Australian Government
Australian Taxation Office

Commissioner of Taxation annual report

2024–25

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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Tax Practitioners Board

Annual report tpb.gov.au/annual-report
Website tpb.gov.au

Australian Charities and Not-for-profits Commission

Annual report acnc.gov.au/tools/reports
Website acnc.gov.au

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Australian Government
Australian Taxation Office

Commissioner of Taxation annual report

2024–25

Commissioner's review

The 2024–25 financial year was another significant one for the ATO, with much achieved and important work undertaken to position us for the future.

We refreshed our purpose and vision. Our refreshed purpose helps ensure we continue to focus on what matters most – collecting tax so that government can provide services for the Australian community.

It also helps frame our vision:

An Australia where every taxpayer meets their obligations because:

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

This annual report examines our work over 2024–25 with our refreshed purpose and vision in mind. Unsurprisingly, a core focus for us over the year was to ensure all Australians met their taxation obligations. At a headline level, we:

- collected net tax of $636.3 billion – an increase of $25.7 billion (4.2%) on 2023–24, and $18.7 billion (3.0%) above the amount expected at the time of the 2024–25 Federal Budget
- delivered a successful Tax Time 2024, with 21.5 million lodgments received and $50.9 billion in refunds issued during the 2024–25 financial year
- focused on improving payment performance and stopping the growth in debt – 89.4% of payments were made on time and in full, exceeding our target of 88%; this increases to over 95% paid within 90 days
- continued to maintain the tax performance of large public groups, multinationals, and privately owned and wealthy groups, raising $6.8 billion from our compliance activities, including $5.7 billion from the Tax Avoidance Taskforce.

While noting the importance of ensuring all taxpayers meet their obligations, I have previously reflected that we can't be a narrow-minded tax collector. Over the year, we continued to focus on making compliance easier and tailoring support across a range of taxpayer groups, particularly those in our community who are most vulnerable, so they can effectively participate in the tax system and manage their superannuation.

Making compliance easy

As we delivered Tax Time 2024, we focused on tax basics, behavioural drivers and improvements to our digital services and interactions. Through clear and timely communication, enhanced online experiences and an expansion of pre-fill capability, taxpayers were better positioned to get things right from the beginning.

Assisting small businesses to comply with their obligations is an ongoing priority for us, and in 2024–25 we continued to implement a digitalised tax experience where tax naturally follows business processes. The progression of this work will help to reduce compliance costs for small businesses, and ultimately make it easier for them to stay on top of their tax obligations.

Tailoring support

As we focus on our key role as the nation's principal tax collector, we recognise not everyone experiences the tax system the same way. We continued to support and expand our specialised services in 2024–25. For example, we:

- launched the ATO additional support hub
- trialled enhancements to the ATO Indigenous helpline for Aboriginal and Torres Strait Islander peoples
- delivered tailored information to people with disability.

We continued work on the ATO Vulnerability Framework, to deliver enhanced support for individuals experiencing vulnerability – outlining our commitment to fostering more inclusive and tailored interactions with the community. From late 2025, we will begin implementing the framework and identifying tangible actions we can take to better support people experiencing vulnerability.

Enforcing consequences for deliberate non-compliance

Ensuring a fair tax system requires action to prevent and address non-compliance. In continuing our efforts to enforce consequences for deliberate non-compliance, we have actively worked across Commonwealth, state and territory agencies, as well as internationally.

We've maintained a focus on enhancing counter fraud measures, targeting shadow economy activity and taking firm and swift action when fraud is identified. In recalibrating our approach to focus on real-time prevention, we've taken firmer action in areas such as intentional overclaiming of deductions, incorrect reporting of income, and identity takeover – which helps to provide the community with confidence that the tax system is operating as intended.

We continued to target GST fraud under Operation Protego, bringing criminal and financial consequences to GST fraudsters. We finalised 122 investigations into GST fraud, resulting in the referral of 54 briefs of evidence to the Commonwealth Director of Public Prosecutions.

The implementation of our payment strategy has also strengthened our payment and debt collection performance. We're actively using the powers available to us to recover unpaid tax – including statutory demands for payment, wind up processes, director penalty notices, garnishee notices and departure prohibition orders. As a result of our efforts, in 2024–25 we experienced the smallest growth in debt since before the pandemic.

Organisational capability

While maintaining a strong focus on delivery over 2024–25, we have also continued to build and mature our capability. We also welcomed appropriate scrutiny, noting there is always room for us to improve.

In response to the Australian Public Service Commission's capability review of the Australian Taxation Office – which showed that we're a high performing agency, with some opportunities for improvement – we launched *Our Performance Evolution*. This puts us on a path to reaching the full potential of our organisation, by committing us to:

- think bigger
- act bolder, and
- deliver together.

