^(a)	2,909	2,427	2,475
Australian tax treaties and related updates ^(b)	4	4	3

Notes

- (a) Category added in 2025–26, including historical data. Includes minor updates to law administration practice statements, practical compliance guidelines and guides.
(b) Includes synthesised texts of the Multilateral instrument, Australian tax treaties and Memoranda of understanding in relation to Australian tax treaties.

Table 7.5 Timeliness^(a) of draft public rulings finalised, 2025–26

Product	Number	0–6 months	7–12 months	Over 12 months
Taxation rulings and determinations	18	9	5	4

Note

- (a) Timeliness refers to the time taken to finalise following the end of the public consultation period. Annual rulings are not included because they are updated at the start of each year and are not issued as drafts for public consultation.

Appendix 4: Dispute management

In 2025–26, we resolved 27,311 objections. There were 594 applications for review or appeal under Part IVC of the *Taxation Administration Act 1953* to the former Administrative Appeals Tribunal, the Administrative Review Tribunal or other courts, with 397 litigation outcomes relating to these applications or applications made in earlier years.

Table 7.6 presents information on the numbers and types of our dispute cases.

Table 7.6 Dispute management activity, 2023–24 to 2025–26

Cases	2023–24	2024–25	2025–26
Returns lodged	43,530,439	46,160,123	48,133,247
Adjustments arising from audits ^(a)	699,891 ^(b)	571,880	609,919
Disputed cases resolved			
• objections ^(c)	30,465	25,075	27,311
• number of settlement deeds ^(d)	141	105	83
• number of parties to settlements ^(d)	301	262	206
• litigation outcomes ^(e)	467	399	397
• large market independent reviews	3	5	2
• small business independent reviews	48	48	54
• small business independent review expansion pilot ^(f)	–	20	34
Average cycle time for objections	100 days	88 days	90 days
Part IVC cases lodged to courts/tribunals ^(e)	479	508	594
Part IVC cases resolved prior to court hearing ^(e)	263	262	222
Part IVC cases proceeded to decision ^(e)	204	137	175
New Part IVC matters in proportion to objections ^(e)	12.9 per thousand	16.2 per thousand	17.6 per thousand
Number of test case litigations finalised	3	9	6

Notes

- (a) From 2024–25, the methodology was updated to exclude activities (including prompts and early engagements) that are defined as compliance activities, but do not meet the definition of ‘audit’.
- (b) If the updated 2024–25 methodology was applied, the 2023–24 result would have been 633,525.
- (c) Objections include self-objections, which account for 42% of all objections resolved in 2025–26.
- (d) Settlements refer to resolution of Part IVC disputes under the Code of settlement and not settlement of debt. From 2025–26, the methodology was updated to include both the number of settlement deeds and the number of parties to settlement deeds.
- (e) Figures for 2023–24 and 2024–25 were incorrectly reported in Table 7.5 of the *Commissioner of Taxation annual report 2024–25*. For more information, see Appendix 15 on page 275.
- (f) The small business independent review expansion pilot operated from 1 July 2024 to 30 June 2026.

Settlement cases reviewed under our Independent Assurance of Settlements Program for 2025–26 are shown in Table 7.7. Independent assurers review settlements of tax liabilities only after they have been finalised. As a result, settlements finalised in the second half of any financial year may be independently assured in the following financial year.

Table 7.7 Settlement cases reviewed by our Independent Assurance of Settlements program during 2025–26^{(a)(b)}

Number of cases	Number of parties	ATO position \$m	Settled position \$m	Variance \$m	Variance %
8 ^(c)	46	681.7	446.7	235.0	34.5

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) Settlement variance represents the difference between the ATO position and the settled position for matters finalised during the reporting period. Reported outcomes may vary between taxpayer groups according to the nature and characteristics of the matters settled.

(c) All 8 cases were found to be a fair and reasonable outcome for the Australian community.

The ATO will settle a disputed tax liability where we consider it consistent with good management of the tax system. In doing this, we balance our responsibility to collect taxes with the need to administer the tax system effectively and fairly, having regard to relevant factors set out in our Code of settlement. More information on our Code of settlement is available at ato.gov.au/codeofsettlement.

Tables 7.8 and 7.9 provide more detail on settlements that occurred during 2025–26.

Table 7.8 Stage at which settlement occurred, 2025–26^{(a)(b)}

Stage	Number of deeds	Number of parties	ATO position \$m	Settled position \$m	Variance \$m	Variance %
Pre-audit	10	10	2,216.1	1,457.7	758.3	34.2
Audit	23	69	492.4	352.6	139.7	28.4
Objection	23	89	1,690.9	884.2	806.6	47.7
Administrative Review Tribunal	24	29	268.1	210.2	57.9	21.6
Federal Court	3	9	110.1	74.1	36.0	32.7
Total	83	206	4,777.6	2,978.9	1,798.6	37.6

Notes

(a) Variance calculations are based on exact figures.

(b) Totals may differ from the sum of components due to rounding.

Table 7.9 Settlements by segment, 2025–26^{(a)(b)}

Segment	Number of deeds	Number of parties	ATO position \$m	Settled position \$m	Variance \$m	Variance %
Individuals ^(c)	6	6	11.7	4.7	6.9	59.4
Small business	8	11	15.1	3.3	11.8	78.2
Privately owned and wealthy groups	36	137	2,494.0	1,663.0	831.0	33.3
Public and multinational businesses	30	42	2,252.9	1,305.7	947.2	42.0
APRA-regulated superannuation funds	1	1	0.0	0.0	0.0	0.0
Self-managed superannuation funds	1	5	3.8	2.1	1.7	44.4
Not-for-profit: Charities	1	4	0.1	0.1	0.0	25.8
Total	83	206	4,777.6	2,978.9	1,798.6	37.6

Notes

(a) Variance calculations are based on exact figures.

(b) Totals may differ from the sum of components due to rounding.

(c) The Individuals segment does not include those who are in business – for example, sole traders.

Appendix 5: Legal services expenditure

In 2025–26, our total legal expenditure increased by \$16.5 million (14.7%) compared with 2024–25.

Our internal legal services costs were \$2.8 million (6.1%) higher than 2024–25, due to increases in staff costs and salaries (\$1.1 million), and overhead costs (\$1.7 million).

External expenditure increased by around \$13.5 million (20.6%). External supplier spends relating to debt litigation and associated summons and indemnity fees were the primary drivers, a result of increased focus on debt recovery activities in 2025–26.

Table 7.10 Legal services expenditure, 2025–26^{(a)(b)}

Type of expenditure	\$
Total costs recovered	-16,774,086
Briefs to counsel	18,600,386
Disbursements (excluding counsel)	29,670,050
Professional fees paid	32,207,348
External legal services expenditure^(c)	80,477,783
Internal legal services expenditure^(d)	48,678,751
Total (external and internal expenditure)	129,156,535

Notes

(a) Includes Tax Practitioners Board (TPB) and Australian Charities and Not-for-profits Commission (ACNC) legal costs. Total TPB external legal services expenditure was \$1,294,422. Total internal legal services expenditure for the TPB was \$3,681,719. Total ACNC external legal services expenditure was \$89,137. Total internal legal services expenditure for the ACNC was \$1,111,462.

(b) External expenditure in this table excludes GST. Totals may differ from the sum of components due to rounding.

(c) Excludes costs awarded against the ATO, expenditure on compensation and legal costs attributable to the ATO's test case program.

(d) ATO internal legal officers manage tax litigation (under Part IVC of the *Taxation Administration Act 1953*), debt litigation, general legal advice and freedom of information. This amount consists of the cost of labour and expenses for those activities. The amount does not include expenditure on other activities that have some of the characteristics of legal work, but which are not performed by staff in a legal capacity (for example, preparation of writs, statutory demands and bankruptcy notices or providing the ATO's interpretation of tax and superannuation law).

Table 7.11 Number and value of briefs to counsel, 2025–26^{(a)(b)}

Type of brief	New briefs	Total briefs	Value \$
Briefs to senior counsel			
Direct briefs to male senior counsel	41	76	1,060,673
Direct briefs to female senior counsel	44	98	1,333,142
Indirect briefs to male senior counsel	126	251	5,799,880
Indirect briefs to female senior counsel	87	199	4,378,017
Total senior	298	624	12,571,712
Briefs to junior counsel			
Direct briefs to male junior counsel	96	141	1,403,351
Direct briefs to female junior counsel	67	85	646,508
Indirect briefs to male junior counsel	100	189	2,829,062
Indirect briefs to female junior counsel	54	89	1,149,753
Total junior	317	504	6,028,674
Total	615	1,128	18,600,386

Notes

(a) Direct briefs cover counsel briefed directly by the ATO and who work with our in-house litigators and/or business areas. Indirect briefs are counsel briefed by the ATO's external legal providers acting on behalf of the ATO.

(b) Totals may differ from the sum of components due to rounding.

Appendix 6: Strategic litigation

In 2025–26, 69% of the 175 reported litigation outcomes under Part IVC of the *Taxation Administration Act 1953* wholly supported the ATO's position or assessments, 16% wholly supported the taxpayer's position, and 15% partly supported the ATO's position. These percentages include a small number of outcomes under the *Administrative Decision (Judicial Review) Act 1977* or the *Judiciary Act 1903*.

Table 7.12 lists strategic cases considered by the courts and the Administrative Review Tribunal in 2025–26 that had, or may have had, a significant effect on our operations. The main issues of each case are listed, as well as the outcome or status at 30 June 2026.

Those marked with an asterisk (*) were funded by the ATO under the test case litigation program 2025–26. For more information about this program, see ato.gov.au/testcaselitigationprog.

The Commissioner of Taxation has released decision impact statements in a number of these cases. These are available at ato.gov.au/decisionimpactstatements.

Table 7.12 Strategic cases, 2025–26

Matter	Issue	Outcome
Excise cases		
<i>Collector of Customs v Pegasus Supply Solutions Pty Ltd</i> [2025] FCAFC 185	Whether the Respondent was denied procedural fairness and a reasonable opportunity to present its case by being denied an opportunity to have the Tribunal sight the goods which were the subject of the statutory demand under the <i>Customs Act 1901</i> .	The Full Federal Court allowed the Collector of Customs' appeal.
Fringe benefits tax cases		
<i>*Commissioner of Taxation v Toowoomba Regional Council</i> [2026] FCAFC 50	Whether the shopping centre's car parking facility is a 'commercial parking station' for the purposes of the <i>Fringe Benefits Tax Assessment Act 1986</i> .	The Full Federal Court allowed the Commissioner's appeal. The taxpayer has applied for special leave to appeal to the High Court of Australia.
<i>SEPL Pty Ltd as trustee of the SFT Trust v Commissioner of Taxation</i> [2026] FCAFC 36	Whether directors of a corporate trustee who work full time in executive management roles in the trustee's business are 'employees' and, if so, were the non-cash benefits conferred on them subject to fringe benefits tax.	The Full Federal Court allowed the taxpayer's appeal.
Goods and services tax cases		
<i>Commissioner of Taxation v ACN 154 520 199 Pty Ltd (in liquidation)</i> [2025] FCAFC 146;	Whether the GST general anti-avoidance rule applies to deny the taxpayer input tax credits with respect to the acquisition of adulterated gold bullion.	The Full Federal Court allowed the Commissioner's appeal. The High Court of Australia refused the taxpayer's application for special leave to appeal.
<i>ACN 154 520 199 Pty Ltd (In Liquidation) v Commissioner of Taxation</i> [2026] HCADisp 42		The matter has been remitted back to the Administrative Review Tribunal for redetermination according to law.

