



Australian Government
Australian Taxation Office

GST administration annual performance report

2024–25



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Acknowledgement 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 peoples have to Country, culture, community and the important role this plays in us all walking together as Australians.

We value the contribution Aboriginal and Torres Strait Islander peoples make to our organisation and the broader tax, superannuation and registry systems.

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Deputy Commissioner's review

On behalf of the Commissioner of Taxation, I am pleased to present the *GST administration annual performance report 2024–25*.

This report outlines our results, challenges and strategic focuses on administering the GST system. Our key outcomes and performance highlights for 2024–25 as shown in Figure 1.1 include:

- \$90.2 billion raised in GST revenue, including \$5.6 billion by the Department of Home Affairs. This was 6.2% (or \$5.3 billion) higher than last year and 1.0% (or \$0.9 billion) higher than the May 2025 Budget estimate of \$89.3 billion.
- \$3.8 billion liabilities raised from ATO compliance activities. This includes \$2.2 billion raised through the GST Compliance Program, exceeding the program's planned commitment of \$959 million by \$1.2 billion (or 125%).
- the latest net GST gap was estimated at 9.4%, indicating that 90.6% of expected GST revenue was collected, primarily through voluntary compliance.

We advanced our purpose of supporting Australia's economic and social wellbeing by fostering willing participation in the tax, superannuation, and registry systems. We continued our commitment to maintaining a fair, efficient, and transparent GST system amid evolving economic and digital landscapes.

Our key activities and strategic focus areas were refreshed including:

- enhanced debt collection
- counter-fraud measures
- cybersecurity
- digital transformation.

We manage our enterprise risks through key focus areas to address risk events and behaviours as they arise through targeted tactical interventions.

Our Three Tier Models (3TMs) continues to mature, providing a structured framework for understanding client behaviours and managing tax risks holistically. We are using our 3TMs to identify the drivers of new and emerging risks across all 5 pillars of compliance:

- registration
- lodgment
- correct reporting
- payment
- third party reporting.

Looking forward

In 2025–26 we will continue to strengthen payment performance and debt collection, delivering tailored support mechanisms that foster on-time payment behaviour, improve compliance and help prevent future debt.

We will continue to invest in data and digital capabilities to enhance our counter-fraud measures. Advancements in technology and detection will reinforce our focus on prevention first, with clear and direct consequences for repeat or deliberate non-compliance.

We will also maintain our focus on properly differentiating those taxpayers who may be experiencing vulnerability, from those who are deliberately non-compliant. Our new vulnerability capability will strengthen the way we support people with targeted and effective support options.

Support will be provided to taxpayers who work with us where they experience difficulties in meeting their obligations. To prevent future debt, we will build on improvements through our ATO Payment Strategy.

We continue to uplift data and artificial intelligence (AI) literacy for all staff and will focus on expanding our use of automation and AI to increase operational efficiency. Building on our strong foundations for digital transformation, we will continue to consult and collaborate as we implement a streamlined, digitalised tax experience. We will use administrative opportunities that leverage technological advancement and data driven insights to:

- reduce the cost and compliance burden
- prevent debt
- enable taxpayers to have greater certainty in meeting their tax obligations correctly from the start.

Lastly, to the representatives from Treasury and the states and territories on the GST Administration Sub-Committee and the GST Policy and Administration Sub-group, thank you. I look forward to a future fostered by your ongoing support and advice.



Hector Thompson

Deputy Commissioner of Taxation

Figure 1.1: GST 2024–25 outcomes



Note: The related chapters provide further information regarding these outcomes and prior year's results.

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1 GST administration

Unless stated otherwise, results against the GST Administration Performance Agreement are from 1 July 2024 to 30 June 2025. Some figures have been rounded throughout the report, so totals in tables may differ from the sum of its components.

Key performance indicators

Table 1.1: GST gap (%)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Net gap	4.5	6.4	9.1	9.4	n/a
Gross gap	8.4	14.4	12.7	12.5	n/a

Note: Results are not available for the 2024–25 year.

Table 1.2: Ratio of collectable debt to GST revenue (%)

Type of collection	2020–21	2021–22	2022–23	2023–24	2024–25
Accrual method	12.1	13.6	15.0	14.9	14.4
Cash method	12.0	14.1	15.8	15.6	15.0

Table 1.3: Strike rate of audit activities (%)

Client experience	2020-21	2021-22	2022-23	2023-24	2024-25
Small business	87	95	83	73	77
Privately owned and wealthy groups	66	62	56	53	57
Public and multinational businesses	75	53	56	55	49
Not-for-profit	81	35	47	54	44
Other	85	92	92	88	70
Overall	86	94	84	73	75

Table 1.4: Other measures

Measure	2020-21	2021-22	2022-23	2023-24	2024-25
GST collection costs as a percentage of GST revenue (%)	0.71	0.87	0.78	0.70	0.73
Tourist Refund Scheme (TRS) claims rejected (no.)	780	2,157	8,416	10,457	10,197
GST Compliance Program (Schedule D) return on investment (ratio)	11.3:1	30.1:1	23.5:1	12.9:1	17.1:1

Performance reports

Using this report

Schedule	Location in this report
GST Administration Performance Agreement	These outcomes are presented throughout the report
Schedule A – Performance outcome measures	Schedule A – the performance measure reference is identified in the note below each table. You can find a particular result using the search function with the performance measures details, for example, '2c'
Schedule B – GST Budget and administration activities	GST administration expenditure chapter
Schedule C – Monitoring and review arrangements	Monitoring and review chapter (including reporting responsibilities and ad hoc report information)
Schedule D – 2023–24 Budget Measure: GST Compliance Program – four-year extension	GST Compliance Program chapter

Performance outcomes

The ATO is accountable for GST administration and collecting GST revenue effectively. This includes optimising voluntary compliance by effectively and efficiently managing the administrative and compliance risks by committing to:

- cost-effectiveness and transparency
- enhancement through digital transformation
- cooperative relationships.

Our commitment and practices continue to ensure our results against the agreed Schedule A measures in the following categories:

- Maintain compliance
- Client engagement outcomes
- Cost-effective administration.

Our governance arrangements, outlined below, provide transparency of our accountability to states and territories.

We use data, research and engagement to plan future compliance enhancements and prevent disputes. Our analytic tools access the wealth of data we hold to support those who want to comply and make it harder for those who chose not to.

We maintain and further enhance cooperative relationships with key stakeholders, in particular:

- states and territories
- Treasury
- Department of Home Affairs (including Australian Border Force).

We work collaboratively with the Treasury to manage our working relationship with the states and territories, enabling us to:

- consult more effectively
- inform them of GST risks and issues
- improve outcomes.

The GST Stewardship Group

By using the knowledge, experience and perspectives of the members of the GST Stewardship Group we aim to improve our administration. Co-chaired by the Deputy Commissioner International, Support and Programs, it includes representatives with a strong background in GST law and administration from:

- business and industry
- professional associations
- academia
- Commonwealth, state and territory treasuries.

Community satisfaction

We conduct research to measure the levels of trust the general Australian community has in the way the ATO administers the tax, superannuation and registry systems. For the 2024–25 trust metric we achieved the same result as last year, 63 out of 100.

Separate research measured the level of service satisfaction clients had regarding their recent interaction with the ATO, either acceptable or excellent. The 2024–25 result for overall client service satisfaction was 71%, a slight drop from the 2023–24 results.

The service satisfaction result for clients who recently interacted with us about GST was 81%, 3 percentage points below the 2023–24 result.

Monitoring and review arrangements

Governance arrangements

The GST Program branch provides leadership, governance and assurance to ensure we deliver on our performance agreement. This includes a focus on the whole-of-GST product risk, strategy, capability and resource management.

The Deputy Commissioner, International, Support and Programs is the GST Product Owner and is responsible for the administration of the GST product. As the GST Leadership Group chair, they also oversee the highest level of GST product committee governance incorporating strategic direction, effectiveness, efficiency and sustainability.

Other committee members include Deputy Commissioners involved in administering the GST product and Assistant Commissioners from GST Program and ATO Finance.

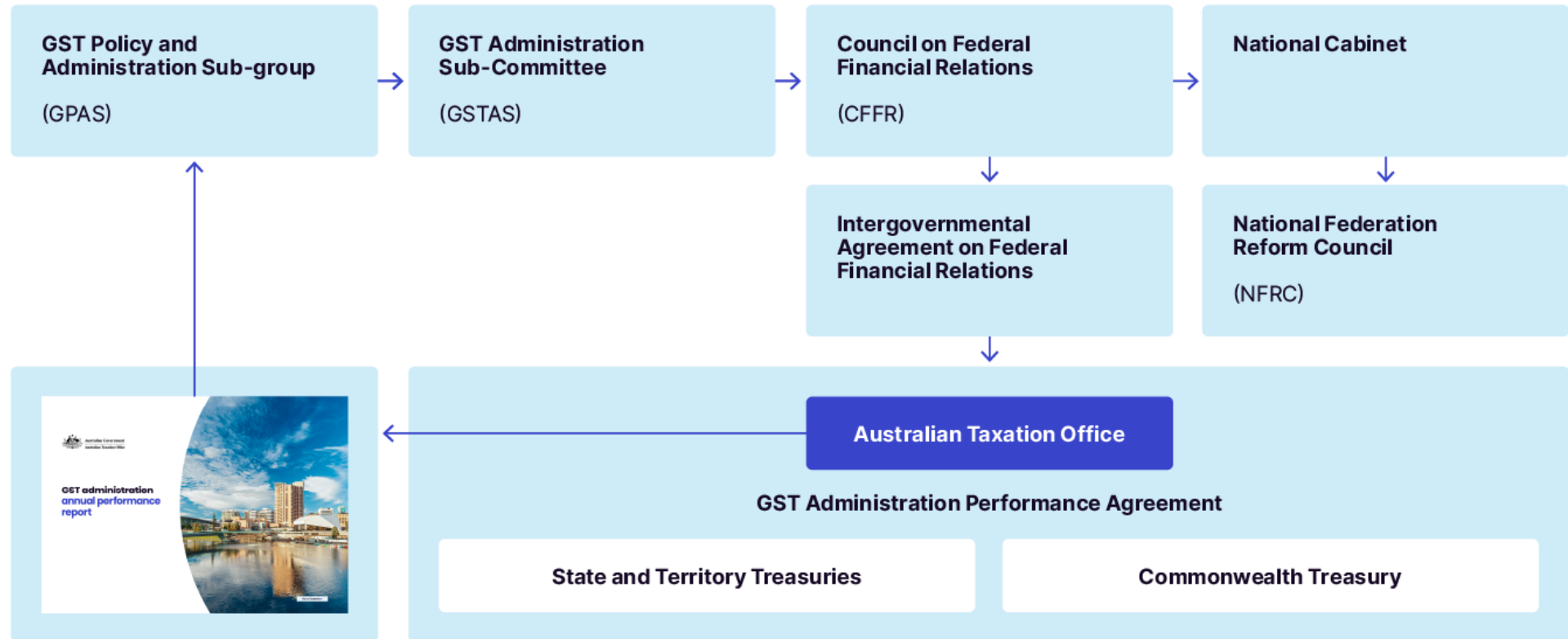
The accountability mechanisms and forums depicted in the framework in Figure 1.2 show our quarterly reports of agreed performance outcomes.