While this work commenced shortly before the end of 2024–25, mindset shifts across our organisation have already begun, and foundations have been laid for continued improvements in the years to come.

Further detail on our achievements over 2024–25 is available in Part 2 Year in review, on page 14.

Looking forward

The achievements outlined in this annual report reflect the efforts of a highly capable and engaged workforce, one that's committed to public service and the ATO's purpose and vision. I would like to take this opportunity to thank them for everything they do each and every day. As one of the largest Australian Public Service agencies, we have a geographically expansive and diverse workforce. This has long been one of our great strengths, and it will remain so into the future.

In the years to come, we'll maintain our focus on reducing unpaid tax, to ensure that tax revenues are available to support the delivery of services to the Australian community. We'll make our systems easier to navigate, and take further steps to assist taxpayers to comply with their obligations. We'll do more to tailor support for those who need it – including through our Vulnerability Framework – while continuing to enforce consequences and take appropriate action to deter and respond to non-compliance.

I look forward to working alongside our professional and dedicated ATO staff, to continue to deliver on our commitments over the year ahead.

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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6 Financial statements

7 Appendices

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 2025 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

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

10 October 2025

Peter de Cure AM
Chair
Tax Practitioners Board

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, administering legislation governing the tax system, along with aspects of the superannuation and business registry systems, and supporting the delivery of government benefits 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 Securities & Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA) as co-regulators to support 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 (the Commissioner) is responsible for the functions of the Australian Taxation Office listed entity. In delivering these functions, the Commissioner (supported by the ATO) administers legislation governing the tax system, along with aspects of the superannuation system, supporting the delivery of government benefits to the Australian community.

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 entity[1]. 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.

Operationally, the ATO is the largest body within the listed entity, with broad responsibilities across the tax and superannuation systems, while both the TPB and the ACNC focus on discrete regulatory functions.

While the Commissioner of Taxation is the Accountable Authority for the Australian Taxation Office listed entity, and staff of the TPB and ACNC are made available by the Commissioner of Taxation, the TPB, ACNC and ACNC Advisory Board maintain independence in the delivery of their statutory functions. The TPB consists of a Chair and Board members appointed by the Assistant Treasurer. The ACNC is led by the ACNC Commissioner, who is supported by the ACNC Advisory Board. The ACNC Commissioner is appointed by the Assistant Minister for Productivity, Competition, Charities and Treasury.

The TPB and the ACNC share various services and processes with the ATO, and comply with common policies and instructions, including Chief Executive Instructions and the Commonwealth Risk Management Policy. References are included in this report where content is relevant to, or covers, the TPB and the ACNC. Both bodies have specific requirements of their enabling legislation, such as the requirement to prepare an annual report. The TPB and the ACNC reports are available at tpb.gov.au/annual-report and acnc.gov.au/tools/reports, respectively.

The roles and responsibilities of the Australian Taxation Office are set out in more detail, by agency program, on pages 4–6.

1 Schedule 1, section 7(a) and (b) of the *Public Governance, Performance and Accountability Rule 2014*.

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 2024–25, the Australian Taxation Office had one outcome and was funded to deliver this through 4 departmental programs and 16 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

ATO[2]

In 2024–25, the ATO refreshed its purpose and vision statement, and its key activities were revised to support these changes. These changes are detailed further in Part 3 Annual performance statements, under 'Changes to our performance information' on pages 31–36.

Program 1.1 **Australian Taxation Office**	**Program 1.3** **Australian Business Registry Services**	**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.	To assist the Registrar to carry out their functions including administering director identification numbers and assisting ASIC to manage registry functions.	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.

2 ATO programs reflect the 2024–25 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2024-25. The ATO's key activities reflect the 2025–26 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2025-26, in line with a refreshed purpose and vision statement.

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.

Tax Practitioners Board (TPB)[3]

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 Chief Executive Officer/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:

- Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour.

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.

3 TPB and the ACNC programs and key activities reflect the 2024–25 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2024-25.

Australian Charities and Not-for-profits Commission (ACNC)[4]

The ACNC is established under the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) as the independent 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 relevant minister.

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).