Table 7.12 Strategic cases, 2025–26 continued

Matter	Issue	Outcome
<p><i>*Commissioner of Taxation v CPG Group Pty Ltd ACN 164 269 023</i> [2025] FCAFC 147;</p> <p><i>CPG Group Pty Ltd ACN 164 269 023 v Commissioner of Taxation</i> [2026] HCADisp 41</p>	Whether the GST general anti-avoidance rule applies to deny the taxpayer input tax credits with respect to the acquisition of adulterated gold bullion.	<p>The Federal Court allowed the Commissioner's appeal.</p> <p>The High Court of Australia refused the taxpayer's application for special leave to appeal.</p> <p>The matter has been remitted back to the Administrative Review Tribunal for redetermination according to law.</p>
<p><i>Geocon Land Holdings No. 5 Pty Ltd v Commissioner of Taxation</i> [2025] FCAFC 172;</p> <p><i>Commissioner of Taxation v Geocon Land Holdings No. 5 Pty Ltd as trustee for the Geocon Land Holdings No. 5 Unit Trust</i> [2026] HCADisp 47</p>	Whether there was any excess GST and, if so, whether the taxpayer has passed on the excess GST to the purchasers of the units, and is prevented from receiving a refund of the excess GST.	<p>The Full Federal Court allowed the taxpayer's appeal.</p> <p>The High Court of Australia refused the Commissioner's application for special leave to appeal.</p> <p>The matter has been remitted back to the Administrative Review Tribunal for redetermination according to law.</p>
Income tax cases – trusts		
<i>Cameron v Commissioner of Taxation</i> [2026] FCA 609	Whether interest on sub-trust loans paid by a family trust is deductible, and whether a valid family trust election was made in respect of the family trust.	<p>The Federal Court dismissed the taxpayers' appeals.</p> <p>The taxpayers have appealed to the Full Federal Court.</p>
<i>*Commissioner of Taxation v Bendel</i> [2026] HCA 18	Whether a corporate beneficiary with an unpaid present entitlement has made a loan or provided financial accommodation to the trustee.	The High Court of Australia dismissed the Commissioner's appeal.
<i>XLZH and Commissioner of Taxation (Taxation)</i> [2025] ARTA 2154	Whether there was a change in majority underlying interests in an asset of a discretionary trust which resulted in the asset losing its pre-CGT status.	<p>The Administrative Review Tribunal allowed the taxpayer's review.</p> <p>The Commissioner has appealed to the Full Federal Court. *The taxpayer is test case funded.</p>
Income tax cases – other		
<i>Ausnet Services Limited v Commissioner of Taxation</i> [2025] HCADisp 166	Whether a valid rollover election was made with respect to a restructure involving a stapled group.	The High Court of Australia refused the taxpayer's application for special leave to appeal.
<i>Charles Apartments Pty Limited v Commissioner of Taxation</i> [2026] HCADisp 104; [2025] FCAFC 180	Whether payments made by the taxpayer to effectively discharge a guarantee were of a capital nature, or on revenue account and therefore deductible.	<p>The Full Federal Court dismissed the taxpayer's appeal.</p> <p>The High Court of Australia refused the taxpayer's application for special leave to appeal.</p>
<i>Commissioner of Taxation v Baya Casal</i> [2026] FCAFC 11	Whether the payment was a genuine redundancy payment or an employment termination payment.	The Full Federal Court dismissed the Commissioner's appeal.
<i>Commissioner of Taxation v Cheung</i> [2026] FCAFC 75	Whether deposits made over an 11-year period from an overseas business owned by a relative were income under ordinary concepts.	<p>The Full Federal Court allowed the Commissioner's appeal to the extent that the Commissioner had conceded an amount was included in the assessment of taxpayer's income.</p> <p>The taxpayer has applied for special leave to appeal to the High Court.</p>
<i>*Commissioner of Taxation v Hall</i> [2026] FCAFC 43	Whether the taxpayer is entitled to deductions for occupancy expenses. Specifically, whether an employee working from home with no other employer-provided alternative place of work should receive deductions for rent.	The Full Federal Court allowed the Commissioner's appeal.

Table 7.12 Strategic cases, 2025–26 continued

Matter	Issue	Outcome
<p><i>Commissioner of Taxation v Hicks</i> [2025] FCAFC 171;</p> <p><i>Commissioner of Taxation v Hicks</i> [2026] HCADisp 96;</p> <p><i>Commissioner of Taxation v Hick Beneficiary Pty Ltd ACN 157 868 507</i> [2026] HCADisp 97;</p> <p><i>Commissioner of Taxation v Ierna</i> [2026] HCADisp 98</p>	<p>Whether a restructure provided a demerger or capital benefit for the dominant purpose of providing a tax benefit. Whether the general anti-avoidance rule otherwise applies to deny a tax benefit.</p>	<p>The Full Federal Court dismissed the Commissioner's appeal.</p> <p>The High Court of Australia refused the Commissioner's applications for special leave to appeal.</p>
<p><i>Commissioner of Taxation v Morton</i> [2026] FCAFC 31</p>	<p>Whether the applicant was carrying on a business of developing, subdividing and selling pre-capital gains tax land. Alternatively, whether the applicant ventured into a profit-making undertaking or scheme.</p>	<p>The Full Federal Court dismissed the Commissioner's appeal.</p>
<p><i>Commissioner of Taxation v Perez (No 2)</i> [2026] FCA 658</p>	<p>Whether the respondent engaged in conduct that resulted in the respondent being a promoter of a tax exploitation scheme.</p>	<p>The Federal Court dismissed the respondent's interlocutory applications and declared that the respondent engaged in conduct that resulted in the respondent being a promoter of a tax exploitation scheme.</p>
<p><i>*Commissioner of Taxation v Shaw</i> [2026] FCA 197</p>	<p>Whether the taxpayer was entitled to deductions for meal expenses, and whether an exception to the requirement to substantiate the meal expenses applied.</p>	<p>The Federal Court dismissed the Commissioner's appeal.</p>
<p><i>Commissioner of Taxation v S.N.A Group Pty Ltd</i> [2026] FCAFC 10;</p> <p><i>S.N.A Group Pty Ltd (ACN 113 271 766) & Anor v Commissioner of Taxation</i> [2026] HCADisp 140</p>	<p>Whether payments, claimed to be 'service fees', paid to trustees of the trusts for the use of trust assets are deductible.</p>	<p>The Full Federal Court allowed the Commissioner's appeal.</p> <p>The High Court of Australia refused the taxpayers' application for special leave to appeal.</p>
<p><i>Kilgour v Commissioner of Taxation</i> [2026] HCADisp 78; [2025] FCAFC 183;</p> <p><i>Isterling v Commissioner of Taxation</i> [2026] HCADisp 79</p>	<p>Whether the capital gain from the sale of shares is reduced due to application of the market value substitution rule.</p>	<p>The Full Federal Court dismissed the taxpayer's appeal.</p> <p>The High Court of Australia refused the taxpayer's application for special leave to appeal.</p>
<p><i>Merchant v Commissioner of Taxation</i> [2025] HCADisp 239;</p> <p><i>Commissioner of Taxation v Merchant & Anor</i> [2025] HCADisp 238</p>	<p>Whether the general anti-avoidance rule applies to deny a tax benefit where company profits were reduced through debt forgiveness to another company.</p>	<p>The High Court of Australia granted both the Commissioner's and the taxpayers' applications for special leave to appeal.</p>
<p><i>Newmont Canada FN Holdings ULC v Commissioner of Taxation (No 2)</i> [2025] FCA 1356</p>	<p>Whether the capital gain from the share sale is taxable, requiring consideration whether property, plant and equipment on mining tenements are Australian real property.</p>	<p>The Federal Court allowed the taxpayer's appeal. The balance of the issues and matters are referred to a referee.</p>
<p><i>Shell Energy Holdings Australia Limited v Commissioner of Taxation</i> [2026] FCA 577</p>	<p>Whether the market value of the shares' cost base includes a premium above the listed market price to reflect significant influence.</p>	<p>The Federal Court allowed the taxpayer's appeal.</p> <p>The Commissioner has appealed to the Full Federal Court.</p>

Table 7.12 Strategic cases, 2025–26 continued

Matter	Issue	Outcome
<i>Tabcorp Maxgaming Holdings Limited v Commissioner of Taxation</i> [2026] FCAFC 30	Whether the taxpayer is entitled to a deduction for a financial arrangement balancing adjustment loss in relation to some or all payments made under Victoria gambling legislation.	The Full Federal Court dismissed the taxpayer's appeal. The taxpayer has applied for special leave to appeal to the High Court of Australia.
<i>YTL Power Investments Limited v Commissioner of Taxation of the Commonwealth of Australia</i> [2025] FCA 1317	Whether property, plant and equipment located on statutory easements and leased land impacted by statutory severance, are Australian real property.	The Federal Court allowed the taxpayer's appeal. The Commissioner has appealed to the Full Federal Court.
<i>Ziegler v Commissioner of Taxation</i> [2025] FCAFC 168; <i>Ziegler v Commissioner of Taxation; Wellton Holdings Pty Ltd ACN 101 069 827 v Commissioner of Taxation</i> [2026] HCADisp 89	Whether the general anti-avoidance rule applies to cancel the franking credits on distributions.	The Full Federal Court dismissed the taxpayer's appeal. The High Court of Australia refused the taxpayer's application for special leave to appeal.
Taxation administration cases		
<i>Commissioner of Taxation v Runcity Pty Ltd</i> [2025] FCAFC 152	Whether the Federal Court under the <i>Corporations Act 2001</i> has the power to disregard a period between deregistration and reinstatement of companies for the purposes of determining the limitation period for voidable transactions.	The Full Federal Court dismissed the Commissioner's appeal.
<i>Deputy Commissioner of Taxation v Westmeat Development Pty Ltd</i> [2026] NSWSC 320	Whether the tenth Defendant (and individual) was guilty of contempt of court in relation to numerous payments in substantial amounts in breach of the freezing orders.	The Supreme Court of New South Wales found the tenth Defendant to be in contempt of court and made an order for imprisonment for an indefinite term until the Court is satisfied the contempt has been purged. The tenth Defendant has appealed to the New South Wales Court of Appeal.
<i>In the matter of Hudson Global Resources (Aust) Pty Limited</i> [2026] NSWSC 535	Whether the <i>Corporations Act 2001</i> could be used to render ineffective a garnishee notice issued under the <i>Taxation Administration Act 1953</i> during the administration of the recipient company.	The Supreme Court of New South Wales found that <i>Corporations Act 2001</i> could render a garnishee notice ineffective. The Commissioner has appealed to the New South Wales Court of Appeal.
<i>Kupang Resources Pty Ltd v Commonwealth of Australia (No 4)</i> [2025] NSWSC 1477	Whether the Commonwealth had the requisite knowledge to be liable for 'knowing receipt' of funds said to constitute 'trust property', such that the Commonwealth held those funds, received from an individual or his nominees, on constructive trust for the Plaintiff, or is otherwise liable to pay equitable compensation to it.	The Supreme Court of New South Wales found the Commonwealth personally liable to account to the Plaintiff for the trust property received. The Commonwealth has appealed to the New South Wales Supreme Court of Appeal.
<i>Oracle Corporation Australia Pty Ltd v Commissioner of Taxation</i> [2025] FCA 145	Whether the proceedings should be stayed pending the conclusion of a mutual agreement procedure under the terms of a double taxation treaty between Australia and Ireland.	The Full Federal Court allowed the taxpayer's appeal.
Withholding tax cases		
<i>*Commissioner of Taxation v PepsiCo, Inc</i> [2025] HCA 30	Whether the taxpayer received a royalty from an Australian entity for the use of the taxpayer's intellectual property. Whether the taxpayer received a diverted profits tax benefit in the form of not being subject to royalty withholding tax.	The High Court of Australia dismissed the Commissioner's appeal.

Appendix 7: Debt management

Tables 7.13, 7.14 and 7.15 show statistics on debt holdings, followed by a breakdown of outstanding collectable taxpayer debts in tables 7.16 and 7.17. Statistics on debt not pursued are provided in Table 7.18.

Reported debt holdings increased across most taxpayer segments in 2025–26. This growth was across collectable debt, debt subject to objection or appeal, insolvency debt and non-pursued uneconomical, resulting in a total debt of \$126.27 billion.