We report through governance forums, escalating to the Council on Federal Financial Relations (CFFR).

Audit arrangements

The Australian National Audit Office conduct an annual special purpose audit of GST costs and the systems for control of GST costs for the ATO. We provide a copy of the audit report to GST Administration Sub-Committee (through GST Policy and Administration Sub-group).

Figure 1.2 Accountability framework



2 GST revenue performance

We collect GST revenue effectively and efficiently with projections based on Treasury estimates, ensuring revenue outcomes are in line with the economic environment.

Revenue collection

In 2024–25, net GST cash collections (excluding non-general interest charge (GIC) penalties) were \$90.2 billion, including net Department of Home Affairs collections of \$5.6 billion.

The 2024–25 cash outcome was 6.2% (or \$5.3 billion) higher than in 2023–24, reflecting growth in consumption subject to GST over the year. However, this growth was higher than expected, resulting in cash collections being:

- 3.0% (or \$2.6 billion) above the estimate for 2024–25 of \$87.6 billion published in the 2024–25 Budget
- 1.0% (or \$0.9 billion) above the estimate for 2024–25 of \$89.3 billion, published in the 2025–26 Budget.

While net GST cash collections were \$90.2 billion, net GST accrued on a tax liability method (TLM) was \$93.4 billion. TLM is defined as being the earlier of the cash payment being received or the associated liability being recognised. The difference between net GST accruals and cash collections of \$3.2 billion, largely reflects increasing debt.

The estimated total statement outcome for June 2024 to May 2025 business activity statements (BAS) due in 2024–25 was \$82.8 billion, \$4.0 billion higher than the corresponding period in 2023–24. This is mainly due to strength in the financial and insurance services, professional, scientific and technical services and construction sectors.

Table 2.1: Revenue outcome (\$ million)

GST revenue	2020–21	2021–22	2022–23	2023–24	2024–25
Total GST accrual	72,606	76,001	85,295	88,126	93,370
Total GST cash	73,073	73,581	81,332	84,918	90,192
Net Home Affairs GST cash	4,774	5,692	5,683	5,337	5,582

Note: GST Performance Agreement Schedule A 1a. The total GST revenue amount excludes non-GIC penalties.

Measurement and effectiveness

The ATO uses a suite of measures to provide insights into the health and operation of the GST system and the effect of our actions. These performance measures include:

- GST gap
- voluntary compliance ratio (VCR)
- total revenue effects (TRE)
- GST assured.

Three of our performance measures (GST gap, VCR and GST assured) are 'lag indicators' that tell us about past performance. We supplement these with the TRE, which measures our current impact on tax collection.

GST gap

The GST gap estimates the difference between GST collected and the amount we would have collected if all taxpayers were fully compliant with tax law (theoretical GST).

There are 2 types of GST gap:

1. Gross GST gap – the gap before the impact of our engagement
2. Net GST gap – the gap after our engagement.

The latest estimates indicate an increase in the estimated net tax gap to \$8.7 billion in 2023–24 (9.4% of theoretical GST) up from \$8.1 billion (9.1%) in 2022–23.

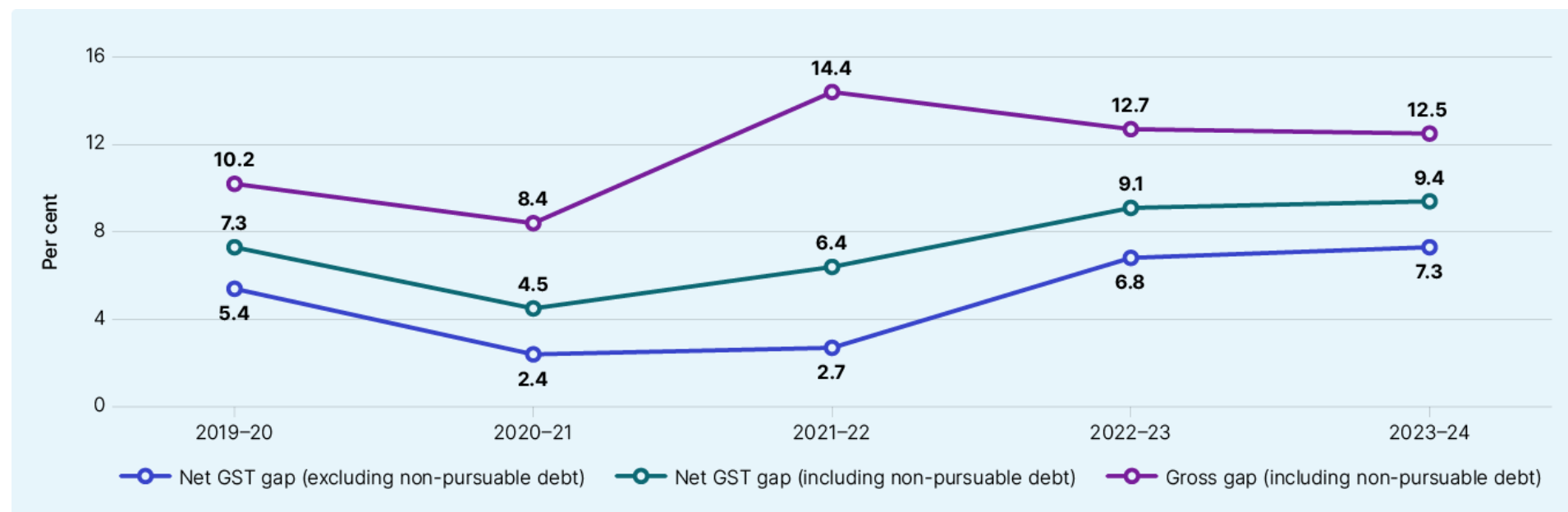
After 2 exceptionally strong years due to the economy rebounding from COVID–19, growth in the estimated GST base moderated in 2023–24 to around 4.2%. This was broadly similar to growth in reported GST liabilities (3.6%) and expected GST collections (3.9%).

The net gap estimates incorporate our best current estimates of debt appropriate for the GST gap. This debt is comprised of estimates of mature non-pursuable debt and debt associated with Operation Protego. As the debt associated with the fraud addressed by Operation Protego is unlikely to ever be paid it has been appropriately included in the gap estimates.

The estimated gross gap is measured before the impact of our compliance activities are considered. The gross gap is estimated to have risen from \$11.3 billion in 2022–23 to \$11.6 billion in 2023–24. As a share of the estimated GST base, the gross gap was 12.5% in 2023–24, down from 12.7% in 2022–23.

A decline in amendments associated with the type of fraud addressed by Operation Protego has been a moderating influence on the gross gap estimates over both 2022–23 and 2023–24. The underlying level of amendments for recent years appears to have returned to pre 2019–20 levels.

Figure 2.1 Estimated gross and net GST gap (%)



Note: GST Performance Agreement Schedule A 2b-c.

Table 2.2: Estimated net GST gap (value \$ billion)

Type of measure	2019-20	2020-21	2021-22	2022-23	2023-24
Excluding non-pursuable debt	3.7	1.8	2.2	6.1	6.8
Including non-pursuable debt	5.0	3.3	5.1	8.1	8.7

Note: GST Performance Agreement Schedule A 2a.

ATO action to reduce the GST gap

Addressing and influencing taxpayer behaviour to maximise voluntary compliance and minimise GST gap remains a priority.

Taxpayer actions which impact the GST gap continue to range in severity from honest reporting errors to deliberate non-compliance, and include:

- non-reporting of GST
- under-reporting of GST
- over-claiming of refunds including fraudulent claims
- non-payment of GST liabilities.

Our compliance programs target higher-risk industries and taxpayers to provide a balance of prevention, early engagement and assurance activities.

Our focus remains on managing GST compliance risks and behaviours impacting the integrity of the GST. Contemporary technology continues to strengthen our ability to manage GST risks including fraud by:

- improving our risk identification process with earlier detection techniques, enabling us to apply differentiated and tailored treatment strategies
- delivering an automated solution to streamline processes related to managing high-risk refunds
- providing staff with a more holistic view of GST lodgment to support a better client experience when engaging with taxpayers.

Where a BAS lodged online contains an identifiable or likely reporting error, nudge messaging recommending taxpayers check their BAS before lodging their refund is generated.

Previously, legal constraints required GST refunds be processed in 14 days with the expectation that most ATO compliance activity would occur after payment of the refund. Recent legislative changes extended this to 30 days which allows us more time to detect and investigate potential fraud before issuing the refund.

We are committed to helping small businesses to register for GST when required and report their GST transactions accurately. In 2024–25 we commenced work to connect with and help ride-sourcing drivers register for GST and meet their lodgment and payment obligations. These initiatives will continue as part of our ‘helping small businesses get it right’ focus.