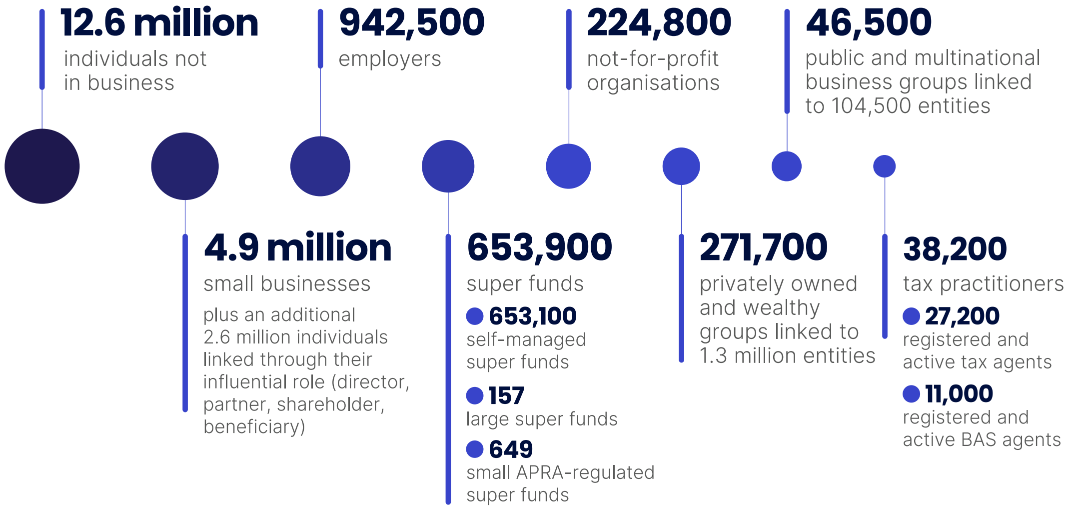
While the ACNC is included in the Australian Taxation Office outcome and program structure, it operates independently in delivering its statutory functions and produces its own annual report to meet legislative reporting requirements in Division 130 of the ACNC Act. The ACNC's annual report is available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

4 TPB and the ACNC programs and key activities reflect the 2024–25 PBS, available at treasury.gov.au/publication/portfolio-budget-statements-2024-25.

ATO landscape

The ATO interacts with a vast number of taxpayers and partners in the community. Figure 1.1 shows who we interact with.

Figure 1.1 ATO landscape, at 30 June 2025



Note
Totals may differ from the sum of components as numbers have been rounded for presentation purposes.

Our ministers

Treasury portfolio ministers in 2024–25 were:

- The Hon. Dr Jim Chalmers MP, from 23 May 2022
  - Treasurer
- The Hon. Dr Daniel Mulino MP, from 13 May 2025
  - Assistant Treasurer
  - Minister for Financial Services
- The Hon. Dr Anne Aly MP, from 13 May 2025
  - 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, from 13 May 2025
  - Assistant Minister for Competition, Charities and Treasury, from 1 June 2022 to 13 May 2025
  - Assistant Minister for Employment, from 31 May 2023 to 13 May 2025
- The Hon. Stephen Jones MP, from 1 June 2022 to 13 May 2025
  - Assistant Treasurer
  - Minister for Financial Services
- The Hon. Julie Collins MP
  - Minister for Agriculture, Fisheries and Forestry, Minister for Small Business, from 29 July 2024 to 13 May 2025
  - Minister for Housing, Minister for Homelessness, Minister for Small Business, from 1 June 2022 to 29 July 2024
- The Hon. Clare O'Neil MP – from 13 May 2025
  - Minister for Housing
  - Minister for Homelessness
  - Minister for Cities

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

Note
Following the federal election announcement, the Australian Government entered a caretaker period from 28 March to 13 May 2025, and an interim ministry was in place from 5 May to 13 May 2025.

The ATO Executive

The Commissioner of Taxation is supported by an executive team, with each member having responsibility for key aspects of the ATO's 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 *Tax 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.

Executive team responsibilities

David Allen

Second Commissioner,
Frontline Operations Group

David Allen continued to act in the role of Second Commissioner Frontline Operations Group from 1 July to 31 October 2024. David was formally appointed to the role on 1 November 2024. The Frontline Operations Group is responsible for 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 Frontline Operations 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.

Jacqui Curtis PSM FCPHR

Chief Operating Officer,
Enterprise Strategy
and Corporate
Operations Group

Jacqui Curtis PSM FCPHR is the Chief Operating Officer and is responsible for leading the ATO's Enterprise Strategy and Corporate Operations Group. The group shapes enterprise strategy to ensure the ATO is well-positioned for APS-wide reforms, and that our people management, communication, legal advice, planning, governance, finance, risk and change management processes are cohesive and effective. It also plays a lead role in managing relationships with key stakeholders including scrutineers.

Through bringing together an integrated view of people and resource management, the group ensures the ATO has the right capability and resourcing to deliver on our vision and purpose and to deliver a better experience for both clients and staff.

Jacqui plays a key role in managing whole-of-government operational and implementation matters as a member of the Secretaries Board Capability and Workforce Committee and APS Chief Operating Officer (COO) Committee. Jacqui holds the position of Head of the APS Human Resources (HR) Profession and continues to build strategic HR capability through initiatives and career pathways in the APS. Jacqui also serves as Chair of the Australian HR Institute's (AHRI) Public Sector Advisory Panel, is a member of the AHRIs National Certification Council and a non-executive director on the AHRI board.