The increase in value reflects underlying debt growth, including the imposition of general interest charge and Commissioner-assessed liabilities. For further information about payment and debt performance, see [Part 2 Encouraging on-time payment and ensuring debt is effectively managed](#) (page 26) and the relevant debt and payment performance measures in [Part 3 Annual performance statements](#).

Small business debt continues to make up the largest proportion of total debt and is the biggest contributor to the increase in collectable debt. Increases to collectable debt can also be attributed to movement from non-pursued to collectable debt due to the ATO's closer monitoring of changes to taxpayer circumstances to enable more focused collection activities. Changes to the reporting of non-pursued uneconomical debt from 2025–26 should be taken into account when comparing results across years, as all non-pursued uneconomical debts are now reported. In 2024–25, only those included in taxpayer account balances were reported.

Table 7.13 Value of debt holdings by type, 2023–24 to 2025–26^{(a)(b)(c)(d)}

Debt type	2023–24 \$b	2024–25 \$b	2025–26 \$b
• collectable debt	52.75	54.25	62.17
• debt subject to objection or appeal	18.86	22.64	26.78
• insolvency debt	14.18	18.38	20.67
• non-pursued uneconomical	n/a	6.30	16.65
Total	85.80	101.56	126.27

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the *Taxation Administration Act 1953* (TAA), insolvency debt and uneconomical to pursue debt in this table will vary from Table 7.15 as it includes main revenue types only.

(c) Receivables reported in the ATO financial statements are recognised on an accrual accounting basis and exclude debt determined to be uneconomical to pursue. The debt reported in this table differs from receivables reported in the financial statements due to differences in recognition methods, year-end accounting adjustments, and rounding.

(d) Prior to 2025–26, only non-pursued uneconomical debts included in taxpayer account balances were reported, as debts not visible in taxpayer account balances could not be reported due to system limitations. Following enhancements to reporting functionality, from 2025–26 all non-pursued uneconomical debts will be reported, including those that are not visible in taxpayer account balances. To support year-on-year comparability, if 2024–25 had been prepared on this basis, non-pursued uneconomical debt is estimated to have been \$19.8 billion and total debt is estimated to have been \$115.0 billion.

Table 7.14 Value of debt holdings by segment, 2023–24 to 2025–26^{(a)(b)(c)(d)(e)}

Segment	2023–24 \$b	2024–25 \$b	2025–26 \$b
Individuals			
• collectable debt	4.67	5.34	7.62
• debt subject to objection or appeal	0.47	0.30	1.38
• insolvency debt	0.63	0.79	1.01
• non-pursued uneconomical	n/a	1.44	5.03
Total Individuals	5.77	7.87	15.04
Small business			
• collectable debt	35.19	35.86	40.74
• debt subject to objection or appeal	1.26	1.75	5.49
• insolvency debt	8.73	10.83	13.40
• non-pursued uneconomical	n/a	4.52	8.63
Total Small business	45.19	52.97	68.26
Privately owned and wealthy groups			
• collectable debt	10.30	11.15	10.82
• debt subject to objection or appeal	7.76	8.53	7.81
• insolvency debt	4.30	6.17	5.63
• non-pursued uneconomical	n/a	0.24	0.63
Total Privately owned and wealthy groups	22.37	26.09	24.88
Public and multinational businesses			
• collectable debt	1.98	1.23	2.19
• debt subject to objection or appeal	8.61	10.54	10.44
• insolvency debt	0.46	0.50	0.53
• non-pursued uneconomical	n/a	0.04	2.05
Total Public and multinational businesses	11.04	12.30	15.21
Not-for-profit organisations			
• collectable debt	0.26	0.29	0.32
• debt subject to objection or appeal	0.54	1.05	1.18
• insolvency debt	0.05	0.08	0.09
• non-pursued uneconomical	n/a	0.01	0.11
Total Not-for-profit organisations	0.85	1.43	1.70
Self-managed superannuation funds			
• collectable debt	0.36	0.38	0.48
• debt subject to objection or appeal	0.11	0.12	0.13
• insolvency debt	0.01	0.01	0.01
• non-pursued uneconomical	n/a	0.06	0.20
Total Self-managed superannuation funds	0.48	0.57	0.82
Superannuation funds			
• collectable debt	–0.01	0.00	–0.01
• debt subject to objection or appeal	0.10	0.34	0.36
• insolvency debt	0.00	0.00	0.00
• non-pursued uneconomical	n/a	0.00	0.01
Total Superannuation funds	0.09	0.34	0.35

Notes

- (a) Totals may differ from the sum of components due to rounding. Figures shown as 0.00 represent amounts that round to less than \$0.01 billion (\$10 million) and are not necessarily nil.
- (b) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the *Taxation Administration Act 1953* (TAA), insolvency debt and uneconomical to pursue debt in this table will vary from Table 7.15 as it includes main revenue types only.
- (c) Prior to 2025–26, only non-pursued uneconomical debts included in taxpayer account balances were reported, as debts not visible in taxpayer account balances could not be reported due to system limitations. Following enhancements to reporting functionality, from 2025–26 all non-pursued uneconomical debts will be reported, including those that are not visible in taxpayer account balances.
- (d) From 2025–26, the ATO revised its approach to identifying population segments. As a result, the allocation of taxpayers and associated debt between segments may differ from prior years and figures by segment may not be directly comparable.
- (e) Negative collectable debt balances can arise where credit balances are held on some superannuation fund accounts while other debt amounts on the same taxpayer account are subject to dispute.

Activity statement debt remained the largest component of debt holdings in 2025–26. Although the relative share of activity statement, income tax and superannuation guarantee charge debt has remained reasonably consistent over time, increases in activity statement and income tax debt accounted for the most growth.

Table 7.15 Value of debt holdings by main revenue type, 2023–24 to 2025–26^{(a)(b)(c)}

Revenue type	2023–24 \$b	2024–25 \$b	2025–26 \$b
Activity statement			
• collectable debt	33.49	34.65	39.45
• debt subject to objection or appeal	1.26	1.51	1.36
• insolvency debt	9.74	13.14	14.85
• non-pursued uneconomical	n/a	3.97	7.84
Total Activity statement	44.50	53.27	63.50
Income tax			
• collectable debt	16.68	16.89	19.38
• debt subject to objection or appeal	16.90	20.50	24.83
• insolvency debt	2.72	3.17	4.01
• non-pursued uneconomical	n/a	2.24	8.60
Total Income tax	36.31	42.79	56.83
Superannuation guarantee charge			
• collectable debt	2.15	2.14	2.63
• debt subject to objection or appeal	0.08	0.05	0.05
• insolvency debt	1.41	1.74	1.73
• non-pursued uneconomical	n/a	0.03	0.11
Total Superannuation guarantee charge	3.64	3.96	4.51

Notes

- (a) Totals may differ from the sum of components due to rounding.
- (b) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the TAA, insolvency debt and uneconomical to pursue debt in this table will vary from tables 7.13 and 7.14 as only the main revenue types are included here.
- (c) Prior to 2025–26, only non-pursued uneconomical debts included in taxpayer account balances were reported, as debts not visible in taxpayer account balances could not be reported due to system limitations. Following enhancements to reporting functionality, from 2025–26 all non-pursued uneconomical debts will be reported, including those that are not visible in taxpayer account balances.

Tables 7.16 and 7.17 show a breakdown of outstanding collectable taxpayer debts over \$100,000 and older than 90 days, by segment and industry division where the taxpayer is not actively engaged with the ATO regarding their debt. This excludes those taxpayers that have active payment plans or insolvency, liquidation or disputed debt activities.

Disengaged taxpayers accounted for \$18.56 billion in collectable debt in 2025–26, with small businesses representing the largest share of both affected taxpayers and debt value. Construction was the largest industry division by both the number of disengaged taxpayers and the value of disengaged collectable debt.

Table 7.16 Collectable debt by segment – disengaged taxpayers, 2025–26^{(a)(b)(c)}

Segment	Number of disengaged taxpayers with collectable debt	Value of collectable debt \$b
Individuals	7,806	1.97
Not-for-profits: Charities	130	0.15
Privately owned and wealthy groups	3,097	2.44
Public and multinational businesses	208	0.58
Self-managed superannuation funds	243	0.09
Small businesses	44,476	13.32
Total	55,960	18.56

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) This table does not include amounts owed by companies no longer registered with the Australian Securities and Investment Commission (ASIC) or director penalty liability amounts (which are parallel liabilities).

(c) From 2025–26, the ATO revised its approach to identifying population segments. As a result, the allocation of taxpayers and associated debt between segments may differ from prior years and figures by segment may not be directly comparable.

Table 7.17 Collectable debt by industry division – disengaged taxpayers, 2025–26^{(a)(b)(c)}

Industry division	Number of disengaged taxpayers with collectable debt	Value of collectable debt \$b
Accommodation and Food Services	4,503	1.40
Administrative and Support Services	3,812	1.25
Agriculture, Forestry and Fishing	1,018	0.38
Arts and Recreation Services	932	0.34
Construction	17,574	4.99
Education and Training	540	0.16
Electricity, Gas, Water and Waste Services	207	0.09
Financial and Insurance Services	1,751	0.90
Health Care and Social Assistance	2,515	1.15
Information, Media and Telecommunications	445	0.16
Manufacturing	2,642	0.85
Mining	163	0.28
Other Services	4,276	1.12
Professional, Scientific and Technical Services	5,699	2.03
Public Administration and Safety	339	0.17
Rental, Hiring and Real Estate Services	1,743	0.68
Retail Trade	2,728	0.92
Special ATO Division	404	0.31
Transport, Postal and Warehousing	3,538	0.99
Wholesale Trade	1,131	0.39
Total	55,960	18.56

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) Industry division names are in line with the Australian Bureau of Statistics Australian and New Zealand Standard Industrial Classification (ANZSIC); excluding the Special ATO Division category.

(c) This table does not include amounts owed by companies no longer registered with ASIC or director penalty liability amounts (which are parallel liabilities).

We use a data-driven approach in making decisions to pursue, pause or cease recovery actions. Determining some debts to be either uneconomical to pursue or irrecoverable at law helps ensure we focus our collection activities effectively and on the right debts.

More information about our debt-related performance and results is available in [Table 3.10 Debt – Ratio of collectable debt to net tax collections, 2023–24 to 2025–26](#) on page 58 and [Table 3.11 Ratio of debt uneconomical to pursue, 2023–24 to 2025–26](#) on page 60.

Table 7.18 Debt not pursued, 2023–24 to 2025–26^{(a)(b)}

Decision	2023–24 \$b	2024–25 \$b	2025–26 \$b
Value of debt not pursued decisions			
• uneconomical	3.66	2.49	-3.23
• irrecoverable at law	3.07	2.42	4.43

Notes

- (a) If a decision is made to not pursue a debt on the basis that it is uneconomical to do so, the debt can be pursued at a future time. A debt that is irrecoverable at law is effectively extinguished.
- (b) The total of debts not pursued uneconomical and irrecoverable at law equals the amount not pursued, minus any amounts that were re-raised during the financial year. This has resulted in a negative value for uneconomical debts not pursued in 2025–26; refer to Table 3.11 Ratio of debt uneconomical to pursue, 2023–24 to 2025–26 on page 60.

Appendix 8: Compensation statistics

The information below relates to compensation under the Commonwealth’s Scheme for Compensation for Detriment caused by Defective Administration (CDDA).

Under the CDDA scheme, compensation may be paid to an individual, company or other organisation that has experienced detriment as a result of our defective actions or inaction.

Payments under the scheme are discretionary. The information below provides details of compensation claims processed under the scheme in 2025–26.

Compensation claims

In 2025–26, we registered 185 compensation claims and finalised 199 (including claims registered in previous years).

For straightforward claims, we aim to provide the claimant with a decision within 56 days. For more complex claims, we aim to provide a preliminary view within 56 days. Claimants are then provided an opportunity to comment on the preliminary view prior to the decision being finalised. The extended time frame includes time taken for the claimant to consider the ATO’s preliminary view.

Table 7.19 Completion time frames of compensation claims, 2025–26^(a)

Claims	0–2 months	2–6 months	6–12 months
Percentage of claims	37%	55%	9%

Note

(a) Totals may differ from the sum of components due to rounding.