We are also being transparent where we are concerned that small businesses are getting it wrong, being opportunistic or deliberate on an ongoing basis. We want to help small businesses set up good habits to get it right and stay on track. This included moving them from reporting quarterly to monthly to embed good business practices and help meet their obligations.

To ensure large businesses pay the right amount of GST and to reduce the gap, we have a combination of one-to-one and one-to-many approaches. These include our justified trust assurance programs and advice and guidance strategies.

From 2024–25, we introduced the supplementary annual GST return for large businesses that received a GST assurance rating through a GST assurance review. With an ongoing GST compliance focus, the annual return information will enable many taxpayers a more tailored and less resource intensive investment for justified trust reviews.

We prevent compliance issues before they arise, by supporting those who want to do the right thing and helping them reduce mistakes through:

- reminders
- nudges
- improved information on our website
- public advice and guidance.

At the same time, we take a firmer approach with those we detect deliberately evading their GST and other tax obligations.

We will continue to work towards closing the gap by:

- building trust and confidence within the community by implementing strategies under the GST Compliance Program
- achieving GST compliance outcomes from other ATO government funded programs, including the [Shadow Economy Advisory Forum](#), [Serious Financial Crime Taskforce](#), [Phoenix Taskforce](#).

[Australian tax gaps – overview](#) provides further information on the concept of tax gaps, including why and how we measure them, and a summary of the latest available tax gap data.

GST voluntary compliance ratio

The GST VCR complements the GST gap by measuring the proportion of taxpayers fully compliant with the OECD's traditional 4 pillars of compliance – registration, lodgment, reporting and payment. For a taxpayer to be deemed fully compliant they must:

- be correctly registered
- lodge by the due date
- report the correct amount of GST
- pay the correct amount on time.

The proportion of taxpayers voluntarily complying with their obligations and the value of GST remitted voluntarily are important indicators of the health of the GST system and community confidence.

The GST VCR is measured at 2 levels:

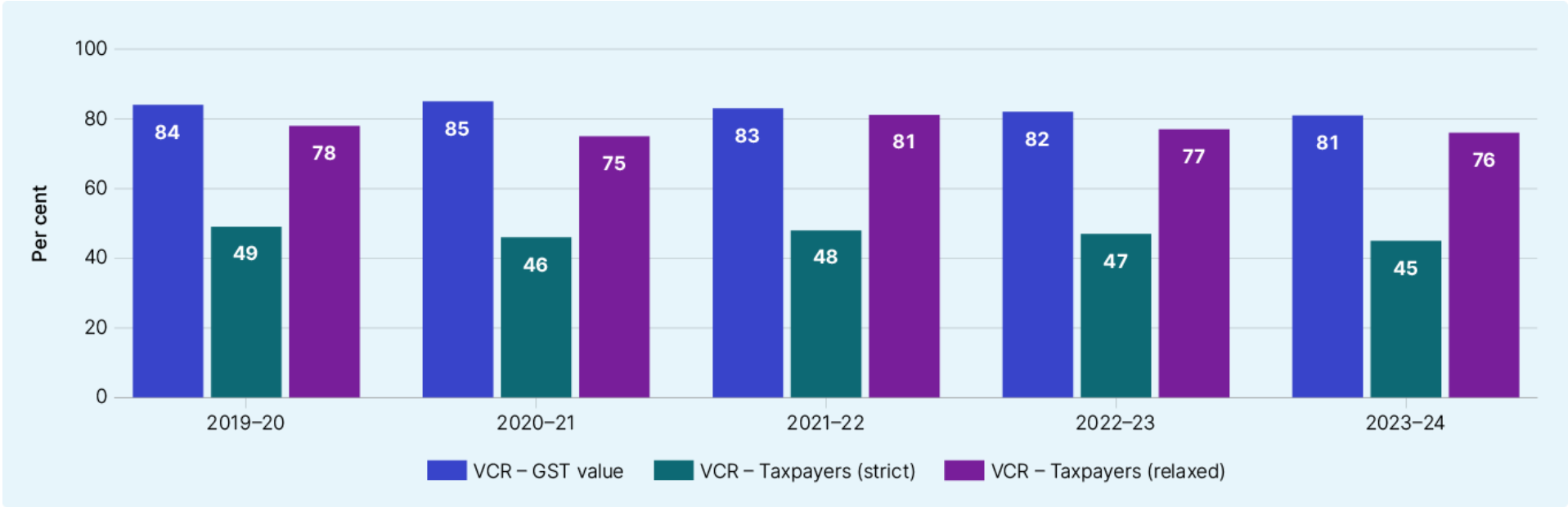
- Taxpayer level – the number of taxpayers who completely meet all their obligations for the financial year.
- GST value level – the amount of GST that is voluntarily remitted in accordance with the law for the financial year.

Using our strict definition of compliance (which treats even minor unintentional late payments or lodgments as non-compliance), we estimate the VCR for 2023–24 at 45%, down 2% from 2022–23. We continued to see improvements in lodgment compliance in 2023–24, however, it was offset by the increase in the GST gap value. An increased GST gap value results from a reduced number of taxpayers reporting the correct amount of GST.

To account for minor unintentional late payments or lodgments, the relaxed definition adjusts for taxpayers with no total business income or those with one late lodgment or payment. This measure equalled 76% which is consistent with the prior years.

The VCR by GST value equalled 81%. This is higher than the taxpayer level estimate due to the relatively high level of GST compliance from Australia's largest taxpayers.

Figure 2.2: VCR by GST value and taxpayers



Note: GST Performance Agreement Schedule A 6a-b.

GST total revenue effects

GST total revenue effects (TRE) is a measure of the additional tax revenue collected through the ATO's compliance activities. These activities include audits, lodgment enforcement and preventative actions, all designed to ensure taxpayers meet their obligations and pay the correct amount of tax.

As shown in Table 2.3, 2024–25 TRE from all activities totalled \$3.9 billion (excluding penalties and interest). Table 2.4 shows TRE including penalties and interests totalling \$4.1 billion for 2024–25.

Audit actions and incorrect claims stopped

Our target areas of risk across the GST system cover all taxpayer market segments. We continue to focus our compliance efforts on individuals and entities that present a risk by intentionally doing the wrong thing.

Our ongoing investment in data, digital, and fraud prevention capabilities underpins the activities we undertake, including:

- stopping refunds from issuing due to fraudulent, incomplete or incorrect returns
- changing compliance behaviour through claims verification and education, so individuals and small businesses find it easier to comply correctly
- ensuring multinational and large taxpayers pay the right amount.

The estimated revenue effects attributed to our audit actions and incorrect claims stopped in 2024–25 is \$1.9 billion (excluding penalties and interest).

Lodgment actions and sustained lodgment

The 2024–25 lodgment program included a strong focus on GST compliance, the shadow economy and illegal phoenix activity. Lodgment activities include a mix of SMS, letters, telephony and firmer actions such as failure to lodge penalties and prosecution referrals.

In 2024–25, lodgment-related activities contributed \$930 million (excluding penalties and interest) in TRE. Sustained lodgment compliance following action contributed \$425 million (excluding penalties and interest) in TRE, up from \$364 million in 2023–24. This is consistent with improved lodge on time results and suggests that more taxpayers are not only increasingly lodging, but also paying on time.

Prevention and sustained compliance

Our prevention TRE estimate primarily relates to system-based nudges (called prompts) that occur in real time when a taxpayer is lodging their activity statements. We can estimate the impact the prompt has on the taxpayers' compliance behaviour based on whether an adjustment is made following the prompt.

For 2024–25, our estimates for prevention and sustained compliance were \$670 million (excluding penalties and interest) in TRE.

Future improvements

We use longstanding methodologies to estimate TRE lodgment and debt collections. While these methods are reliable, we are aligning future methodology with OECD guidance which discounts the revenue we count based on the likelihood that the taxpayer may lodge outstanding returns or pay debts without ATO interaction. We expect to implement this new approach from 2025–26 onwards.

For more information, see [Total revenue effects](#).

Table 2.3: GST total revenue effects – excluding penalties and interest (\$ million)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
Audit actions and incorrect claims stopped	1,132	3,389	2,089	1,577	1,891
Lodgment actions	702	1,025	962	889	930
Preventative actions and sustained compliance	426	390	398	319	670
Sustained lodgment compliance	370	224	346	364	425
Total	2,631	5,028	3,795	3,148	3,917

Note: GST Performance Agreement Schedule A 5a.

Table 2.4: GST total revenue effects – including penalties and interest (\$ million)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
Audit actions and incorrect claims stopped	1,157	3,451	2,202	1,592	1,902
Lodgment actions	727	1,052	1,033	955	1,055
Preventative actions and sustained compliance	426	390	398	319	670
Sustained lodgment compliance	370	224	346	364	425
Total	2,679	5,117	3,979	3,230	4,053

Note: The 2024–25 result includes around \$586 million in GST collections, with \$157 million of voluntary disclosures from large businesses.

Table 2.5: GST total liabilities raised – excluding penalties and interest (\$ million)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
Liabilities raised through active compliance	2,339	5,407	4,829	2,958	3,839
Preventative actions and sustained compliance	426	390	398	319	670
Sustained lodgment compliance	370	224	346	364	425
Total liabilities raised	3,135	6,020	5,573	3,641	4,935

Note: GST Performance Agreement Schedule A 5a. Liabilities raised include preventative actions in Table 2.3.

Table 2.6: GST total liabilities raised – including penalties and interest (\$ million)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
Liabilities raised through active compliance	2,798	5,806	5,384	3,481	4,776
Preventative actions and sustained compliance	426	390	398	319	670
Sustained lodgment compliance	370	224	346	364	425
Total liabilities raised	3,594	6,419	6,128	4,163	5,871

Note: Liabilities raised include preventative actions in Table 2.3. The 2024–25 result includes around \$712 million in GST liabilities, with \$252 million of voluntary disclosures from large businesses.

GST assured

GST assured is an estimate of the proportion of tax that we are confident is correct.

Tax assured is based on the concept of 'justified trust'. GST is assured when, justified trust is achieved and where we have defensible evidence that reporting of GST is complete and accurate.