Kirsten Fish

Second Commissioner,
Law Design and
Practice Group

Kirsten Fish is the Second Commissioner of the Law Design and Practice Group with overall responsibility for the ATO's law practice.

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; and 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.

Jeremy Hirschhorn

Second Commissioner,
Client Engagement Group

Jeremy Hirschhorn is the Second Commissioner with overall responsibility for the ATO's Client Engagement Group. Through well-designed client engagement and experiences the group fosters willing participation in Australia's tax and superannuation systems.

Across all taxpayers – from individuals and small businesses to the very largest public and multinational businesses – the Client 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 Client Engagement Group improves the way tax administrations work together to address arrangements used to evade and avoid tax.

Mark Sawade

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

Mark Sawade was appointed as Chief Information Officer and Chief Security Officer of the Australian Taxation Office on 11 March 2025 and has overall responsibility for the Enterprise Solutions and Technology Group.

The Enterprise Solutions and Technology Group supports the ATO to deliver reliable, intuitive, contemporary and secure technology solutions that foster trust and confidence in the tax, superannuation and registry systems. The group connects and collaborates across the ATO and the APS, with service providers and the information technology industry, to give ATO staff the tools they need and meet community expectations of our digital services.

The group works to harness the innovative opportunities and improved services that new and emerging technologies can offer, while managing increasing demand and the need to keep our information and systems safe from cyberthreats.

Note
Matthew Hay PSM was acting Chief Information Officer, Enterprise Solutions and Technology Group from 1 May 2024 to 10 March 2025.

Organisational structure

The ATO is structured in 5 groups, each reporting to a member of the ATO Executive. Each group consists of a number of business areas.

Figure 1.2 ATO organisational structure, at 30 June 2025

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

Client Engagement Group
Second Commissioner
Jeremy Hirschhorn

- **Fraud and Criminal Behaviours**
  Deputy Commissioner
  John Ford
- **Individuals and Intermediaries**
  Deputy Commissioner
  Rowan Fox (acting)
- **International, Support and Programs**
  Deputy Commissioner
  Hector Thompson
- **Private Wealth Client Experience**
  Deputy Commissioner
  Louise Clarke
  Behaviours of Concern
  Deputy Commissioner
  Hoa Wood
- **Public Groups Client Experience**
  Deputy Commissioner
  Rebecca Saint
  Engagement
  Deputy Commissioner
  Fiona Knight
- **Small Business**
  Deputy Commissioner
  Will Day
- **Smarter Data Program**
  Deputy Commissioner
  Andrew Watson
- **Superannuation and Employer Obligations**
  Deputy Commissioner
  Emma Rosenzweig

Frontline Operations Group
Second Commissioner
David Allen

- **Frontline Business Improvement**
  Deputy Commissioner
  Nicole Dykstra
- **Frontline Compliance**
  Deputy Commissioner
  Julian Roberts
- **Frontline Resource Management**
  Deputy Commissioner
  Belinda Darling
- **Frontline Risk and Strategy**
  Deputy Commissioner
  Anna Longley
- **Frontline Services**
  Deputy Commissioner
  Grant Brodie

Law Design and Practice Group
Second Commissioner
Kirsten Fish

- **Objections and Review**
  Deputy Commissioner
  Amy James-Velagic (acting)
- **Office of the Chief Tax Counsel**
  Chief Tax Counsel
  Andrew Orme
  Deputy Chief Tax Counsel
  Alex Affleck
  Deputy Chief Tax Counsel
  Peter Walmsley
  Deputy Chief Tax Counsel
  Rajitha Srikhanta
  Litigation and Legal Services
  Deputy Commissioner
  Jonathan Todd (acting)
- **Policy, Analysis and Legislation**
  Deputy Commissioner
  Ben Kelly

Enterprise Strategy and Corporate Operations Group
Chief Operating Officer
Head of APS HR Professional Stream
Jacqui Curtis PSM FCPHR

- **ATO Corporate**
  Deputy Commissioner
  Karen Foat
- **ATO Finance**
  Chief Finance Officer
  Janine Bristow
- **ATO People**
  Deputy Commissioner
  Alison Stott
- **Enterprise Strategy and Design**
  Deputy Commissioner
  Brad Chapman
- **Integrity, Assurance and Law**
  Chief General Counsel
  Deputy Commissioner
  Nicholas Shizas

Independent internal functions

- **Fraud Prevention and Internal Investigations**
  Assistant Commissioner
  Luke O'Connor (acting)
- **Internal Audit**
  Chief Internal Auditor
  Assistant Commissioner
  Damien Browne

Enterprise Solutions and Technology Group
Chief Information Officer Chief Security Officer
Mark Sawade