Compensation payments

The total amount of 22 compensation payments made in 2025–26 was \$45,339. The average payment made was \$2,061 and the median payment was \$1,027.

Note

These statistics have been compiled from a number of data sources and all possible care has been taken to ensure consistency.

Appendix 9: Service commitments, activities and outputs

The ATO reports on a range of service commitments and provides information about our activities that deliver outcomes for the community. We also manage administered payments for relevant ATO programs. Our annual results and outcomes are provided in the following tables.

Service commitments

Our service commitments are designed to assure the ATO and the community that the regulatory services we provide are of a consistent and high standard. Many of our commitments have targets, which are meaningful to those who interact with us and challenge us to deliver the best possible regulatory service.

We regularly report on our service commitments. These are available at ato.gov.au/servicecommitments.

Service performance remained strong in 2025–26, with improvements in call wait times, tax practitioner call performance and complaint resolution timeliness while all service commitment targets were achieved.

Table 7.20 Commitments to service – Timely, 2024–25 and 2025–26

Service commitment		Target	Achieved 2024–25		Achieved 2025–26	
			Result	Indicator	Result	Indicator
Average wait time for inbound general calls	less than 15 minutes	15 min	09 min 01 sec ^(a)	✓	07 min 09 sec	✓
Calls answered for inbound tax practitioner calls	answered within 7 minutes	40%	41% ^(a)	✓	44%	✓
Electronic taxpayer requests	finalised in 15 business days	90%	97%	✓	95%	✓
Private rulings	finalised in 28 calendar days of receiving all necessary information	80%	90%	✓	84%	✓
Superannuation guarantee employee referrals of unpaid superannuation	prompted the employer within 28 days to self-assess	90%	100%	✓	93%	✓
Electronic tax returns and activity statements ^(b)	finalised in 12 business days	94%	99%	✓	99%	✓
Electronic amendments	finalised in 20 business days	90%	97%	✓	96%	✓
Paper tax returns, activity statements and amendments	finalised in 50 business days	80%	90%	✓	96%	✓
Australian residents' ABR registrations	finalised in 20 business days	93%	99% ^(c)	✓	99%	✓
Electronic Commissioner of Taxation registrations	finalised in 20 business days	93%	98%	✓	98%	✓
Complaints resolved	within 28 business days	80%	— ^(d)	n/a	82%	✓

✓ = met X = not met – = not reported

Notes

- (a) Due to system issues, telephony data for 20 and 21 November 2024 is incomplete. The reported results are not materially impacted.
- (b) Target applies to current-year tax returns only.
- (c) A change in methodology was made in April 2025 to enable more up-to-date reporting of performance. This change does not materially impact the calculation of the result.
- (d) New service commitment commencing in 2025–26.

Table 7.21 Commitments to service – Keep me informed, 2024–25 and 2025–26

Service commitment		Target	Achieved 2024–25		Achieved 2025–26	
			Result	Indicator	Result	Indicator
Private rulings	contact within 14 calendar days if request will take more than 28 calendar days to resolve	80%	89%	✓	91%	✓

✓ = met X = not met

Activities

We undertake a range of activities to support the delivery of the tax system, and aspects of the superannuation system. Outputs include information assistance services, processing and assurance activities, along with internal services for our staff.

The ATO continued to process high volumes of transactions and interactions in 2025–26, including returns, registrations, payments and compliance activities. Activity levels increased across a number of services, reflecting the scale of administering Australia's tax and superannuation systems.

Table 7.22 Activities and outputs – Information and assistance services, 2023–24 to 2025–26

Activity	2023–24	2024–25	2025–26
Number provided of:			
• interpretative guidance products	39,535	35,668	25,737
• private rulings	4,219	3,972	4,759
Elapsed time in days for private rulings:			
• average	101	97	118
• median	70	70	90
Perceptions that the process was fair in:			
• disputes	19%	— ^(a)	13%
– individuals	24%	— ^(a)	— ^(a)
– business	— ^(a)	— ^(a)	— ^(a)
• audits, advice or private rulings	52%	52%	54%
– individuals	54%	48%	56%
– business	50%	55%	53%
Perceptions that the final decision was fair in:			
• disputes	20%	— ^(a)	13%
– individuals	21%	— ^(a)	— ^(a)
– business	— ^(a)	— ^(a)	— ^(a)
• audits, advice or private rulings	52%	50%	53%
– individuals	55%	48%	56%
– business	50%	52%	52%

Note

(a) Insufficient sample size to produce a reliable result.

Table 7.23 Activities and outputs – Obligations and entitlements processing, 2023–24 to 2025–26^(a)

Activity	2023–24	2024–25	2025–26
Number of Commissioner of Taxation registrations processed	1,557,762	2,079,186	2,160,156
Number of Australian Business Register registrations processed	1,537,046	1,615,251	1,811,419
Number of ABNs cancelled – Registrar-initiated under the ABN intent to cancel program	954,094	1,005,994	1,186,662
Number of director IDs issued	313,297	234,650	251,669
Proportion of directors with director ID	89%	90%	91%
Number of returns, statements and forms processed	353.6m	364.6m	382.8m
Proportion of:			
• income tax returns lodged	89.0%	89.2%	88.8%
• activity statements lodged	86.6%	88.0%	88.5%
Proportion of tax returns lodged electronically	98.7%	98.7%	98.8%
Number of payments processed	36.7m	40.9m	45.2m

Note

(a) Some items reported for 2024–25 (such as proportion of income tax returns lodged) relate to the 2023–24 tax year.

Table 7.24 Activities and outputs – Revenue assurance, 2023–24 to 2025–26

Activity	2023–24	2024–25	2025–26
Number of refunds issued	15.3m	15.6m	17.7m
Number of compliance activities undertaken	5.7m	5.6m	6.4m
Value of tax collected:			
• gross	\$769.7b	\$795.8b	\$853.6b
• net	\$610.6b	\$636.3b	\$687.4b
Value of refunds paid	\$159.1b	\$159.6b	\$166.2b
Value of compliance liabilities as a result of compliance audits, reviews and other checks:			
• raised	\$18.6b	\$21.0b	\$24.1b
• collected	\$13.4b	\$13.1b	\$15.0b
Value of penalties and interest collected	\$3.8b	\$6.2b	\$7.7b

Table 7.25 Activities and outputs – Securing retirement income, 2023–24 to 2025–26

Activity	2023–24	2024–25	2025–26
Number of lost superannuation accounts	332,895	338,945	355,689
Number of ATO-held superannuation accounts ^(a)	6.8m	7.0m	7.1m
Proportion of APRA fund annual balance returns lodged on time ^(b)	96.5%	95.6%	98.5%
Number of excess contributions determinations issued ^(c)	158,436	187,005	177,429
Number of Division 293 tax assessments issued ^(d)	438,696	520,230	612,203
Proportion of self-managed superannuation funds (SMSFs) with contraventions reported by approved SMSF auditors compared to the total number of lodging SMSFs	2.9% ^(e)	3.3% ^(f)	3.8% ^(g)
Value of lost superannuation accounts	\$11.8b	\$12.7b	\$14.7b
Value of ATO-held superannuation accounts ^(a)	\$6.0b	\$6.2b	\$6.6b
Value of excess contributions determinations issued	\$2.2b	\$2.4b	\$2.7b
Value of Division 293 tax assessments issued	\$1.5b	\$1.8b	\$2.3b

Notes

(a) ATO-held super accounts include unclaimed superannuation money and Superannuation Holding Accounts special account.

(b) Of those member contribution statements lodged by large APRA-regulated funds.

(c) Determinations issued in reporting year primarily relate to the prior year.

(d) Division 293 assessments issued in reporting year primarily relate to the prior year.

(e) Relates to the contraventions reported for 2021–22 at June 2024.

(f) Relates to the contraventions reported for 2022–23 at June 2025.

(g) Relates to the contraventions reported for 2023–24 at June 2026.

Table 7.26 Activities and outputs – Administered program outputs, 2023–24 to 2025–26

Activity	2023–24	2024–25	2025–26
Program 1.7 – Fuel Tax Credits Scheme – Number of registered participants	287,635	280,829	284,867
Program 1.7 – Fuel Tax Credits Scheme – Proportion of payments processed within service standard time frames	99%	99%	99%
Program 1.9 – Product Stewardship for Oil – Value of revenue collected	\$50.7m	\$48.8m	\$46.3m
Program 1.9 – Product Stewardship for Oil – Number of claims processed	398	237	241
Program 1.9 – Product Stewardship for Oil – Number of participants registered	42	42	41
Program 1.9 – Product Stewardship for Oil – Proportion of payments processed within service standard time frames	97%	100%	100%
Program 1.10 – Research and Development Tax Incentive – Value of claims processed for companies claiming the non-refundable research and development tax offset	\$2.9b tax offset paid or applied	\$3.0b tax offset paid or applied	\$3.0b tax offset paid or applied
Program 1.10 – Research and Development Tax Incentive – Value of claims processed for companies claiming the refundable research and development tax offset	\$4.0b tax offset paid or applied	\$4.1b tax offset paid or applied	\$3.7b tax offset paid or applied
Program 1.10 – Research and Development Tax Incentive – Number of claims processed for companies claiming the non-refundable research and development tax offset	1,404	1,492	1,256
Program 1.10 – Research and Development Tax Incentive – Number of claims processed for companies claiming the refundable research and development tax offset	11,888	12,630	12,744
Program 1.11 – Low Income Superannuation Tax Offset – Number of beneficiaries of entitlements determined	2.5m	2.4m	2.2m
Program 1.11 – Low Income Superannuation Tax Offset – Value of entitlements determined	\$665.6m	\$629.8m	\$598.8m
Program 1.13 – Superannuation Co-contribution Scheme – Number of beneficiaries of entitlements determined	353,462	330,324	340,118
Program 1.13 – Superannuation Co-contribution Scheme – Value of entitlements determined	\$111.2m	\$105.2m	\$108.9m
Program 1.14 – Superannuation Guarantee Scheme – Number of superannuation guarantee complaints leading to:			
• a superannuation liability being raised	10,326	8,894	7,775
• no result	5,255	5,311	2,464
Program 1.14 – Superannuation Guarantee Scheme – Number of employees who have had superannuation guarantee entitlements raised as a result of:			
• ATO compliance activities	282,300	251,820	414,337
• voluntary disclosures	856,100	603,406	679,593
Program 1.14 – Superannuation Guarantee Scheme – Number of:			
• employers whose records are checked	15,545	13,531	10,909
• checks leading to a superannuation liability being raised	10,764	9,181	8,572
Program 1.14 – Superannuation Guarantee Scheme – Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO	1.1%	1.0%	0.9%
Program 1.16 – Interest on Overpayment and Early Payments of Tax – Number of transactions where an overpayment has occurred under Part IIB, Part III, Part IIIA of the Taxation (IOEP) Act	679,245	878,147	833,647
Program 1.16 – Interest on Overpayment and Early Payments of Tax – Value of credit interest applied to client accounts	\$349m	\$397m	\$385m

Table 7.27 Activities and outputs – Corporate services, 2023–24 to 2025–26

Activity	2023–24	2024–25	2025–26
Rate of unscheduled absence (days)	12.5	12.9	13.0

Table 7.28 Activities and outputs – Working across government and internationally, 2023–24 to 2025–26

Activity	2023–24	2024–25	2025–26
Number of memoranda of understanding	150	158	164
Number of international information exchanges	412 incoming 198 outgoing	411 incoming 175 outgoing	413 incoming 109 outgoing

Farm management deposits

The farm management deposits (FMD) scheme is designed to assist primary producers to deal more effectively with fluctuations in their cash flows. The policy intent of the scheme, which was established in 1999, is to encourage increased financial self-reliance among primary producers by allowing them to set aside cash reserves earned during high-income years, for use in low-income years.

The Department of Agriculture, Fisheries and Forestry publishes monthly statistics on FMD holdings. At 30 June 2026, total holdings were \$7.04 billion, held in 43,613 FMD accounts.