We collect data to assure tax from a range of direct and indirect sources. We often engage directly with taxpayers (particularly larger businesses) to verify the information they report to us. Most of these engagements are carried out under our justified trust program. Where we cannot gather information to assure tax, we rely on our broader risk management approaches to provide us with confidence over the rest of the total tax reported.

GST results are primarily driven by public and multinational businesses, due to their economic size. For most years, public and multinational businesses account for over 99% of the total GST assured amount in Table 2.7. In 2022–23, there was approximately \$7.96 billion of GST assured, approximately 10.3% of the net GST BAS income of \$77.0 billion.

It is not practical to assure all tax is correctly reported, and our tax assured estimates will always be lower than the real amount of tax that is correctly reported.

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

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

Table 2.7: Tax assured – proportion of GST base where we have justified trust that the amount of GST is correct

Results	2020–21	2021–22	2022–23
GST assured (\$ million)	8,366	9,876	7,961
Net GST BAS outcome (\$ million)	67,387	71,120	77,048
Percentage assured (%)	12.4	13.9	10.3

Note: GST Performance Agreement Schedule A 6c.

3 GST administration expenditure

The ATO administers the GST on behalf of the Commonwealth, states and territories.
The states and territories then reimburse the Commonwealth for our cost of administering GST.

Our obligations to the states and territories are set out in the [GST Administration Performance Agreement](#) between ATO and Council on Federal Financial Relations (as in the [Intergovernmental Agreement on Federal Financial Relations](#)).

The cost of administering GST is calculated by using our Strategic Costing Framework (SCF). This is a cost attribution model consistent with the Australian Government's accrual-based outcomes and programs costing framework. It calculates the proportion of our total operating expenses that relate to GST administration activities on a full-cost basis.

GST administration costs are monitored throughout the year, with oversight provided by our GST Leadership Group. The GST costs are endorsed by the Chief Finance Officer and subject to an annual independent audit by the Australian National Audit Office (ANAO). Costs are reported against the Program Framework Deliverables set out in Schedule B of the GST Administration Performance Agreement.

We prepare a Schedule B estimate for consideration by the states and territories ahead of each financial year. Once agreed, the estimate serves as the initial intended cost of GST administration for the upcoming financial

year. The SCF maps GST activities to program deliverables to capture the direct costs to administer the GST. The percentage of direct costs is applied to the ATO's indirect costs to calculate the GST portion of indirect costs. The direct and indirect costs are then added together to derive the full cost of administering the GST.

The Schedule B estimate is calculated before the financial year commences and before our final budget for the financial year is settled. As such, there is an expected difference between the endorsed Schedule B estimate and eventual actual costs.

The full year actual cost for 2024–25 was \$674.4 million, an increase of 9.2% from 2023–24 and \$34.6 million (or 4.9%) below the agreed Schedule B estimate.

Our 2024–25 direct GST costs aligned with the Schedule B estimate. The increase over 2023–24 costs was due to full resourcing of staffing and the impact of pay rises.

Indirect costs increased due to the flow on impact from changes to direct costs, causing changes in the assumptions used to calculate the Schedule B estimate.

Table 3.1: Variation of GST administration costs from agreed budget (%)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Variation	-13.4	-3.4	-3.5	-14.1	-4.9

Note: GST Performance Agreement Schedule A 9a. This measure reflects the percentage that the actual GST product cost varies from the agreed budget, as specified in Schedule B. It is reported retrospectively.

Schedule B: GST budget and administration activities

Table 3.2 addresses our performance in relation to [Schedule B](#). The GST administration cost statement is a special purpose financial report prepared using statements of accounting concepts and on an accrual basis.

Table 3.2 Framework deliverables (\$ million)

Number	Category	2024–25 actual	2024–25 Schedule B	2025–26 endorsed estimate
1.1.1	Policy advice forecasting	4.0	4.3	4.2
1.1.2	Design and build administrative solutions	49.1	45.3	48.0
1.1.3	Input into law design	0.5	0.9	1.2
1.1.5	Law assurance	1.0	0.7	0.8
1.1.6–1.1.7	Cross-agency support and government and stakeholder relations	2.9	1.5	1.7
1.2.1	Registration	27.7	24.3	37.7
1.2.2	Processing and accounts	13.1	17.3	17.3
1.2.3	Customer service	28.2	42.1	39.5
1.2.4	Manage payment and debt	73.3	122.6	73.5
1.2.5	Interpretative assistance	26.2	26.6	27.9
1.3.1	Marketing and communications	13.2	11.8	11.8
1.3.4	Client engagement/Improving compliance in the tax and super system (ATO)	279.4	266.9	297.4
1.3.4	Client engagement/Improving compliance in the tax and super system (Home Affairs)	59.2	59.8	60.1
1.3.5	Compliance intelligence and risk management	41.8	38.9	38.1
1.5.1	Resolve disputes	41.1	26.2	28.6
1.5.2	Prevent disputes	2.3	2.0	2.2
Program 2	Tax Practitioners Board	4.4	2.2	3.1
Program 3	Australian Business Register	7.1	15.5	0.0
Total	n/a	674.4	709.0	693.0

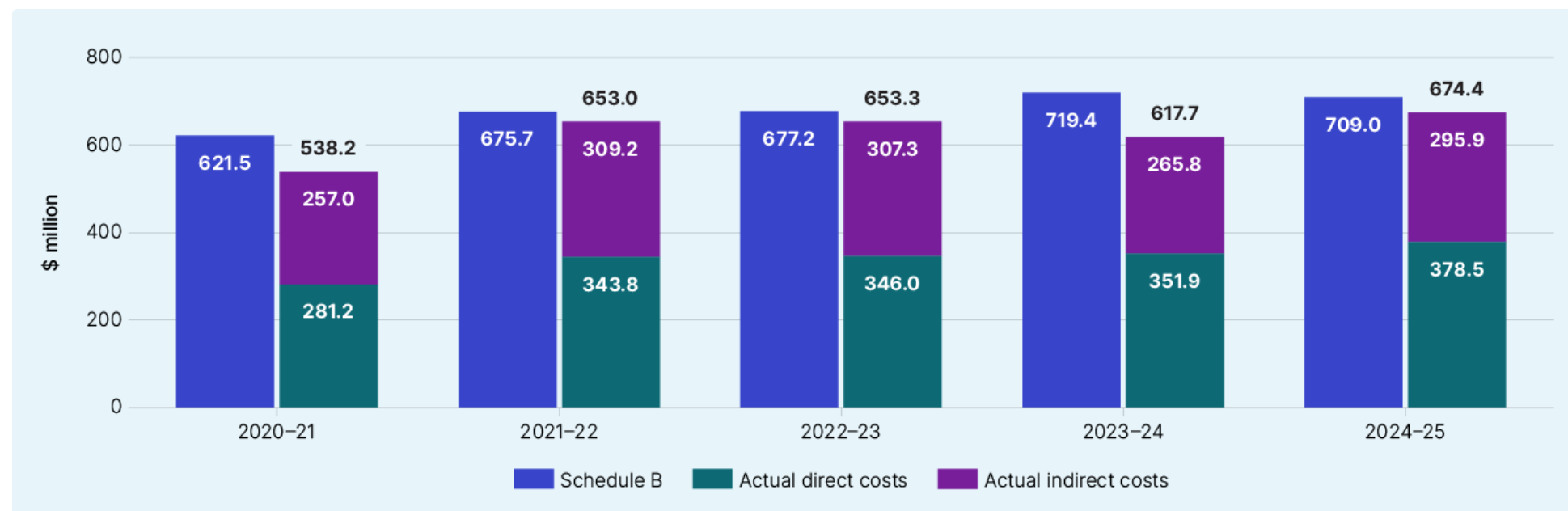
Note: From 2025–26, Program 3 will be incorporated into 1.2.1 Registration and 1.3.4 Client engagement will become 'Improving Compliance in the tax and super system'.

Figure 3.1: Framework deliverables 2024–25



Note: *Tax Practitioners Board and Australian Business Register.

Figure 3.2: GST administration costs



Cost of collection

The cost of collection measures the cost of collecting every \$100 of GST and is often used as a broad measure of a tax administration's efficiency and effectiveness. Movements in the ratio from year-to-year may reflect variations in efficiency and effectiveness, however the ratio can also be influenced significantly by factors such as:

- fluctuations in tax revenues due to economic factors
- new expenditure programs that are non-discretionary or that may have a medium- or longer-term impact on efficiency and effectiveness (for example investment in new technology).

For these reasons, variations in the cost of collection ratio from year-to-year need to be assessed carefully.

The cost to collect \$100 of GST increased from \$0.70 in 2023-24 to \$0.73 in 2024-25. The 4% increase in this ratio is due to:

- a 9% increase in GST administration costs due to convergence to full resourcing plans, pay rises and the flow on impact to indirect costs
- a 6% increase in GST revenue.

Table 3.3: Cost as a percentage of GST revenue (%)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Cost of collection as a percentage of revenue	0.71	0.87	0.78	0.70	0.73

Note: GST Performance Agreement Schedule A 8a.

Table 3.4: Cost per registrant (\$)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Cost per registrant	176	201	197	181	192

Note: GST Performance Agreement Schedule A 8b. The calculation is based on total administration costs divided by the total active GST registrants.

Table 3.5: Costs as a percentage of total administration costs (%)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
Total client engagement costs	57.8	59.7	60.3	56.0	56.4

Note: GST Performance Agreement Schedule A 9b. The percentage is calculated as compliance costs divided by total GST administration costs. GST Compliance Program costs only include operating funding.

Table 3.6: Costs as a percentage of total administration costs (%)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
GST Compliance Program operating funding	21.5	18.0	17.7	23.8	21.9

Note: GST Performance Agreement Schedule A 9b. The percentage is calculated as compliance costs divided by total GST administration costs. GST Compliance Program costs only include operating funding. The GST Compliance Program operating funding is included in the total client engagement costs.

4 GST compliance

We continue to enhance the management and oversight of the GST system, with an emphasis on identifying and addressing system vulnerabilities, non-compliance and emerging threats.