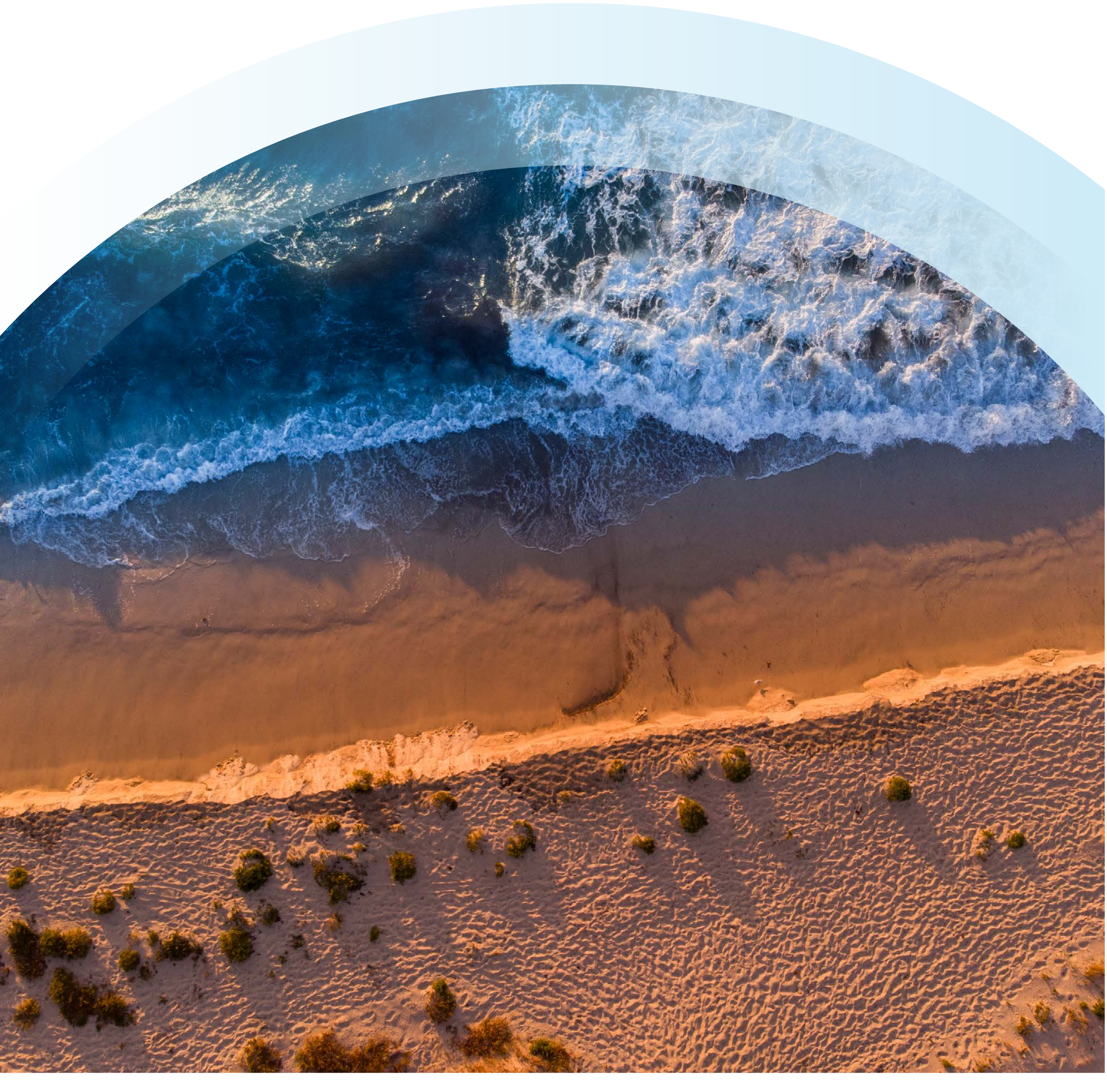
- **Cyber Security and Service Management**
  Deputy Commissioner
  Michael Rowell
- **Digital Delivery**
  Chief Digital Officer
  Deputy Commissioner
  Elissa Walker
- **Strategy and Architecture**
  Deputy Commissioner
  Matthew Hay PSM
- **Super, Tax and Registry Services**
  Deputy Commissioner
  Narda Phillips
- **User and Technology Services**
  Chief Technology Officer
  Deputy Commissioner
  Sebastian Hood

ATO Capability Review
Deputy Commissioner
Fiona Dillon

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

Note
The independent internal functions support the Commissioners and, for administrative purposes, are functionally part of the Enterprise Strategy and Corporate Operations Group.

2 Year in review



Our progress in 2024–25

'The ATO is a high-performing organisation with a strong reputation for managing Australia's tax and superannuation systems in a modern and reliable way.'