Table 7.29 Activities and outputs – Farm management deposits, 2023–24 to 2025–26^(a)

Activity	2023–24	2024–25	2025–26
Number of deductible deposits processed	13,644	11,829	10,559
Value of deductible deposits	\$1.67b	\$1.54b	\$1.36b
Number of early repayments processed due to natural disaster	298	281	321
Value of early repayments due to natural disaster	\$26m	\$27m	\$33m
Number of other repayments processed	12,711	13,298	11,780
Value of other repayments	\$1.27b	\$1.4b	\$1.33b

Note

(a) Changes from previously published data occurs as additional information becomes available.

Administered payments

All deliverables are achieved through making payments to eligible recipients in accordance with relevant laws.

We paid \$16.7 billion in administered payments in 2025–26, \$0.5 billion lower than in 2024–25. The decrease was primarily driven by lower payments under the Research and Development Refundable Tax Offsets Incentive and the Fuel Tax Credits Scheme. This fall was partly offset by higher payments under the Australian Screen and Digital Games Production Incentives.

Table 7.30 Administered payments, 2023–24 to 2025–26^(a)

Payments	2023–24 \$m	2024–25 \$m	2025–26 \$m
Fuel Tax Credits Scheme	9,669	9,867	9,556
Product Stewardship for Oil	91	90	89
Junior Minerals Exploration Incentive	4	5	4
Private Health Insurance Rebate	237	261	281
National Rental Affordability Scheme ^(b)	127	80	52
Superannuation Co-contribution Scheme	112	105	107
Research and development refundable tax offsets ^(c)	3,971	4,056	3,731
Australian Screen and Digital Games Production Incentives ^(d)	597	906	1,096
Low Income Superannuation Tax Offset	665	622	591
Interest payments on lost superannuation accounts	53	64	56
Seafarer Tax Offset ^(e)	9	11	0
Economic response to the Coronavirus – JobKeeper	–7	–5	–2
Economic response to the Coronavirus – Cash Flow Boost ^(f)	30	2	13
Economic response to the Coronavirus – JobMaker Hiring Credit ^(g)	0	0	0
Total administered payments	15,559	16,064	15,574
Distribution of superannuation guarantee charge entitlements	932	1,100	1,133
Total^(h)	16,491	17,164	16,707

Notes

(a) Totals may differ from the sum of components due to rounding.

(b) The National Rental Affordability Scheme is no longer taking new investments and dwellings that are part of the scheme will have exited by June 2026.

(c) Only refundable research and development tax offsets are administered payments.

(d) The Australian Screen and Digital Games Production Incentives includes the digital games tax offset, producer tax offset, location tax offset and post, digital and visual effects tax offset. The digital games tax offset was included for the first time in 2023–24.

(e) The figures are rounded to the nearest million. In 2025–26, the result was \$439,349.

(f) The final due date for claims for the Cash Flow Boost program has passed.

(g) Figures are rounded to the nearest million. The results are –\$20,000 for 2023–24, –\$7,000 for 2024–25, and –\$900 in 2025–26.

(h) The total excludes interest on overpayments of tax (\$459 million in 2023–24, \$527 million in 2024–25 and \$509 million in 2025–26).

Appendix 10: Advertising, direct mail, media placement and market research

Advertising activities

During 2025–26, the ATO conducted the following advertising activities:

- ATO app security updates
- ATO recruitment^(a)
- BAS^(b)
- Compassionate release of super
- Consumer new^(b)
- Consumer switch^(b)
- Digital security
- First time lodgers
- Fringe benefits tax
- GST debt
- Help and support
- myID online access strength
- Not-for-profit (NFP) self-review return
- Payday Super
- Protecting personal information
- Ready for business
- Rental investors
- Shadow economy
- Tax and super basics
- Tax Time 2026.

Notes

(a) Includes Tax Practitioners Board and Australian Charities and Not-for-profits Commission recruitment advertising costs.

(b) Relates to work undertaken on behalf of the Tax Practitioners Board.

Further information on advertising activities is available at ato.gov.au/advertising.

The Department of Finance also prepares a Campaign Advertising by Australian Government Departments and Agencies report that provides details of campaigns where expenditure was greater than \$250,000 (excluding GST), available at finance.gov.au/publications/reports.

Payments for advertising, direct mail, media placement and market research

Under the *Commonwealth Electoral Act 1918*, agencies are required to provide details of payments over \$17,300 (GST inclusive) made to advertising, direct mail, media placement and market research organisations. Amounts paid during 2025–26 are set out below.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at tenders.gov.au.

Table 7.31 Amounts paid to advertising, direct mail, media placement and market research organisations, 2025–26^{(a)(b)}

Organisation	Initiative, event or product	Total payments \$
Advertising		
Screencraft Media Pty Ltd	Protecting personal information advertising campaign	38,913
Total		38,913
Media placement		
Universal McCann	ATO app security updates advertising campaign	140,906
Universal McCann	ATO recruitment advertising ^(c)	396,781
Universal McCann	BAS advertising campaign ^(d)	37,443
Universal McCann	Compassionate release of super advertising campaign	77,000
Universal McCann	Consumer new advertising ^(d)	53,511
Universal McCann	Consumer switch advertising ^(d)	52,682
Universal McCann	Digital security advertising campaign	267,300
Universal McCann	First time lodgers advertising campaign	109,748
Universal McCann	Fringe benefit tax advertising campaign	164,387
Universal McCann	GST debt advertising campaign	199,100
Universal McCann	Help and support advertising campaign	220,000
Universal McCann	myID online access strength advertising campaign	137,756
Universal McCann	myID rename advertising campaign ^(e)	-19,648
Universal McCann	NFP self review return advertising campaign	50,509
Universal McCann	Payday Super advertising campaign	271,692
Universal McCann	Protecting personal information advertising campaign	219,993
Universal McCann	Ready for business advertising campaign	109,993
Universal McCann	Rental investors advertising campaign	55,000
Universal McCann	Shadow economy advertising campaign	259,999
Universal McCann	Tax and super basics advertising campaign	215,868
Universal McCann	Tax Time advertising campaign	218,951
Total		3,238,971
Market research		
Dynata Global AU Pty Ltd	Community perceptions survey	29,040
Total		29,040

Notes

- (a) For the purposes of section 311A of the *Commonwealth Electoral Act 1918*, the ATO does not undertake polling activity.
- (b) The ATO made no payments over \$17,300 (GST inclusive) to direct mail organisations in 2025–26.
- (c) Includes Tax Practitioners Board and Australian Charities and Not-for-profits Commission recruitment advertising costs.
- (d) Relates to work undertaken on behalf of the Tax Practitioners Board.
- (e) Credit processed in 2025–26 that relates to an administrated campaign in 2024–25. The credit arose following the federal election announcement and subsequent Australian Government caretaker period from 28 March to 13 May 2025, during which campaign activity was paused.

Appendix 11: Information gathering powers

Use of formal notices

In most circumstances, we work cooperatively with taxpayers and third parties to obtain relevant information without having to exercise our formal powers. Our approach to information gathering, including the policies and procedures for the use of our powers, is available at ato.gov.au/useofpowers.

Use of formal information-gathering notices is necessary where third parties, such as financial institutions, are required to provide private tax-related information to us. They are also necessary to establish the relevant facts and evidence in audits and other investigations, or for the purposes of debt recovery.

During 2025–26, there were:

- 14 occasions in which we needed to gather relevant information using our powers to obtain access
- 33,020 formal notices issued to obtain relevant information and documents, including situations where we combined notices for information and documents with notices requiring formal interviews.

Table 7.32 Formal access powers used by the Commissioner, 2023–24 to 2025–26^(a)

Access	2023–24	2024–25	2025–26
With notice	7	14	4
Without notice	51	18	10
Immediate	0	0	0
Total	58	32	14

Note

(a) The figures record the number of times these powers were exercised and should not be interpreted as representing the number of taxpayers to whom the powers were applied.

The reduction in the use of formal access powers reflects both changes to treatment strategies and the circumstances and stages of complex compliance activities. In some cases, access powers had been exercised in the previous reporting period and did not need to be exercised again in 2025–26. Immediate access powers were not exercised during the year.

Table 7.33 Formal information-gathering notices issued by the Commissioner, 2023–24 to 2025–26^(a)

Information-gathering notices	2023–24	2024–25	2025–26
Information or document	32,959	35,545	32,716
Attend and give evidence	185	218	217
Formal offshore requests	40	55	87
Total	33,184	35,818	33,020

Note

(a) Care should be taken in extrapolating trends from this data. Figures include all formal notices issued, including the reissue of a formal notice, and do not represent the number of taxpayers who have received a formal notice.

Use of assumed identities

ATO staff may use assumed identities to gather intelligence and evidence against individuals and criminal networks under investigation. Under the *Crimes Act 1914*, we are required to regularly audit records of authorisations and revocations of assumed identities.

At 30 June 2026, no authorisations were issued for ATO field intelligence staff to hold assumed identities.

Issue of witness identity protection certificates

The ATO may issue witness identity protection certificates during a criminal investigation. Under the *Crimes Act 1914*, we are required to regularly audit records of authorisations and revocations of assumed identities.

At 30 June 2026, no witness identity protection certificates were issued.

Appendix 12: Information provided to law enforcement agencies

Subsection 355-70 (item 1) of Schedule 1 to the *Taxation Administration Act 1953* allows the disclosure of taxpayer information to specified law enforcement agencies where the information is:

- relevant to determining whether a serious offence has been, or is being, committed
- for enforcing a law, the contravention of which is a serious offence
- for proceeds of crime order proceedings.

Table 7.34 shows requests from agencies and ATO-initiated disclosures in 2025–26, while Table 7.35 shows the general categories of offence in 2025–26.

Table 7.34 Requesting agencies and ATO-initiated disclosures, 2025–26

Agencies	On hand 1 July 2025	New requests			Processed requests			On hand 30 June 2026
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 1) – serious offence								
Australian Criminal Intelligence Commission	3	32	1	33	1	0	24	11
Australian Federal Police	29	313	9	322	14	0	262	75
Australian Securities and Investments Commission	1	14	0	14	1	0	11	3
Corruption and Crime Commission – Western Australia	2	15	0	15	1	0	15	1
Crime and Corruption Commission – Queensland	0	55	0	55	0	0	50	5
Independent Broad-based Anti-corruption Commission – Victoria	0	12	0	12	1	0	6	5
Independent Commission Against Corruption South Australia	0	6	0	6	0	0	3	3
National Anti-Corruption Commission	2	4	4	8	2	0	5	3
New South Wales Crime Commission	13	160	0	160	6	0	141	26
Northern Territory Police Force	1	23	0	23	2	0	18	4
NSW Police Force	39	349	3	352	41	0	290	60
Queensland Police Service	18	233	4	237	10	0	199	46
South Australia Police	7	61	1	62	4	0	57	8
Tasmania Police	4	19	0	19	1	0	15	7
Victoria Police	21	313	14	327	13	0	253	82
Western Australia Police Force	7	88	1	89	10	0	73	13
Total serious offences	147	1,697	37	1,734	107	0	1,422	352

Table 7.34 Requesting agencies and ATO-initiated disclosures, 2025–26 *continued*