Registrations

GST registration is the front door to the GST system. In assisting taxpayers to correctly register for GST, we enable them to both enter and exit the GST system as required.

The number of registrations has increased in 2024–25 to over 3.5 million including 447,000 new registrants.

To maintain the integrity of the GST population we contacted taxpayers to confirm they were correctly registered and operating as an enterprise for GST purposes. This program resulted in 16,800 registration cancellations in 2024–25.

Table 4.1: GST registrations

Type	2020–21	2021–22	2022–23	2023–24	2024–25
Total GST registrants	3,080,000	3,250,000	3,320,000	3,420,000	3,514,000
• Active registrants	n/a	3,164,000	3,233,000	3,329,000	3,422,000
• Non-reporting registrants	n/a	86,000	87,000	91,000	92,000
New registrations	409,000	496,000	445,000	436,000	447,000
Cancelled registrations	253,000	294,000	363,000	331,000	332,000

Note: Non-reporting registrants occur where one member of a GST group manages the affairs of the group and is responsible for accounting for the GST transactions of the whole group. Each group member must be individually registered for GST to form part of the GST group. This group is included in the total number of GST registrations.

Table 4.2: Compulsory GST registrations compared to potential GST registrations (%)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Compulsory GST registrations compared to potential GST registrations	97.2	96.9	97.2	97.3	96.9

Note: GST Performance Agreement Schedule A 5e.

Table 4.3: Total registered client base by client experience (million)

Client experience	2020–21	2021–22	2022–23	2023–24	2024–25
Small business	2.40	2.51	2.55	2.61	2.69
Privately owned and wealthy groups	0.40	0.47	0.48	0.51	0.53
Public and multinational businesses	0.08	0.08	0.08	0.09	0.09
Not-for-profit	0.07	0.07	0.08	0.08	0.07
Other	0.12	0.13	0.12	0.13	0.13
Total registered client base	3.08	3.25	3.32	3.42	3.51

Note: GST Performance Agreement Schedule A 8c.

Table 4.4: Australian Business Registry Services (ABRS) registrations (%)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Australian resident ABRS registrations finalised in 20 business days	99	99	98	99	99

Note: GST Performance Agreement Schedule A 9g. The taxpayer charter standard of 93% target applies. A change in methodology from April 2025 has enabled more up-to-date reporting of performance. It does not materially impact the calculation of our performance against this commitment. The percentile has remained steady and continued to exceed the target.

Cross-border services and goods

Non-resident businesses registered under the cross-border GST measure rose approximately 13% to slightly over 3,000 in 2024–25. Cross-border supplies of services and goods attributed nearly \$1.9 billion to GST revenue this year, a 13% increase from 2023–24. This growth reflects continued expansion in the digital economy and the effectiveness of our compliance and engagement strategies. Our active compliance program directly attributed \$56 million by engaging over 200 non-resident businesses identified through our intelligence and analytics capabilities.

Notably, Table 4.5 shows this is the first year that GST from imported low value goods exceeded digital products and services. The markets of imported digital products and services and imported low value goods remain highly concentrated, with the top 10 non-resident businesses contributing 62% and 77% of the total GST revenue from each market respectively. Large non-resident entities continue to demonstrate strong compliance with Australian GST obligations.

The majority of non-resident businesses originate from the United States of America, United Kingdom, Europe, and New Zealand. Over 90% opt for simplified GST registration as a limited registration entity which does not allow them to claim GST credits. We continue to play a leading role in shaping global GST policy by participating in the

Organisation for Economic Co-operation and Development (OECD) working party on consumption tax. We chair the focus group aiming to enhance international consistency in GST policy design and, support tax administrations in improving digital trade GST compliance.

Our commitment to international cooperation was reinforced by delivering training and sharing expertise with foreign tax authorities including Japan, Indonesia, and several Pacific Islands countries.

Strategic innovations which advanced our compliance program included:

- launching a Special Purpose Acquisition Data program to acquire card-payment data from some Australian banks, enabling identification of non-resident businesses with unmet GST obligations
- piloting AI-based technologies to assist our staff with preliminary research and profiling of non-resident entities, significantly improving productivity and risk detection
- initiating preparatory work to support future multilateral audits in collaboration with the home jurisdiction of the non-resident business, with the aim of jointly investigating potential non-compliance.

These initiatives support a transformative approach to risk management, enhance operational efficiency, and ensure a level playing field between domestic and non-resident businesses.

Table 4.5: Value of cross-border services and goods (\$ million)

GST value	2020–21	2021–22	2022–23	2023–24	2024–25
Imported digital products and services	700	790	815	890	925
Imported low value goods	505	565	610	755	930
Total	1,205	1,355	1,425	1,645	1,855

Note: GST Performance Agreement Schedule A 4a–b. All figures have been rounded to the nearest \$5 million.

Lodgment and debt

Our focus remains to foster on-time lodgment and payment behaviours and prevent future debt by making it easier to pay. We pursue outstanding payments and demonstrate the consequences of avoiding payment obligations by:

- advising those who can pay, that they must pay on time
- taking firmer action for those choosing not to engage or pay
- supporting those who are struggling but have the capacity to pay to get back on track
- supporting those without capacity to pay to exit the system.

In October 2024, we commenced an advertising campaign educating businesses on the importance of good cash flow management habits. Additionally, we highlighted keeping GST, pay as you go withholding and superannuation separate from their cash flow. This campaign resulted in:

- over 14 million impressions (the number of times the advertisements were seen)
- over 78,000 clicks to our campaign landing page ato.gov.au/cashflowtips, which has tips to help businesses prevent a tax debt.

This advertising and supporting communications also led to this page receiving nearly 117,000 page views, a 92% increase on last year.

Lodgment

In 2024–25, on-time BAS lodgments increased by over 280,000 to 7.5 million. Total on-time lodgments continued the upward trend of the past 3 years, increasing by 1.1 percentage points.

From 2023–24, monthly and quarterly BAS lodgment results shown in Tables 4.6 and 4.7 are measured using the GST period cycle to more

accurately reflect the GST reporting cycle. Prior years used the activity statement period cycle.

During 2024–25 we have maintained a focus on ensuring the integrity of the BAS lodgment population by removing entities no longer operating businesses. This has improved on-time lodgment performance and accuracy when selecting taxpayers for lodgment treatments.

Work undertaken to cancel inactive GST registrations removed approximately 32,000 outstanding BAS that were due in 2024–25 and for entities with no GST registration requirement. Small businesses accounted for approximately 78% of these cancelled BAS.

In total, over 137,000 outstanding BAS from the past 25 years were removed. This work improves non-lodgment case selection by allowing us to prioritise the highest risk to revenue cases over those without a requirement to lodge. This led to:

- increased community and taxpayer engagement providing support and education on how to finalise obligations and exit the GST system to those without a genuine need to report
- improved on time BAS lodgment as shown in Table 4.7
- notable improvements in on-time BAS lodgment from small businesses and privately owned and wealthy groups taxpayers.

The collaborative work from our registration and lodgment areas has allowed us to maintain the integrity of the BAS lodgment population. Our continued external communications assist taxpayers who no longer require their GST and ABN registrations. This allows us to better target active entities failing to meet their lodgment obligations.

With continued external communications educating taxpayers who no longer require their GST and ABN registrations, we can target those active entities failing to meet their lodgment obligations.

Table 4.6: Total BAS lodged (%)

Type of lodgment	2020–21	2021–22	2022–23	2023–24	2024–25
Lodged (monthly)	89.9	88.9	87.3	81.9	84.7
Lodged (quarterly)	81.9	80.9	82.0	83.7	84.5
Total BAS lodged	84.1	83.1	83.4	83.4	84.5

Note: GST Performance Agreement Schedule A 5f.

Table 4.7: Total BAS lodged on time (%)

Type of lodgment	2020–21	2021–22	2022–23	2023–24	2024–25
Lodged on time (monthly)	78.5	76.1	76.3	69.0	71.8
Lodged on time (quarterly)	67.3	67.9	69.3	72.2	72.9
Total lodged on time	70.3	70.1	71.2	71.6	72.7

Note: GST Performance Agreement Schedule A 5f. BAS lodged within 7 days of the due date is regarded as lodged on time. Early BAS lodgments are also included from 2023–24.

Table 4.8: Electronic activity statements finalised within 12 business days (%)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Proportion finalised within 12 business days	99.2	98.7	99.7	99.7	99.7

Note: GST Performance Agreement Schedule A 9c. This service commitment has a 94% target.

Table 4.9: Percentage of BAS lodged electronically (%)

BAS lodgment frequency	2020-21	2021-22	2022-23	2023-24	2024-25
Monthly remitters	92.2	93.3	94.5	94.7	95.4
Quarterly remitters	88.4	92.1	89.8	94.3	95.2
Annual remitters	95.0	95.5	95.4	96.8	97.2
Overall	88.9	92.3	90.4	94.5	95.3

Note: GST Performance Agreement Schedule A 9d.

Table 4.10: GST returns filed by intermediaries or tax agents (%)

Type of measure	2020-21	2021-22	2022-23	2023-24	2024-25
BAS filed by intermediaries or tax agents	56.6	56.6	58.9	59.6	60.0

Note: GST Performance Agreement Schedule A 9h.

GST debt

In the 12 months to 30 June 2025:

- total ATO collectable debt increased 2.8%
- GST collectable debt increased 2.3%
- the ratio of GST collectable debt to GST collections (cash) was 15.0%, down from 15.6%.

The ATO Payment Strategy focusses on changing taxpayer payment behaviour and taking firmer and faster action for those who continue to not engage. We have changed our approach to collecting unpaid tax with a focus on outstanding GST amounts and are making it fairer for businesses that do the right thing. As a result, in 2024–25 the rate of

GST collectable debt growth continued to slowly drop from a 2.6% increase last year to 2.3%.

As shown in Table 4.11, there has been significant growth in the value of insolvent debt since 2021–22. We expect this to continue in the future due to both ATO actions and businesses reviewing their circumstances and initiating exits.