Capability Review of the Australian Taxation Office 2025, Australian Public Service Commission

The work of the ATO is vital to a well-functioning Australian society. We aim to provide the community with confidence in our administration of the tax system and those aspects of the superannuation system for which we have responsibility. In delivering on this aim, we are increasingly focusing our approaches on helping taxpayers get things right up front, rather than requiring correction later. We balance this approach by taking firm and timely action against those who deliberately do the wrong thing.

By collecting tax and ensuring all obligations are met in a timely manner – by both large and small taxpayers alike – we enable governments to fund the services on which all Australians rely. In 2024–25, we refreshed our purpose and vision, with the changes to our purpose ensuring that we continued to focus on what matters most – collecting tax so government can deliver services for the Australian community.

Our refreshed vision frames 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 delivering on 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. Through our work over 2024–25, we have made strong progress toward delivering on our aspirations.

This work, and the progress that we have made, has been underpinned by our strong organisational capabilities, which directly contribute to delivering on our purpose and progressing toward our vision – ensuring we are well positioned to support the government and, ultimately, deliver on behalf of the Australian community. Our organisational capabilities include our people, systems and data. We have continued to invest in our capabilities over the year to ensure that they are fit-for-purpose and responsive to changes in our operating environment.

Making compliance easy…

We have maintained a strong focus on making complying easy for taxpayers. We have assisted taxpayers to better understand and meet their obligations by simplifying processes, improving access to information, and using technology and data to support them and guide their behaviour.

Tax time

In 2024–25, we received 21.5 million income tax lodgments and issued $50.9 billion in refunds[5]. Our successful delivery of Tax Time 2024 was underpinned by a strategic communications approach focused on tax basics and behavioural drivers.

Through clear and timely communication to taxpayers we targeted key risk areas such as work-related expenses, investment income, Medicare levy surcharge, incorrect Medicare levy exemptions, private health insurance discrepancies and record keeping. This approach helped to ensure taxpayers were better positioned to get things right up front.

We also continued to enhance the online experience, to remove the need for taxpayers to call us for lower-complexity topics that could be more easily and conveniently addressed online. Enhancements to myTax24, such as expanded pre-fill capability and new visibility for trust income reporting, also supported accurate taxpayer lodgments.

Additional information on our tax and revenue performance is available in Part 4 – Revenue performance.

21.5 million
income tax lodgments received in 2024–25

$50.9 billion
in refunds issued in 2024–25

Advice, guidance and engagement

We helped taxpayers to better understand and meet their obligations by providing:

- public advice and guidance – publishing 166 products including 35 new or updated public rulings
- clarity on priority issues, including in relation to promoter penalties, cases of suspected fraud and payments from foreign trusts.

Additional information on our public advice and guidance is available in Appendix 3: Public advice and guidance.

Social media remains an essential platform for education, engagement and support for taxpayers to meet their obligations. Our Facebook, Instagram, LinkedIn and X profiles totalled 684,821 followers – an increase of 11% from the previous year. Our @austaxoffice Instagram reels (videos) have had 783,715 views since channel inception on 17 June 2024.

5 These figures represent data for all entities and any financial years returns lodged in the period 1 July 2024 to 30 June 2025.

In 2024–25, we received over 36,000 messages, requiring 4,456 responses (not all messages require a response). We published 887 posts to Facebook, Instagram, LinkedIn and X, on a range of topics, totalling over 30.5 million views – an increase of 69% from the previous year.

Small business compliance

Under our 'Blueprinting a future small business digitalised tax experience' key focus area, we commenced designing a digitalised tax experience for small businesses where tax naturally follows business performance, to reduce compliance costs and make meeting their tax obligations easier from the start.

Other initiatives delivered in 2024–25 included:

- A pilot to embed simplified pay as you go (PAYG) instalment calculations into accounting software, to allow small businesses to vary their instalments to better align with their performance. Early insights show the approved calculation method is supporting acceptable instalment variations.
- An adjusted goods and services tax (GST) reporting cycle for more than 2,000 non-compliant small businesses, from quarterly to monthly, to support them to stay on track. Early insights show more frequent reporting and greater access to tools and support is leading to improved compliance outcomes and healthy business habits.
- A 'getting it right' campaign targeting incorrectly claimed deductions, the use of business money and assets for personal benefit, and contractors omitting income. We engaged with more than 25,000 small businesses to help them get back on track.

Assisting small businesses to comply with their obligations will be a continuing priority for the ATO in 2025–26. Building on a strong foundation, we will continue to use technology and data-driven insights to help small businesses meet their tax obligations.