Agencies	On hand 1 July 2025	New requests			Processed requests			On hand 30 June 2026
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 2) – ASIO								
Australian Security Intelligence Organisation	0	4	1	5	0	0	5	0
Subsection 355-70(1)(item 4) – Criminal Assets Confiscation Taskforce								
Australian Criminal Intelligence Commission	0	1	0	1	0	0	1	0
Australian Federal Police	7	126	6	132	1	0	116	22
Total Criminal Assets Confiscation Taskforce	7	127	6	133	1	0	117	22
Subsection 355-70(1)(item 4) – Fraud Fusion Taskforce								
Aged Care Quality and Safety Commission	0	6	4	10	0	0	10	0
AUSTRAC	1	0	1	1	1	0	1	0
Australian Charities and Not-for-profits Commission	0	2	3	5	1	0	4	0
Australian Criminal Intelligence Commission	1	7	4	11	1	0	11	0
Australian Federal Police	1	1	9	10	0	0	10	1
Australian Securities and Investments Commission	0	6	18	24	0	0	23	1
Australian Skills Quality Authority	0	2	2	4	0	0	4	0
Commonwealth Director of Public Prosecutions	0	1	0	1	0	0	1	0
Department of Education	0	7	8	15	1	0	14	0
Department of Employment and Workplace Relations	0	2	2	4	0	0	4	0
Department of Health, Disability and Ageing	1	8	14	22	1	0	22	0
Department of Industry, Science and Resources	0	1	0	1	0	0	1	0
Department of Veterans’ Affairs	0	3	6	9	0	0	8	1
National Disability Insurance Agency	8	141	38	179	5	0	165	17
National Disability Insurance Scheme Quality and Safeguards Commission	2	14	23	37	4	0	31	4
National Indigenous Australians Agency	0	6	1	7	0	0	7	0
Services Australia	3	14	15	29	2	0	26	4
Tax Practitioners Board	0	3	12	15	2	0	12	1
Total Fraud Fusion Taskforce	17	224	160	384	18	0	354	29
Subsection 355-70(1)(item 4) – Illicit Tobacco Taskforce								
Australian Border Force	0	0	2	2	0	0	2	0
Australian Criminal Intelligence Commission	0	0	1	1	0	0	1	0
Total Illicit Tobacco Taskforce	0	0	3	3	0	0	3	0

Table 7.34 Requesting agencies and ATO-initiated disclosures, 2025–26 *continued*

Agencies	On hand 1 July 2025	New requests			Processed requests			On hand 30 June 2026
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 4) – National Taskforce Morpheus								
NSW Police Force	0	0	2	2	0	0	2	0
Subsection 355-70(1)(item 4) – Operation Protego Integrity Taskforce								
Australian Communications and Media Authority	0	0	2	2	0	0	2	0
Australian Federal Police	0	27	58	85	0	0	85	0
Australian Government Security Vetting Agency	0	0	8	8	0	0	8	0
Australian Public Service Commission	0	1	28	29	0	0	29	0
Department of Agriculture, Fisheries and Forestry	0	0	1	1	0	0	1	0
Department of Defence	0	1	11	12	0	0	12	0
Department of Home Affairs	0	0	2	2	0	0	2	0
Fair Work Ombudsman	0	0	1	1	0	0	1	0
National Disability Insurance Agency	0	0	2	2	0	0	2	0
Services Australia	0	0	7	7	0	0	7	0
Total Operation Protego Integrity Taskforce	0	29	120	149	0	0	149	0
Subsection 355-70(1)(item 4) – Phoenix Taskforce								
Attorney-General's Department SA – Consumer and Business Advice	0	3	4	7	0	0	7	0
AUSTRAC	0	0	2	2	0	0	2	0
Australian Border Force	1	0	9	9	0	0	10	0
Australian Criminal Intelligence Commission	0	0	4	4	0	0	4	0
Australian Federal Police	0	1	1	2	0	0	2	0
Australian Financial Security Authority	0	0	1	1	0	0	1	0
Australian Securities and Investments Commission	2	1	6	7	0	0	7	2
Department of Climate Change, Energy, the Environment and Water	0	1	0	1	0	0	0	1
Department of Employment and Workplace Relations	3	8	1	9	0	0	11	1
Department of Treasury and Finance – South Australia	0	0	1	1	0	0	1	0
Department of Treasury and Finance – Western Australia	0	0	1	1	0	0	1	0
Environment Protection Authority South Australia	0	1	0	1	0	0	1	0
Fair Work Ombudsman	1	0	5	5	0	0	6	0
Labour Hire Authority Victoria	23	35	16	51	3	0	65	6
NSW Environment Protection Authority	0	1	0	1	0	0	1	0
NSW Police Force	1	3	10	13	1	0	13	0
Office of Industrial Relations – Queensland	2	3	3	6	0	0	6	2

Table 7.34 Requesting agencies and ATO-initiated disclosures, 2025–26 *continued*

Agencies	On hand 1 July 2025	New requests			Processed requests			On hand 30 June 2026
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Queensland Building and Construction Commission	0	0	1	1	0	0	1	0
Queensland Revenue Office	0	0	1	1	0	0	1	0
Return to Work SA	0	0	1	1	0	0	1	0
Revenue New South Wales	1	0	7	7	0	0	8	0
State Insurance Regulatory Authority NSW	0	0	3	3	1	0	2	0
State Revenue Office Victoria	1	1	3	4	0	0	5	0
Victoria Police	1	0	3	3	0	0	4	0
Victorian Building and Plumbing Commission	0	1	0	1	0	0	1	0
WorkCover Queensland	1	0	3	3	0	0	4	0
WorkSafe Victoria	0	2	4	6	0	0	6	0
Total Phoenix Taskforce	37	61	90	151	5	0	171	12
Subsection 355-70(1)(item 4) – Serious Financial Crime Taskforce								
Attorney-General's Department	0	0	18	18	0	0	18	0
AUSTRAC	0	2	101	103	0	0	103	0
Australian Border Force	0	1	59	60	0	0	60	0
Australian Criminal Intelligence Commission	1	2	96	98	1	0	98	0
Australian Federal Police	3	2	100	102	3	0	101	1
Australian Securities and Investments Commission	0	4	80	84	0	0	84	0
Commonwealth Director of Public Prosecutions	0	0	10	10	0	0	10	0
Department of Home Affairs	0	10	83	93	0	0	91	2
Services Australia	0	2	81	83	0	0	83	0
Total Serious Financial Crime Taskforce	4	23	628	651	4	0	648	3
Subsection 355-70(1)(item 4) – Shadow Economy Taskforce								
AUSTRAC	0	0	9	9	1	0	8	0
Australian Border Force	0	0	48	48	1	0	47	0
Australian Criminal Intelligence Commission	0	0	3	3	1	0	2	0
Australian Federal Police	0	0	5	5	1	0	4	0
Department of Employment and Workplace Relations	0	0	1	1	0	0	1	0
Department of Home Affairs	1	0	47	47	0	0	47	1
Fair Work Ombudsman	0	0	106	106	0	0	106	0
Services Australia	1	0	25	25	1	0	24	1
Total Shadow Economy Taskforce	2	0	244	244	5	0	239	2
Grand total	214	2,165	1,291	3,456	140	0	3,110	420

Table 7.35 shows the general categories of offence for disclosures under subsection 355-70(1)(item 1) in 2025–26. The Australian Security Intelligence Organisation (ASIO) and taskforce disclosures are not included in this table as they do not require a category of offence.

Table 7.35 General categories of offence (subsection 355-70(1)(item 1)), 2025–26

Categories	On hand 1 July 2025	New requests			Processed requests			On hand 30 June 2026
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Anti-Money Laundering and Counter Terrorism Financing Act 2006	0	1	0	1	0	0	1	0
Child Protection Acts ^(a)	1	0	0	0	0	0	1	0
Common Law	0	5	0	5	1	0	3	1
Confiscation Acts ^(b)	23	289	0	289	13	0	236	63
Corporations Act 2001	0	8	0	8	1	0	5	2
Crimes and Criminal Code Acts (Commonwealth) ^(c)	32	365	15	380	20	0	303	89
Crimes and Criminal Code Acts (state) ^(d)	62	682	19	701	54	0	580	129
Criminal Code Compilation Act 1913 (WA)	3	27	0	27	3	0	24	3
Criminal Law Consolidation Act 1935 (SA)	1	18	0	18	1	0	13	5
Customs Act 1901	0	4	0	4	0	0	4	0
Drug Misuse and Trafficking Acts ^(e)	13	164	0	164	9	0	136	32
Drugs Poisons and Controlled Substances Acts ^(f)	10	127	0	127	5	0	107	25
Firearms Acts ^(g)	0	1	0	1	0	0	1	0
Excise Act 1901	0	0	1	1	0	0	1	0
Migration Act 1958	0	1	0	1	0	0	1	0
Proceeds of Crime Act 2002	1	4	2	6	0	0	5	2
Security Industry Act 1997 (NSW)	0	1	0	1	0	0	0	1
Taxation Administration Act 1953	1	0	0	0	0	0	1	0
Total	147	1,697	37	1,734	107	0	1,422	352

Notes

(a) Child Protection Acts include *Child Protection (Offenders Registration) Act 2000* (NSW).

(b) Confiscation Acts include *Confiscation Act 1997* (Vic), *Confiscation of Criminal Assets Act 2003*, *Criminal Assets Confiscation Act 2005* (SA), *Criminal Assets Recovery Act 1990* (NSW), *Criminal Proceeds Confiscation Act 2002* (Qld), *Criminal Property Forfeiture Act 2002* (NT), *Criminal Property Confiscation Act 2000* (WA) and *Crime (Confiscation of Profits) Act 1993* (Tas).

(c) Crimes and Criminal Code Acts (Commonwealth) include *Crimes Act 1914*, *Criminal Code Act 1995* and *Fair Work Act 2009*.

(d) Crimes and Criminal Code Acts (state) include *Confiscation Amendment (Unexplained Wealth) Act 2024* (Vic), *Crimes Act 1900* (NSW), *Crimes Act 1958* (Vic), *Crimes (Sexual Offences) Act 1980* (Vic), *Criminal Code Act 2002* (ACT), *Criminal Code Act 1899* (Qld), *Criminal Code Act 1983* (NT), *Criminal Code Compilation Act 1913* (WA) 1913, *Kava Management Act 1998* (NT) and *Liquor Control Reform Act 1998* (Vic).

(e) Drug Misuse and Trafficking Acts include *Drug Misuse Act 1986* (Qld), *Drug Misuse and Trafficking Act 1985* (NSW), *Misuse of Drugs Act 1981* (WA), *Misuse of Drugs Act 2001* (Tas) and *Misuse of Drugs Act 1990* (NT).

(f) Drugs Poisons and Controlled Substances Acts include *Drugs Poisons and Controlled Substances Act 1981* (Vic) and *Controlled Substances Act 1984* (SA).

(g) Firearms Acts include *Firearms Act 1996* (NSW).

For information disclosed to authorised law enforcement agency officers under section 70-40 of the *Tax Agent Services Act 2009*, see the Tax Practitioners Board's annual report at tpb.gov.au/annual-report.

Appendix 13: Fraud or evasion exception

Information about fraud or evasion assessments conducted in 2025–26 is shown in Table 7.36. The figures reflect cases in which the Commissioner formed an opinion that there was fraud or evasion where the limited period of review has expired. The figures should not be interpreted as an estimate of the prevalence of fraud or evasion in the broader taxpayer population.

In 2025–26, there were 225 taxpayers subject to a fraud or evasion assessment. This represents around 0.11% of taxpayers subject to an audit-related assessment. Of the 225 taxpayers, 219 incurred an additional penalty.

Table 7.36 Fraud or evasion assessments by segment, 2025–26^(a)

Segment	Number of taxpayers subject to an audit-related assessment	Taxpayers subject to a fraud or evasion assessment ^(b)		
		Number	% of taxpayers subject to an audit-related assessment ^{(c)(d)}	Number with an additional penalty ^{(e)(f)}
Privately owned and wealthy groups	10,883	41	0.38	36
Small business	60,867	133	0.22	132
Individuals	137,190	51	0.04	51
Public and multinational businesses	590	0	0	0
APRA-regulated superannuation funds	7	0	0	0
Not-for-profit organisations	329	0	0	0
Self-managed superannuation funds	138	0	0	0
Total	210,004	225	0.11	219

Notes

- From 2025–26, the ATO revised its approach to identifying population segments. As a result, figures by segment may not be directly comparable with prior years.
- The tax law fraud or evasion exception to limited periods of review found within the income tax, superannuation and GST Acts allows that, if in the Commissioner's opinion there is fraud or evasion, the Commissioner is not constrained and may amend an assessment at any time.
- Totals may differ from the sum of components due to rounding.
- Audit-related assessments reflect the ATO's risk-based case selection and compliance activities and do not indicate the incidence of fraud or evasion in the broader taxpayer population.
- The tax law penalty provisions of Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953* operate independently of the fraud or evasion exception. The penalty provisions impose administrative penalties for conduct such as: making a false or misleading statement or taking a position that is not reasonably arguable; failing to lodge a return or statement on time; failing to withhold amounts as required under the pay as you go (PAYG) withholding system; failing to meet other tax obligations.
- At 30 June 2026, penalty decisions remained outstanding for 6 taxpayers. This column includes penalties imposed on either a trustee of a trust or a beneficiary of the trust where a beneficiary of the trust is subject to a fraud or evasion assessment as a result of a statement made by the trustee.