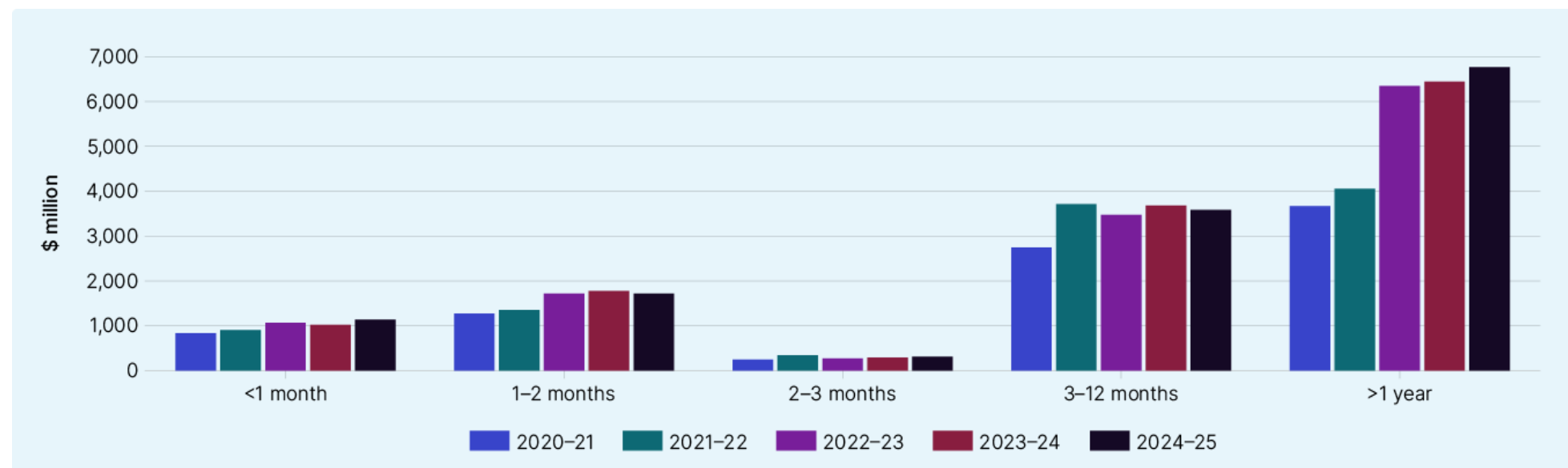
In March 2025, we used the Commissioner’s legislative powers to shift approximately 2,000 small businesses entities from quarterly to monthly GST reporting. We targeted businesses with ongoing compliance issues that had not responded to multiple earlier interventions. It is expected this initiative will result in improved future compliance.

Table 4.11: Outstanding GST debts (\$ million)

Type of GST Debt	2020–21	2021–22	2022–23	2023–24	2024–25
Total debt outstanding	10,660	12,302	15,930	17,162	18,949
• Collectable debt	8,766	10,366	12,883	13,217	13,527
• Insolvent debt	1,628	1,819	2,664	3,474	4,795
• Disputed debt	265	117	383	471	587

Note: GST Performance Agreement Schedule A 3a. Collectable debt is debt for which there is no impediment to collection – it is not subject to objection, appeal, or to some form of insolvency administration. Due to new attribution rules for 2024–25, the sum of the debt components does not equal the total debt outstanding.

Figure 4.1 Ageing of GST collectable debt by value (\$ million)



Note: Age of debt is determined by the later of the processed date or the effective date of the transactions.

Table 4.12: Ratio of collectable debt to GST revenue (%)

Type of collection	2020-21	2021-22	2022-23	2023-24	2024-25
Tax liability method (TLM) accrual	12.1	13.6	15.0	14.9	14.4
Cash	12.0	14.1	15.8	15.6	15.0

Note: GST Performance Agreement Schedule A 3b. The debt collection rate is calculated using the GST collectable debt amount as a percentage of 12 month rolling GST (TLM accrual or cash) collections.

Table 4.13: Non-pursuable GST debts

Type of measure	2020-21	2021-22	2022-23	2023-24	2024-25
Percentage of GST debt non-pursuable to total GST debt	5.1	5.4	4.6	11.5	7.6
Ratio of GST debt non-pursuable to GST revenue	0.7	0.9	0.9	2.3	1.6

Note: GST Performance Agreement Schedule A 3c.

Table 4.14: GST on-time payment rate (%)

Type of measure	2020-21	2021-22	2022-23	2023-24	2024-25
Number of GST payments made on time	73.0	70.4	71.3	71.1	71.1
Value of GST paid on time	85.9	85.8	87.7	88.5	88.8

Note: GST Performance Agreement Schedule A 3d.

Table 4.15: Ageing of GST collectable debt – value (\$ million)

Category	2020-21	2021-22	2022-23	2023-24	2024-25
<1 month	835	905	1,069	1,019	1,137
1-2 months	1,270	1,352	1,717	1,777	1,721
2-3 months	248	341	275	292	311
3-12 months	2,745	3,712	3,475	3,684	3,587
>1 year	3,668	4,056	6,346	6,444	6,771
Total GST debt value	8,766	10,366	12,883	13,217	13,527

Note: GST Performance Agreement Schedule A 3e. Age of debt is determined by the latter of the processed date or the effective date of the transaction(s).

Compliance engagement

In 2024–25, we raised \$3.8 billion in liabilities through compliance activities.

We are strengthening the integrity of the GST system by enhancing our ability to detect and respond to evolving fraud and compliance risks. Our focus is on protecting revenue, supporting fair participation, and reducing opportunities for misuse.

Fraud prevention is being enhanced at key entry points like registration and lodgment through smarter systems, better data and new technologies. We are investing in advanced analytical risk models and intelligence capabilities to stay ahead of emerging behaviours and threats, strengthening the integrity of the GST system.

Our Contemporising GST Risk Model project continued to deliver modelling and system improvements to effectively manage GST compliance risks. We increased our capability to manage risks associated with multiple activity statement amendments and lodgments outside the 4-year credit time limit.

The project continues to improve analytical risk models to target risks and behaviours that impact the integrity of the GST system. Emphasis was placed on better understanding and enhancing our management of GST fraud.

Looking ahead, we are focused on identifying and addressing structural vulnerabilities to build a stronger, fairer, and more resilient GST system for the future.

Emerging threats

Digitally enabled evasion tools (DEETs), including electronic sales suppression tools (ESSTs), continue to facilitate [shadow economy](#) behaviours. Rapid advancements in e-commerce and suppression technologies have notably increased the risk by expanding this emerging threat beyond ESSTs to the broader DEETs landscape.

Modern point-of-sale systems are now integrated with online ordering applications, domestic and offshore payment platforms, linked online payment service providers and cloud-based transaction services. These integrations increase opportunities for businesses to hide or manipulate transactions and drive sales underground to evade GST and income tax. Therefore, those engaging with DEETs gain an unfair advantage over those doing the right thing.

Globally, tax jurisdictions face increasing challenges in this digital environment where DEETs and their supply chains are becoming more sophisticated, well-funded and technologically advanced. We continue to work with our domestic and international partners to evolve our treatments to address the broader digital evasion risk.

Increasingly complex attempts to defraud the GST system are proactively detected and disrupted by the ATO-led Serious Financial Crime Taskforce (SFCT). This is achieved by leveraging advanced data analytics, specialist expertise and strategic partnerships.

Our intelligence capabilities continue to reveal co-ordinated arrangements where entities conspire to illegitimately claim GST refunds. These fraudulent schemes not only compromise the fairness of the tax system but also expose participants to substantial financial and legal risk.

Despite our SFCT GST fraud warnings late last year, we continue to see related-party structuring and false invoicing used to enter into artificial and contrived arrangements.

We are concerned that businesses are indefinitely deferring or deliberately evading GST liabilities by using these arrangements to:

- purport high-value acquisitions at inflated prices, giving rise to large GST refund claims
- report or over report high-value transactions where the transaction either did not occur or not to the extent claimed
- deliberately using services difficult to verify by vaguely describing them as project management or consultancy services.

These businesses commit fraud by claiming GST credits for acquisitions they did not make and therefore have no entitlement to. These arrangements can also provide an unfair competitive advantage when used as a form of finance.

In response, a recent targeted media engagement accompanied the release of Taxpayer Alert TA 2025/2: *Arrangements designed to improperly obtain goods and services tax refunds*.

These communications reinforce our commitment to transparency and early intervention in protecting the tax system from abuse. They serve as a strong deterrent urging taxpayers and advisers to:

- exercise caution
- seek professional advice
- avoid involvement in any arrangements that may result in significant penalties or prosecution.

We will engage with partner agencies where appropriate to effectively deal with those who engage in GST fraud, false invoicing or other illegal financial arrangements. Those caught seeking to defraud the tax and superannuation systems will face the full force of the law.

Compliance liabilities

In Tables 4.18 and 4.21, the cash collection rate from client engagement activities is based on collections within the year that relate to the liabilities raised in that year only.

On the other hand, total cash collections (excluding penalties and interest) estimated within the year can also include collections that relate to compliance liabilities raised in previous years.

Table 4.16: Compliance liabilities (\$ million)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
GST liabilities raised	2,339	5,407	4,829	2,958	3,839

Note: GST Performance Agreement Schedule A 5b

Table 4.17: GST compliance liabilities raised (\$ million)

Client experience	2020-21	2021-22	2022-23	2023-24	2024-25
Small business	1,137	4,071	3,527	1,504	1,932
Privately owned and wealthy groups	754	848	962	1,078	1,418
Public and multinational businesses	398	472	306	364	392
Not-for-profit	24	-9	4	-9	63
Other	26	26	30	22	34
Total	2,339	5,407	4,829	2,958	3,839

Note: GST Performance Agreement Schedule A 5b.

Table 4.18: GST compliance liabilities cash collection rate within the year (%)

Client experience	2020-21	2021-22	2022-23	2023-24	2024-25
Small business	61.5	71.8	46.1	59.5	59.5
Privately owned and wealthy groups	63.7	75.5	64.3	67.8	60.7
Public and multinational businesses	88.0	86.1	80.3	83.2	68.3
Not-for-profit	53.5	216.0	-11.1	247.7	57.9
Other	80.8	83.8	66.1	85.1	86.6
Total	66.8	73.4	52.0	65.0	61.0

Note: GST Performance Agreement Schedule A 5b.