Superannuation compliance

We supported employers in meeting their superannuation obligations by providing timely guidance and proactive communication. This helped to identify and address potential issues and get employers back on track earlier (if necessary), or get it right the first time. In 2024–25, we:

- sent 193,000 reminders and nudges about super guarantee (SG) obligations to employers, and contacted 30,000 tax agents so they could support their clients to meet their obligations
- identified common errors during the transition to the large withholder PAYG withholding cycle and provided timely support to help employers report and pay correctly, which saw improvement in over 76% of employers
- contacted 9,000 employers about potential fringe benefits tax (FBT) obligations, resulting in 5,800 lodgments and over $25 million in liabilities being raised
- improved our ability to use data to identify unpaid SG obligations and prepare for superannuation reform to be delivered under our 'Establishing payday super' priority in the year ahead.

In 2024–25, there were 41,980 new self-managed superannuation fund (SMSF) registrations, compared to 33,032 in 2023–24. There was also a corresponding increase in high-risk SMSFs and trustees. In response, we increased our tailored engagement (nudges and prompt letters), reducing the risk of non-compliance.

Our new registrant and promoter interview programs continued to support SMSF compliance. All new SMSF registrations are risk assessed after an SMSF applies for an Australian business number (ABN) and before appearing on Super Fund Lookup. In 2024–25, approximately 8,000 new SMSF registrations were considered high risk and stopped for interaction prior to registration on Super Fund Lookup.

Of those stopped:

- 90% of funds received education on the responsibilities of being a trustee of an SMSF and the fund was then listed on Super Fund Lookup
- 8% of funds did not mitigate the identified risks and continued to have their listing withheld from Super Fund Lookup until these were addressed
- 2% of funds did not mitigate the identified risks and had their ABN cancelled.

Engaging with tax practitioners

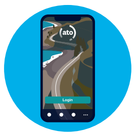
In 2024–25, we continued to work closely with professional associations and tax practitioners through our key stewardship and stakeholder groups, special purpose working groups and bespoke consultation groups.

This engagement has helped us to better understand the environment in which tax practitioners operate, and how key legislative and administrative changes and environmental factors are affecting their work. It also allows us to identify opportunities for tax practitioners to best support their clients to meet their obligations.

Enhancing digital engagement

The ATO digital strategy continued to guide improvements to our digital services, supporting taxpayers to seamlessly interact with us during 2024–25. These improvements have led to growth across online services for individuals, businesses, tax agents and foreign investors, which when combined resulted in 154 million user sessions (14% more sessions than in 2023–24).

The ATO app continued to provide a secure, personalised individual taxpayer experience for those who access ATO online services from mobile devices. At 30 June 2025, we had over 28 million user sessions of the ATO app, a 19% increase from last year.



Over 28 million user sessions of the ATO app
at 30 June 2025

Tailoring support…

We support all taxpayers to engage in the tax and superannuation systems in the way that best enables them to meet their obligations. In 2024–25, we expanded our tailored support to meet the diverse needs of taxpayers, especially those experiencing vulnerability, to make it easy to participate in the tax and superannuation systems.

Supporting diverse and vulnerable taxpayers

In 2024–25, we established a vulnerability capability to deliver a more coordinated and structured approach to our support activities and better support people facing a range of challenges, including financial abuse.

A key element of this new capability is the ATO Vulnerability Framework, which has been developed in partnership with industry, advocates and those with lived experience. We are implementing the framework from 2025, complemented by immediate and practical actions to better support people experiencing vulnerability.

In 2024–25, we launched the ATO additional support hub, incorporating our long-standing hardship support for taxpayers, the advocate help desk for financial counsellors, national tax clinics and a specialised support team for taxpayers requiring greater support.

During Tax Time 2024, over 9,100 taxpayers accessed support through our Tax Help program at more than 375 community centres nationwide. Fifty-four of these centres provided direct assistance to Aboriginal and Torres Strait Islander taxpayers, with select Tax Help promotional posters and fact sheets available in 13 Indigenous languages.

Over 9,100
taxpayers received support through our Tax Help Program

In early 2024–25, we launched the ATO's sixth reconciliation action plan, and our fourth at the Stretch Level[6], positioning us as a leader in the Australian Public Service (APS) in advancing reconciliation. It sets out an ambitious delivery agenda, including a key focus on supporting Aboriginal and Torres Strait Islander peoples to effectively participate in the tax and superannuation systems. For example, guidance on how to register for a tax file number and lodge a tax return, and small business education.

We piloted enhancements to our Indigenous helpline, deploying additional staff and establishing a reporting framework to evaluate the benefits of dedicated support for the helpline. Feedback has been positive, with initial results reinforcing the value of the piloted helpline model.

We also continued to work with the First Nations Foundation by participating in Financial Wellness Week events, helping Aboriginal and Torres Strait Islander taxpayers in remote and rural areas to understand and meet their tax and superannuation obligations.