Appendix 14: Working holiday maker framework

Working holiday makers are subject to a different rate of income tax, including amounts of income tax withholding, regardless of their residency status.

Employers must register with us and apply the different rates of pay as you go (PAYG) withholding to payments they make to working holiday makers. At 30 June 2026, there were 157,950 employers registered.

Table 7.37 shows tax returns lodged by 30 June 2026 where an amount of net income for working holiday makers was declared. The 2025–26 figures reflect early lodgments only, as 2025–26 income tax returns were not yet due. These figures will be updated in future annual reports as additional tax returns are lodged and processed. Prior-year figures have also been updated to include additional income tax returns processed during 2025–26 and may therefore differ from those published in previous annual reports.

Table 7.37 Working holiday maker tax returns processed, 2023–24 to 2025–26

Results	2023–24 tax returns ^(a)	2024–25 tax returns ^(b)	2025–26 tax returns ^(b)
Number of tax returns lodged by working holiday makers	175,160	202,736	1,067
Average taxable income	\$33,298	\$37,414	\$23,113
Average income tax withheld	\$6,414	\$7,027	\$3,770
Average income tax assessed as payable	\$5,508	\$6,027	\$2,660

Notes

- (a) 2023–24 results include processing up to 31 October 2025.
- (b) 2024–25 and 2025–26 results include processing up to 30 June 2026, reflecting early lodged tax returns for 2025–26.

Appendix 15: Corrections

The following errors appeared in the *Commissioner of Taxation annual report 2024–25*.

Program 1.18 Seafarer Tax Offset

The number of taxpayers that claimed the Seafarer Tax Offset in 2024–25 was incorrectly reported in the Analysis section of Table 3.52.

As printed on page 95:

Table 3.52 Accurate information is made available to taxpayers eligible to claim the seafarer tax offset, 2022–23 to 2024–25

Performance measure	Accurate information is made available to taxpayers eligible to claim the seafarer tax offset		
	• A measure to demonstrate we perform our role to make available accurate content to help companies understand their rights and obligations in relation to the seafarer tax offset.		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.18 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Accurate information is made available to taxpayers eligible to claim the seafarer tax offset		
Results	2024–25	Target met	● Achieved
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	<p>The performance measure for this program has changed to better reflect our activities to co-administer the seafarer tax offset. This new performance measure better reflects our role to help companies understand their rights and obligations in relation to the offset.</p> <p>We launched the resource ato.gov.au/seafarertaxoffset in June 2025 that includes details on eligibility criteria and step-by-step instructions on how to claim the seafarer tax offset.</p> <p>We review and maintain the resource content so it remains correct and up to date, with no legislative changes, broken links or accuracy-related feedback requiring amendment.</p> <p>The ATO performs a limited role for the seafarer tax offset, co-administering the program with the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts. In 2024–25, no fewer than 5 taxpayers claimed the offset.</p>		

Appendix 4: Dispute management

The following dispute management information was incorrectly reported.

As printed on page 244:

In 2024–25, we resolved over 25,000 objections. There were **509 508** applications for review or appeal under Part IVC of the *Taxation Administration Act 1953* to the former Administrative Appeals Tribunal, the Administrative Review Tribunal or other courts, with **380 399** decisions made either in relation to these applications or applications made in earlier years.

Table 7.5 Dispute cases, 2022–23 to 2024–25

Cases	2022–23	2023–24	2024–25
Returns lodged	41,908,253	43,530,439	46,160,123
Adjustments arising from audits ^(a)	690,916	699,891	571,880
Disputed cases resolved			
• objections ^(b)	23,480	30,465	25,075
• settlements ^(c)	251	301	262
• litigation outcomes	276	444 467	380 399
• large market independent reviews	1	3	5
• small business independent reviews	27	48	48
• small business independent review expansion pilot ^(d)	–	–	20
Average cycle time for objections	79 days	100 days	88 days
Part IVC cases lodged to courts/tribunals	388	469 479	509 508
Part IVC cases resolved prior to court hearing	169	250 263	249 262
Part IVC cases proceeded to decision	107	194 204	131 137
New Part IVC matters in proportion to objections	14.9 per thousand	12.5 12.9 per thousand	16.3 16.2 per thousand
Number of test case litigations finalised	5	3	9

Notes

(a) From 2024–25, the methodology was updated to exclude activities (including prompts and early engagements) that are defined as compliance activities, but do not meet the definition of ‘audit’. The updated methodology has not been applied to prior years.

(b) Objections include self-objections, which accounts for 49% of all objections resolved in 2024–25.

(c) Settlements refer to resolution of Part IVC disputes under the Code of Settlement and not settlement of debt.

(d) The small business independent review expansion pilot service has been in pilot phase from 1 July 2024. This pilot will conclude on 31 December 2025.

Appendix 6: Strategic litigation

The following strategic litigation information was incorrectly reported.

As printed on page 249:

In 2024–25, **79% 78%** of reported litigation outcomes under Part IVC of the *Taxation Administration Act 1953* wholly supported the ATO's position or assessments. Of the litigation decisions under Part IVC, the remaining **21% 22%** supported the taxpayer's position in whole or in part. These percentages include a small number of outcomes under the *Administrative Decision (Judicial Review) Act 1977* or the *Judiciary Act 1903*.

As printed on page 265 of the *Commissioner of Taxation annual report 2023–24*:

In 2023–24, **71% 70%** of reported litigation outcomes under Part IVC of the *Taxation Administration Act 1953* wholly supported the ATO's position or assessments. Of the litigation decisions under Part IVC, the remaining **29% 30%** supported the taxpayer's position in whole or in part. These percentages include a small number of outcomes under the *Administrative Decision (Judicial Review) Act 1977* or the *Judiciary Act 1903*.

Appendix 12: Information provided to law enforcement agencies

The number of requests on hand at 30 June 2025 for the Department of Education and Department of Health, Disability and Ageing were incorrectly reported for Subsection 355-70(1)(item 4) – Fraud Fusion Taskforce of Table 7.32.

As printed on page 271:

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2024–25

Agencies	On hand 1 July 2024	New requests			Processed requests			On hand 30 June 2025
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 4) – Fraud Fusion Taskforce								
...								
Department of Education	0	0	6	6	2	0	3	10
Department of Health, Disability and Ageing	0	1	2	3	0	0	3	1
...								

Appendix 16: List of requirements

The *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) requires the inclusion of a list of annual report requirements (Section 17AJ(d)).

As the Accountable Authority for the Australian Taxation Office listed entity¹², the Commissioner of Taxation meets these requirements through the Commissioner of Taxation (this report), TPB and ACNC annual reports.

Table 7.38 identifies the report in which the requirement is met.

The TPB and the ACNC annual reports are available at tpb.gov.au/annual-report and acnc.gov.au/tools/reports, respectively.

Table 7.38 Australian Taxation Office listed entity – PGPA Rule List of requirements, 2025–26

PGPA Rule reference	Description	Commissioner of Taxation (Page number/s)	TPB	ACNC
17AD(g)	Letter of transmittal			
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	vi	–	–
17AD(h)	Aids to access			
17AJ(a)	Table of contents (print only)	iv–v	✓	✓
17AJ(b)	Alphabetical index (print only)	294–300	✓	✓
17AJ(c)	Glossary of abbreviations and acronyms	287–291	✓	✓
17AJ(d)	List of requirements	278–282	–	–
17AJ(e)	Details of contact officer	Inside front cover	✓	✓
17AJ(f)	Entity's website address	Inside front cover	–	–
17AJ(g)	Electronic address of report	Inside front cover	–	–
17AD(a)	Review by accountable authority			
17AD(a)	A review by the accountable authority of the entity	ii–iii	–	–
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	A description of the role and functions of the entity	2	–	–
17AE(1)(a)(ii)	A description of the organisational structure of the entity	11	✓	✓
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity	3–5	–	–
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	1, 3, 13, 38, 41, 53	–	–
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	8	–	–

¹² See [Part 1 Overview](#) for information about the Australian Taxation Office listed entity.

Table 7.38 Australian Taxation Office listed entity – PGPA Rule List of requirements, 2025–26 *continued*

PGPA Rule reference	Description	Commissioner of Taxation (Page number/s)	TPB	ACNC
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	8	–	–
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	8	–	–
17AE(1)(b)	An outline of the structure of the portfolio of the entity	n/a	n/a	n/a
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	3–5, 38–39	–	–
17AD(c)	Report on the performance of the entity			
Annual performance statements				
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	37–87	–	–
17AD(c)(ii)	Report on Financial Performance			
17AF(1)(a)	A discussion and analysis of the entity's financial performance	159–160	–	–
17AF(1)(b)	A table summarising the total resources and total payments of the entity	161–165	–	–
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	159	–	–
17AD(d)	Management and Accountability			
Corporate Governance				
17AG(2)(a)	Information on compliance with section 10 (fraud and corruption systems)	vi, 114–115	–	–
17AG(2)(b)(i)	A certification by accountable authority that fraud and corruption risk assessments and fraud and corruption control plans have been prepared	vi	–	–
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the entity are in place	vi	–	–
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the entity	vi	–	–
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	111–131	✓	✓
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	169	–	–

Table 7.38 Australian Taxation Office listed entity – PGPA Rule List of requirements, 2025–26 *continued*

PGPA Rule reference	Description	Commissioner of Taxation (Page number/s)	TPB	ACNC
Audit Committee				
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	118	–	–
17AG(2A)(b)	The name of each member of the entity's audit committee	118–120	–	–
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	118–120	–	–
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	118–120	–	–
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	118–120	–	–
External Scrutiny				
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	121–124	✓	✓
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	121–123, 246–249	✓	✓
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	121–124	n/a	n/a
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	n/a	n/a	n/a
Management of Human Resources				
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	132–133	–	–
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including: i. full-time employees ii. part-time employees iii. gender iv. location	134–150	–	–
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including: i. each classification level of the entity ii. full-time employees iii. part-time employees iv. gender v. location vi. employees who identify as Indigenous	134–150	–	–
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	151	–	–
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	151	–	–
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	152	–	–

Table 7.38 Australian Taxation Office listed entity – PGPA Rule List of requirements, 2025–26 continued

PGPA Rule reference	Description	Commissioner of Taxation (Page number/s)	TPB	ACNC
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	156	–	–
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	153	✓	✓
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	n/a	n/a	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	n/a	n/a	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	n/a	n/a	n/a
Assets Management				
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	166	–	–
Purchasing				
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	166	–	–
Reportable consultancy contracts				
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	166–167	–	–
17AG(7)(b)	A statement that “ <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].</i> ”	166	–	–
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	166	–	–
17AG(7)(d)	A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	167	–	–
Reportable non-consultancy contracts				
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	167–168	–	–
17AG(7A)(b)	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	168	–	–

Table 7.38 Australian Taxation Office listed entity – PGPA Rule List of requirements, 2025–26 *continued*

PGPA Rule reference	Description	Commissioner of Taxation (Page number/s)	TPB	ACNC
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non consultancy contracts	166–168	–	–
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	166–168	–	–
Australian National Audit Office Access Clauses				
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	n/a	–	–
Exempt contracts				
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	n/a	–	–
Small business				
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	168–169	–	–
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	168–169	–	–
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	169	–	–
Financial Statements				
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	171–234	–	–
Executive Remuneration				
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule	152–155	✓	✓
17AD(f)	Other Mandatory Information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that "During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."	264	–	–

Table 7.38 Australian Taxation Office listed entity – PGPA Rule List of requirements, 2025–26 *continued*

PGPA Rule reference	Description	Commissioner of Taxation (Page number/s)	TPB	ACNC
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	n/a	–	–
17AH(1)(b)	A statement that “ <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].</i> ”	169	–	–
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	141	–	–
17AH(1)(d)	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	122–123	✓	✓
17AH(1)(e)	Correction of material errors in previous annual report	275–277	✓	✓
17AH(2)	Information required by other legislation			
	• Fringe benefits tax	23, 52, 57, 90–91, 96, 246	n/a	n/a
	• Risk management	117–121	✓	✓
	• Reporting on tax administration	131	n/a	n/a
	• Carer support	157	–	–
	• Work health and safety	157–158	–	–
	• Administration of the <i>A New Tax System (Australian Business Number) Act 1999</i>	24, 48	n/a	n/a
	• Legal services expenditure	244–245	–	–
	• Payments for advertising, direct mail, media placement and market research	264–265	–	–
	• Information provided to law enforcement agencies	268–272	✓	n/a
	• Working holiday maker	274	n/a	n/a
	• Commonwealth climate disclosure	124	–	–
	• Emissions reporting.	124	–	–

– = Information in this Commissioner of Taxation annual report meets the PGPA annual report requirement for the Australian Taxation Office listed entity (ATO, TPB and ACNC).
✓ = Information (where applicable) can be found in the TPB or ACNC annual report.
n/a = Requirement does not apply to the entity.