Table 4.19: GST total compliance cash collection (\$ million)

Client experience	2020-21	2021-22	2022-23	2023-24	2024-25
Small business	886	3,189	2,004	1,253	1,445
Privately owned and wealthy groups	549	785	758	893	1,000
Public and multinational businesses	357	427	261	317	305
Not-for-profit	21	-14	6	-21	40
Other	22	27	22	23	31
Total	1,835	4,414	3,051	2,465	2,821

Note: GST Performance Agreement Schedule A 5b. Total cash collections (excluding penalties and interest) are estimated within the year and can include collections that relate to compliance liabilities raised from previous years.

Table 4.20: GST compliance liabilities raised (\$ million)

Industry	2020-21	2021-22	2022-23	2023-24	2024-25
Construction	827	1,690	1,528	959	1,097
Professional, scientific and technical services	216	456	480	465	510
Rental, hiring and real estate services	196	261	233	221	403
Transport, postal and warehousing	120	449	436	212	274
Public administration and safety	3	11	19	-1	200
Other	977	2,538	2,696	1,103	1,355
Total	2,339	5,407	4,829	2,958	3,839

Note: GST Performance Agreement Schedule A 5b.

Table 4.21: GST compliance liabilities cash collection rate within the year (%)

Industry	2020-21	2021-22	2022-23	2023-24	2024-25
Construction	60.7	72.6	56.6	66.6	65.1
Professional, scientific and technical services	67.0	72.8	53.2	72.7	48.7
Rental, hiring and real estate services	75.4	76.1	64.2	67.0	70.8
Transport, postal and warehousing	67.1	74.4	49.8	70.6	75.4
Public administration and safety	-67.9	33.7	18.9	638.3	43.2
Other	70.7	73.9	55.3	59.6	59.2
Total	66.8	73.4	52.0	65.0	61.0

Note: GST Performance Agreement Schedule A 5b.

Table 4.22: GST total compliance cash collection (\$ million)

Industry	2020-21	2021-22	2022-23	2023-24	2024-25
Construction	581	1,391	1,051	825	854
Professional, scientific and technical services	187	376	312	396	305
Rental, hiring and real estate services	164	235	188	188	322
Transport, postal and warehousing	93	355	253	194	242
Public administration and safety	-0	5	6	-5	89
Other	810	2,053	1,241	869	1,010
Total	1,835	4,414	3,051	2,465	2,821

Note: GST Performance Agreement Schedule A 5b. Total cash collections (excluding penalties and interest) are estimated within the year and can include collections that relate to compliance liabilities raised from previous years.

Table 4.23: Return on investment from compliance activities (ratio)

Type of activity	2020-21	2021-22	2022-23	2023-24	2024-25
Business as usual	7.9:1	10.4:1	10.6:1	8.3:1	8.6:1
GST Compliance Program	11.3:1	30.1:1	23.5:1	12.9:1	17.1:1

Note: GST Performance Agreement Schedule A 5g.

Table 4.24: Strike rate by client experience (%)

Client experience	2020-21	2021-22	2022-23	2023-24	2024-25
Small business	87	95	83	73	77
Privately owned and wealthy groups	66	62	56	53	57
Public and multinational businesses*	75	53	56	55	49
Not-for-profit*	81	35	47	54	44
Other	85	92	92	88	70
Overall	86	94	84	73	75

Note: GST Performance Agreement Schedule A 5c. The strike rate (percentage of cases leading to re-assessment) is an OECD measure that can indicate the effectiveness of case selection in detecting non-compliance. *The strike rate for categories with low case numbers can fluctuate dramatically from one reporting period to the next.

Table 4.25: Refund integrity active compliance GST liabilities raised by client experience (\$ million)

Client experience	2020–21	2021–22	2022–23	2023–24	2024–25
Small business	374	2,688	2,054	517	805
Individuals	18	388	459	34	41
Privately owned and wealthy groups	66	86	130	251	229
Public and multinational businesses	19	23	10	41	16
Not-for-profit	4	10	12	2	123
Other	2	2	4	1	1
Total	484	3,198	2,668	846	1,215

Note: GST Performance Agreement Schedule A 5d.

Table 4.26: Refund integrity strike rate by client experience (%)

Client experience	2020–21	2021–22	2022–23	2023–24	2024–25
Small business	95	98	88	78	81
Individuals	98	97	95	94	75
Privately owned and wealthy groups	74	70	65	51	57
Public and multinational businesses*	85	50	66	57	60
Not-for-profit*	92	36	56	54	40
Other*	92	40	57	60	44
Total	94	97	89	78	79

Note: GST Performance Agreement Schedule A 5d. This measure applies to cases where a refund has been held by the ATO. When considered over time, this measure will indicate if improvements have been made to the ATO's risk-based audit selection strategy. *The strike rate for client experiences with low case numbers can fluctuate dramatically from one reporting period to the next.

Prosecutions and investigations

Criminal investigations and prosecutions remain our firmest actions to protect the GST system against fraud and related crimes.

The ATO-led Serious Financial Crime Taskforce and our partnerships with state and territory law enforcement, manage and ensure consequences for those engaging fraudulent activities.

In sentencing, Magistrates are increasingly referencing the importance to the community attending to their GST obligations.

In 2024–25:

- 18 of the 28 completed criminal investigations, proceeded to a prosecution referral
- 26 successful external prosecution cases resulted in 21 custodial sentences and reparations exceeding \$6 million
- 191 successful internal prosecutions resulted in:
 - 3 suspended sentences
 - over \$3 million in fines and costs awarded, the most significant GST fine was \$150,000
 - internal prosecutions achieved sentencing outcomes across 23 courts.

We will continue to seek appropriate court outcomes that bring consequence to non-compliant taxpayers.

Notable Commonwealth Director of Public Prosecutions (CDPP) led prosecutions completed under the *Criminal Code Act 1995*

A taxpayer was charged with 28 counts of obtaining a financial advantage by deception under Operation Protego. They lodged 28 original and amended BAS while not operating a legitimate business to obtain over \$2.4 million in GST refunds. After entering early guilty pleas, they were convicted and sentenced to 4 years and 7 months imprisonment, with a non-parole period of 2 years and 7 months and a reparation order for the full amount.

Notable ATO-led prosecutions completed under the *Taxation Administration Act 1953 (TAA)*

A defendant was convicted and fined a total of \$100,000 for failing to lodge 16 GST returns and 18 income tax returns.

5 GST Compliance Program

The GST Compliance Program contributes a significant proportion of the ATO's GST administration results, returning approximately \$22 billion in GST revenue to the states and territories since 2010.

The 2024–25 program results exceeded the GST liabilities commitment of \$958.6 million with \$2,158.5 million in liabilities raised. Actual 2024–25 GST debt collection of \$1,748.6 million significantly exceeded the \$263.6 million commitment.

In addition to increased liabilities and debt collection, the 2023–27 program includes measures to:

- strengthen the GST registrations integrity, reducing the opportunity for GST fraud
- increase the focus on intermediaries meeting their clients' reporting obligations
- support the delivery of next-generation GST risk models.

Program commitments are outlined in [Schedule D – 2023–24 Budget Measure: GST Compliance Program – Four-year extension](#).

Table 5.1: Additional liabilities raised from compliance activities planned (\$ million)

Strategy	2024–25 commitment	2024–25 actual
1. Increasing GST registration integrity to protect revenue: increase eligibility checks and analytics to identify new registrants at risk of GST fraud.	19.6	36.1
2. Preventative action to minimise risk and protect revenue: assurance programs to build and maintain community confidence that taxpayers are paying the right amount of GST.	54.4	147.6
3. Improving GST lodgment outcomes: activities to increase on-time lodgment and promote fairness and confidence in the system.	380.1	738.3
4. Corrective engagement with non-compliant clients: compliance activities targeting correct reporting and clients who seek to evade GST obligations.	504.5	1,236.5
Total	958.6	2,158.5

Table 5.2: Additional cash collections from debt activities planned (\$ million)

Strategy	2024–25 commitment	2024–25 actual
5. Reducing GST debt: by maximising GST debt collection capabilities.	263.6	1,748.6

Note: Actual results were significantly higher than commitment due to new debt collection strategies implemented in 2024–25.

Table 5.3: Total costs (\$ million)

Total costs	2024–25 commitment	2024–25 actual
Total costs	148.0	148.0

Table 5.4: Return on investment per strategy (ratio)

Strategy	2024–25 commitment	2024–25 actual
1. Increasing GST registration integrity to protect revenue: increase eligibility checks and analytics to identify new registrants at risk of GST fraud.	2.2:1	4.1:1
2. Preventative action to minimise risk and protect revenue: assurance programs to build and maintain community confidence that taxpayers are paying the right amount of GST.	3.1:1	8.5:1
3. Improving GST lodgment outcomes: activities to increase on-time lodgment and promote fairness and confidence in the system.	14.9:1	28.9:1
4. Corrective engagement with non-compliant clients: compliance activities targeting correct reporting and clients who seek to evade GST obligations.	8.3:1	20.4:1
5. Reducing GST debt: by maximising GST debt collection capabilities.	12.0:1	79.7:1

6 GST advice and dispute management

Our public and private advice and guidance positively influences taxpayers to get their obligations right from the start, ensures a level playing field and addresses GST risks.

Advice and guidance

In 2024–25, we finalised 410 private ruling requests on GST issues, with 91% completed within 28 calendar days of receiving all the necessary information. This exceeded our service standard of 80%.

Table 6.1 shows a drop in our 2024–25 guidance request results to 84%, slightly below our service standard of 85%. We have provided training on our service commitments to staff to improve this result. We will continue to monitor and provide refresher training on a regular basis as part of our commitment to continuously improve.

Continuing the downward trend from previous years, finalised guidance requests decreased by over 300 this year to 1,501 requests.

This reduction can be attributed to our continued focus on providing modern, effective and timely public advice and guidance to support taxpayers at scale.