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Glossary

ATO online services	A range of tax and superannuation services available from our ATO digital platforms, website or the ATO app, including lodging tax returns and activity statements and keeping track of superannuation. Individuals, sole traders, businesses, tax agents, BAS agents and non-residents can register and log in at ato.gov.au .
audit actions and incorrect claims stopped	Revenue collected from liabilities raised, penalties and interest imposed during audits and other correct-reporting compliance activities, together with refunds and other incorrect payments that ATO compliance activity prevents or recovers.
collectable debt	Debt that is not subject to objection or appeal, some form of insolvency administration, or uneconomical to pursue.
debt uneconomical to pursue	Debt for which the ATO has decided not to take recovery action because the expected cost of recovery is likely to exceed the amount anticipated to be recovered. These debts are sometimes referred to in the report as debts on hold and may be pursued later if circumstances change.
director identification number (director ID)	A unique number that identifies a director of a company, registered Australian body or registered foreign company.
guidance	Assistance we provide to taxpayers to help them understand their obligations and entitlements. It does not address a taxpayer's specific circumstances and is not binding on the Commissioner.
high wealth individual	Australian resident individual who, together with their associates, control wealth of more than \$50 million.
irrecoverable at law	Debt that can no longer be legally recovered, such as debt extinguished through insolvency or another legal process.
justified trust	An assurance approach under which the ATO seeks objective evidence that a taxpayer has paid the right amount of tax.
large business	A business with annual turnover of over \$250 million.
myGov	A government system that provides secure access to a range of Australian Government services with one username and password.
myID	myID is the Australian Government's Digital ID app, providing a secure, reusable way for individuals to verify their identity and access government services online. Previously known as myGovID.
net tax collections	Total tax collections less refunds paid to taxpayers.

online access strength	Online access strength is the security level applied to a person's access to ATO online services, based on the identity strength of the Digital ID (myID) used to sign in through myGov.
Online services for agents	A secure ATO digital platform for registered tax and BAS agents and their authorised staff. It provides access to a range of taxpayer information and services.
Online services for business	A secure ATO digital platform for businesses, approved self-managed superannuation fund (SMSF) auditors and other organisations to interact with the ATO.
Our performance evolution	The ATO's program of work in response to the 2025 Capability Review, designed to strengthen enterprise performance, accountability and organisational capability.
Payday Super	A reform requiring employers to pay employees' superannuation guarantee contributions at the same time as salary and wages, commencing on 1 July 2026.
pre-filing	Automatic population of labels in electronically prepared income tax returns. It includes information from government agencies, financial institutions and employers.
prevention	The estimated additional revenue from ATO compliance actions that help taxpayers report correctly when they lodge, including prompts, targeted advice and cooperative compliance arrangements.
private ruling	A legally binding written expression of our opinion on the way in which a relevant provision applies, or would apply, to a particular taxpayer.
privately owned and wealthy group	<p>We view privately owned and wealthy groups as:</p> <ul style="list-style-type: none"> • companies and their associated subsidiaries (often referred to as economic groups) with an annual turnover greater than \$10 million, that are not public groups or foreign owned • resident individuals who, together with their business associates, control net wealth over \$5 million.
public and multinational group	Public and multinational businesses include Australian public companies and foreign-owned entities or multinational groups.
public ruling/determination	The Commissioner's considered opinion on the way in which a relevant provision applies to taxpayers generally or a class of taxpayers. Any taxpayer covered by the ruling may rely on it and receive the associated protection.
self-managed superannuation fund (SMSF)	A complying superannuation fund with fewer than 5 members, who are individual trustees of the fund.
shadow economy	Economic activity not declared, which may be a result of attempts to avoid tax obligations. Previously known as the 'black economy'. Also known as the 'cash economy' or 'non-observed economy'.

small business	A business with less than \$10 million aggregated turnover in the previous financial year. Prior to 2016–17, the threshold was \$2 million.
Standard Business Reporting (SBR)	A standard approach to online or digital record-keeping that enables businesses to prepare and provide reports to government directly from their business software.
Standing Committee	A committee that conducts inquiries on behalf of the Australian Government into any matter referred to it by either the House or a minister, including any pre-legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or document.
super guarantee (SG)	The minimum level of superannuation contributions an employer must make for eligible employees.
sustained compliance	The estimated additional tax paid in later periods by taxpayers who continue to report correctly after an earlier ATO compliance activity addressed their reporting behaviour.
sustained lodgment compliance	The estimated additional tax paid in later periods by taxpayers who continue to lodge without intervention after an earlier ATO compliance activity addressed their lodgment behaviour.
system resilience	The estimated revenue protected by blocking, removing or disrupting fraudulent or unauthorised activity before it causes revenue loss or broader system harm.
tax assured	An estimate of the proportion of tax reported that we are highly confident is correct.
tax gap, also referred to as the net tax gap	An estimate of the difference between the tax the ATO expects to collect and the amount we would have collected if every taxpayer had fully complied with tax law. It comprises the assessment gap and the payment gap.
test case litigation program	Provides financial assistance to taxpayers who are litigating matters that will clarify the tax and superannuation laws we administer. By developing legal precedent, we seek to ensure we are providing the community with clear principles on how to apply the law.
total revenue effects	An estimate of the additional revenue collected, or incorrect payments reduced, as a result of ATO compliance activities. It includes revenue effects from lodgment actions, audits and incorrect claims stopped, prevention and sustained compliance, less significant refunds arising from disputes.
transfers	Administered expenses incurred by the ATO, including super guarantee, super co-contributions, and personal and business benefits and subsidies.
Vulnerability Framework	The ATO framework that sets out principles and approaches to support taxpayers experiencing vulnerability.

Abbreviations

AASB	Australian Accounting Standards Board	FCA	Federal Court of Australia
ABN	Australian business number	FCAFC	Federal Court of Australia Full Court
ABR	Australian Business Register	FMD	farm management deposits
ABRS	Australian Business Registry Services	FOI Act	<i>Freedom of Information Act 1982</i>
ABS	Australian Bureau of Statistics	FTC	fuel tax credits
ACLEI	Australian Commission for Law Enforcement Integrity	GST	goods and services tax
ACNC	Australian Charities and Not-for-profits Commission	HELP	Higher Education Loan Program
ADB	Asian Development Bank	HR	human resources
AFP	Australian Federal Police	ICT	information and communication technology
AI	artificial intelligence	IMF	International Monetary Fund
ANAO	Australian National Audit Office	IPS	Information Publication Scheme
APRA	Australian Prudential Regulation Authority	J5	Joint Chiefs of Global Tax Enforcement
APS	Australian Public Service	JITSIC	Joint International Taskforce on Shared Intelligence and Collaboration
APSC	Australian Public Service Commission	LCT	luxury car tax
ART	Administrative Review Tribunal	LGBTI+	lesbian, gay, bisexual, transgender and intersex people
ASIC	Australian Securities and Investments Commission	LISTO	low income superannuation tax offset
ATO	Australian Taxation Office	NACC	National Anti-Corruption Commission
AUSTRAC	Australian Transaction Reports and Analysis Centre	NDIS	National Disability Insurance Scheme
AWOTE	average weekly ordinary time earnings	NRAS	National Rental Affordability Scheme
BAS	business activity statement	NFP	not-for-profit
CALD	culturally and linguistically diverse	OAIC	Office of the Australian Information Commissioner
CATA	Commonwealth Association of Tax Administrators	OECD	Organisation for Economic Co-operation and Development
CBD	central business district	PAYG	pay as you go
CCD	Commonwealth Climate Disclosure	PBS	Portfolio Budget Statements
CDDA	Compensation for Detriment caused by Defective Administration	PEO	principal executive office
CFP	Counter Fraud Program	PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
COVID-19	coronavirus disease 2019	PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
DFAT	Department of Foreign Affairs and Trade	PHIR	private health insurance rebate
director ID	director identification number	PID Act	<i>Public Interest Disclosure Act 2013</i>
DISR	Department of Industry, Science and Resources	PS Act	<i>Public Service Act 1999</i>
EL	executive level	PSO	Product Stewardship for Oil
FBT	fringe benefits tax	R&DTI	Research and Development Tax Incentive
		RAP	Reconciliation Action Plan

RMG	Resource Management Guide – Regulator Performance (RMG 128)
SAITE	self-assessing income tax exemption
SFCT	Serious Financial Crime Taskforce
SBR	Standard Business Reporting
SES	senior executive service
SGATAR	Study Group on Asia-Pacific Tax Administration and Research
SMSF	self-managed superannuation fund
SOE	Statement of Expectations
SOI	Statement of Intent
STP	Single Touch Payroll
TFTC	Taskforce for Tax and Other Crimes
TAA	<i>Taxation Administration Act 1953</i>
TASA	<i>Tax Agent Services Act 2009</i>
TFN	tax file number
TPB	Tax Practitioners Board
TS-PA	Top Secret–Privileged Access
USM	unclaimed superannuation money
WET	wine equalisation tax
WHS Act	<i>Work Health and Safety Act 2011</i>

Key resources

Our key resources for 2025–26 include:

- Australian Business Register
- Australian Charities and Not-for-profits Commission annual report
- Australian tax gaps – overview
- Australian Taxation Office corporate plan 2026–27
- ATO online services
- ATO Strategy 2026–30
- Business bulletins newsroom
- Commissioner’s remedial power
- Complaints, compliments and feedback
- Corporate tax measures and assurance
- Decision impact statements
- Diversity
- 2024 Diversity and inclusion strategy
- eInvoicing
- Essentials to strengthen your small business
- Financial difficulties, disasters and vulnerability support
- Fuel schemes
- GST administration annual performance report
- Help with paying
- How we use data and analytics
- JobKeeper Payment
- Large business
- 2024 Multicultural access and equity action plan
- myDeductions
- Not-for-profit newsroom
- Our Charter
- Our service commitments
- Our performance evolution
- Payday Super
- Reconciliation Action Plan July 2024 – June 2027
- Register of Foreign Ownership of Australian Assets
- Scams, cyber safety and identity protection
- Self-help services
- Shadow economy
- Single Touch Payroll
- Small business newsroom
- Small Business Superannuation Clearing House
- Software developers
- Super Fund Lookup
- Super health check
- SuperStream
- Supporting your small business
- Tax assured
- Tax gap
- Tax Practitioners Board annual report
- Tax professionals newsroom
- Tax support
- Test Case Litigation
- Total revenue effects
- Use of powers
- YourSuper comparison tool.

For more information on these products, plans, tools and services, visit ato.gov.au.

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