Since our mid-year report, we have published public advice and guidance explaining the Commissioner’s view on a range of GST topics including:

- how the GST law operates in relation to incorrectly charged GST
- supplies made to non-residents not in Australia
- supplies that are effectively used or enjoyed outside of Australia.

Table 6.1: Written technical advice – finalised in 28 calendar days of receiving all necessary information (%)

Request type	2020–21	2021–22	2022–23	2023–24	2024–25
Guidance requests	95	90	92	88	84
Private rulings	99	96	92	85	91

Note: GST Performance Agreement Schedule A 9e. This is a service commitment. An 85% target applies for general taxpayer requests and an 80% target applies to private rulings.

Table 6.2: Quality of technical advice (%)

Review rating	2020–21	2021–22	2022–23	2023–24	2024–25
Rated as ‘achieved’	100.0	97.0	97.5	99.0	99.0

Note: GST Performance Agreement Schedule A 9f. Technical advice cases are assessed and rated for the accuracy of the technical decisions.

Dispute management

Objections

Addressing GST objections is essential to maintaining trust and confidence in the tax system.

Results for 2024–25 audit to objection transition rates as shown in Table 6.3 and created GST objection cases in Table 6.4 are similar to last year. Over 50% of objection cases arise from pre-issue GST compliance activities, in particular high-risk refunds.

Nearly 80% of all objections come from small businesses. Our GST compliance audit actions continue to account for approximately 90% of created GST objections. The majority are regarding:

- correct reporting risk, pre-issue and post-issue refund integrity cases
- GST property
- GST and ABN registrations and cancellations
- electronic sales suppression tools (ESSTs).

Resolved objections dropped (11.5%) this year as shown in Table 6.5. This aligns with a corresponding drop in allowed in full outcomes for streamlined investigations such as legitimate enterprise verifications for Operation Protego cases.

Table 6.3: Audit to objection transition rate (number per 100)

Activity	2020–21	2021–22	2022–23	2023–24	2024–25
Audit to objection transition rate	5.6	1.1	3.0	12.6	12.6

Note: GST Performance Agreement Schedule A 7c.

Table 6.4: Objection cases created

Activity	2020-21	2021-22	2022-23	2023-24	2024-25
Audit-initiated	267	528	1,519	1,748	1,760
Client-initiated	138	137	201	204	213
Other	2	0	1	0	0
Total cases created	407	665	1,721	1,952	1,973

Note: GST Performance Agreement Schedule A 7a.

Table 6.5: Resolved objection cases

Activity	2020-21	2021-22	2022-23	2023-24	2024-25
Audit-initiated	426	413	1,127	2,007	1,739
Client-initiated	386	122	182	212	224
Other	1	0	0	0	0
Total cases resolved	813	535	1,309	2,219	1,963

Note: GST Performance Agreement Schedule A 7b.

Table 6.6: Proportion of objections to new Part IVC litigation cases (number per 1,000)

Type of measure	2020-21	2021-22	2022-23	2023-24	2024-25
Proportion of objections to new Part IVC litigation cases	49	88	41	28	34

Note: GST Performance Agreement Schedule A 7f.

Litigation

This year's GST litigation results evidence our ongoing commitment to ensuring only appropriate cases proceed to a court or tribunal hearing. In 2024–25, only a small portion of all resolved cases proceeded to a hearing. Of these cases, Table 6.7 shows that 87% were decided as fully or partly favourable to the Commissioner.

There were 127 current Part IVC litigation cases on hand as of 30 June 2025, up from 106 cases on hand on 30 June 2024. Cases involving property, refund integrity and evasion issues continue to make up approximately 70% of total litigation cases on hand.

Table 6.7: Court or tribunal litigation decision outcomes (%)

Decision outcome	2020–21	2021–22	2022–23	2023–24	2024–25
Wholly supports ATO position	55	67	85	60	74
Partially supports ATO position	9	11	0	30	13
Wholly supports taxpayer position	36	22	15	10	13

Note: GST Performance Agreement Schedule A 7g.

Table 6.8: New Part IVC litigation cases created

Case type	2020–21	2021–22	2022–23	2023–24	2024–25
First instance	41	47	58	62	66
Appeal	4	5	1	5	1
Administrative matter	0	0	1	0	1

Note: GST Performance Agreement Schedule A 7d. Part IVC First Instance cases are where the taxpayer lodges an Administrative Review Tribunal or Federal Court application when dissatisfied with the Commissioner's objection decision.

Table 6.9: Resolved new Part IVC litigation cases

Case type	2020-21	2021-22	2022-23	2023-24	2024-25
First instance	45	59	35	65	46
Appeal	5	4	2	3	2
Administrative matter	2	0	0	0	1

Note: GST Performance Agreement Schedule A 7e.

This year's resolved cases that did not proceed to a hearing saw an increase in both settled and conceded by the Commissioner outcomes. Those withdrawn by the taxpayer or dismissed by the court or tribunal, decreased.

Since the mid-year report, there have been no strategic litigation case decisions (that is, cases with significant revenue or compliance risk, media attention or significant law clarification opportunities).

Table 6.10: Early resolution litigation outcomes (%)

Outcome	2020-21	2021-22	2022-23	2023-24	2024-25
Settled	49	4	18	25	29
Conceded (whole or in part)	22	13	11	27	32
Withdrawn by taxpayer	22	36	53	27	24
Dismissed by courts or tribunals	7	7	18	21	15

Note: GST Performance Agreement Schedule A 7h.

7 Department of Home Affairs

The Home Affairs portfolio, including the Australian Border Force (ABF) is responsible for the collection of customs duty and other indirect taxes including GST at the border. They also administer the deferral of GST on imported goods for registered importers under the Deferred GST scheme.

In 2024–25, Home Affairs:

- collected \$5.9 billion GST and \$40.4 billion deferred GST on imported goods, representing a total GST liability assessed of \$46.3 billion
- processed 4.5 million import declarations and self-assessed clearance declarations
- processed 1.5 million export declarations
- processed 957,000 Tourist Refund Scheme (TRS) claims resulting in \$318.7 million of GST and wine equalisation tax being refunded to travellers.

The focus of the ATO and Home Affairs (ABF) is to manage compliance with Australia's import and export framework and to control, detect, deter and address illicit trade behaviours.

Compliance program

The ABF maintains the integrity of Australia's trade system through effective intelligence-led, risk-based border management, and enhanced aviation and maritime security approaches. Australia's prosperity is driven by open access to a global market where goods can move freely

across borders, facilitated by the delivery of a seamless, secure and digitally enabled system and services.

To support compliance with Australia's import and export framework, we targeted:

- misclassification of goods
- undervaluation and non-declaration of goods
- false claims for GST exemptions or improper application for preferential treatment under free trade agreements or duty refunds and concessions.

In 2024–25, Home Affairs (ABF) compliance activities identified \$225 million in GST understatements. Of this, approximately \$173 million in GST revenue understatements were identified by voluntary disclosure. The ABF voluntary disclosure program allows industry to address errors and omissions that have led to shortfalls in revenue collection. Errors and omissions include:

- adjustments to the valuation of imported or exported goods
- an error or omission in the customs value
- adjustments to the customs value relating to transfer pricing
- an incorrect tariff classification.

Tourist Refund Scheme

As international travel continues to grow, so too does TRS claim activity, with \$318.7 million in claims paid in 2024–25. This surpassed the previous highest amount of \$279.8 million in 2023–24 by 13.9%.

The volume of claims processed increased in 2024–25 by 17.3% when compared to 2023–24. Notably, results include:

- 33% of claims originated from Chinese tourists, an increase of 27% over 2023–24
- 27% of claims originated from Australian tourists, an increase of 11% over 2023–24.

Table 7.1: Management of GST revenue collection (\$ million)

Category	2020–21	2021–22	2022–23	2023–24	2024–25
GST liability assessed	33,555	42,068	45,657	45,701	46,314
Gross GST cash collected	4,795	5,739	5,871	5,617	5,901
<ul style="list-style-type: none"> • Total value of TRS claims paid 	21.2	47.2	188.8	279.8	318.7
Net GST cash collected	4,774	5,692	5,683	5,337	5,583

Note: GST Performance Agreement Schedule A 10a–c.

Table 7.2: Maintain compliance

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Cost of compliance (\$ million)	33.0	37.7	38.7	37.9	38.8
Compliance coverage – TRS (%)	100.0	100.0	100.0	100.0	100.0
TRS claims rejected (no.)	780	2,157	8,416	10,457	10,197
GST adjustments – underpaid GST revenue (\$ million)	145.6	190.2	189.1	258.1	225.0
GST adjustments – rejected TRS claims (\$ million)	0.3	0.4	1.8	2.0	2.2
Total GST adjustments (\$ million)	145.9	190.6	190.9	260.1	227.2

Note: GST Performance Agreement Schedule A 11a–f.

GST administration costs

Table 7.3: Cost-effective administration costs (\$ million)

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Costs of import processing	21.2	28.3	27.8	30.1	29.6
Costs of export processing	0.2	0.4	0.3	0.3	0.2
Costs of import and export compliance	18.9	20.7	21.7	21.9	21.5
Costs of administering the TRS	14.0	16.9	16.9	16.0	17.3
Total costs	54.5	66.3	66.8	68.2	68.6

Note: GST Performance Agreement Schedule A 12 a–e.

Table 7.4: Cost-effective administration

Type of measure	2020–21	2021–22	2022–23	2023–24	2024–25
Import declarations processed (million)	4.3	4.4	4.4	4.4	4.5
Export declarations processed (million)	1.3	1.3	1.3	1.5	1.5
Total TRS claims processed (thousand)	50	138	561	816	957
Total costs as a percentage of total GST liability assessed (%)	0.2	0.2	0.1	0.1	0.1
Total costs as a percentage of total GST collected (%)	1.1	1.2	1.1	1.2	1.2
Compliance yield (ratio)	4.42:1	5.06:1	4.93:1	6.87:1	5.86:1

Note: GST Performance Agreement Schedule A 12 f–k.