6 A Stretch Level reconciliation action plan requires organisations to embed reconciliation initiatives into business strategies so they become business-as-usual, and is focused on high-impact commitments based on defined measurable targets and goals.

$7 million

in reduced debt for 60,000 residents eligible to claim the remote zone tax offset

During 2024–25, we identified that eligible residents of remote or isolated areas were not claiming the remote zone tax offset in their tax returns; this offset is available to all people who live in remote areas of Australia. We subsequently delivered, in conjunction with community and government partners, the remote zone tax offset project that resulted in $27 million in refunds and $7 million in reduced taxpayer debt for 60,000 eligible residents.

We continue to support and provide specialised services for people with disability, to assist them to participate in all areas of the tax and superannuation systems and meet their obligations. Our targeted support during 2024–25 included:

- providing tailored information to help people understand their tax and superannuation obligations, including in Auslan
- engaging with organisations that support people with disability, to provide tailored tax and superannuation information
- promoting the National Relay Service to people with a hearing or speech impairment who need to phone the ATO
- ensuring myTax is compatible with screen-reader software and suitable for use on any device.

Our tailored information, tools and services for people with disability can be found at ato.gov.au/peoplewithdisability.

Our 'Tax and super basics' advertising campaign continued to support people from culturally and linguistically diverse backgrounds by providing easier access to information and services that help people to better understand their tax and superannuation obligations. The campaign was delivered in 12 languages across multiple channels.

Supporting small businesses

During 2024–25, we continued our work to make it easier for small businesses to meet their tax obligations. We launched the 'Ready for business' campaign to help new small business owners understand and comply with their tax and superannuation obligations from the start. Nearly half of all businesses fail in their first 3 years of operation, often because they do not get their ATO obligations right from the beginning. Under the campaign, new ABN holders receive a series of emails over an 18-month period providing tips on business structures, registering for GST and understanding employer responsibilities.

Under our 'Reach Out' program, which was established to support Aboriginal and Torres Strait Islander small businesses to meet their tax and superannuation obligations, we shifted to a more conversational and community-led approach. To underpin this approach and enhance cultural resonance and accessibility, we:

- expanded our reach into regional and remote areas through a partnership with Many Rivers[7]
- provided training for business coaches to deliver education session materials through 13 'Business Yarn' sessions across Far North Queensland.

Supporting taxpayers to protect themselves against fraud

In June 2025, we upgraded the ATO app to support taxpayers to proactively protect themselves from identity fraud. New functionality enables ATO app users to receive secure messages alerting them of key changes made to their account, and to lock it if fraud is suspected.

In the first 2 weeks following deployment, over 400,000 people downloaded and registered the latest version of the app and more than 22,000 messages were sent. As a result, 48 taxpayers had locked their record and, of these, 13 were confirmed by the taxpayer as fraud.

7 Many Rivers is a for-purpose organisation that provides microenterprise development and community economic development support to Indigenous and other Australians who want to access the economy, but for various reasons lack the financial or practical business support to do so.

Taxpayers can also protect themselves by setting their 'online access strength' to the highest available Australian Government Digital ID myID strength to log in to our online services. At 30 June 2025, more than 1.15 million taxpayers had set their online security strength, with two-thirds at the highest security level.

Supporting people to manage their superannuation

We continued to support taxpayers to better manage their superannuation, understand their entitlements and make better choices for their future through our 'super health check' initiative. We observed a significant rise in engagement, with 2.1 million website 'hits' received this year, compared to 30,000 in 2023–24.

We also helped Australians to compare and consolidate their superannuation accounts. Our YourSuper comparison tool had over 900,000 user views in 2024–25, and over 52.6% of authenticated users with multiple superannuation accounts consolidated their accounts after using it.

The tool can be accessed at ato.gov.au/yoursupercomparisontool.

Enforcing consequences for deliberate non-compliance…

We have continued to strengthen our capabilities to improve compliance behaviour and reduce risk of deliberate non-compliance before it occurs. We enforced consequences for those doing the wrong thing, working with key partners to proactively identify and address illegal and fraudulent activity.

Strengthening debt collection

Our payment strategy, established under our 'Strengthening debt collection' key focus area, has reset our compliance posture through firmer and faster actions, particularly for taxpayers who do not engage with us on priority debts like super guarantee charge (SGC), PAYG withholding and GST.

We expanded our firmer and faster approach to taxpayers who have required repeated audit action for SGC and PAYG withholding. These taxpayers receive a firmer action warning letter as the first action and can expect us to move quickly to firmer actions such as director penalty notices or garnishees where obligations are not met. System improvements and our strengthened data-matching approach continue to help us identify and action the highest priority cases.

89.4%
of debts were paid on time and in full

In 2024–25, we experienced the smallest growth in collectable debt since before the pandemic, with 89.4% of payments being made on time and in full, exceeding our target of 88%. This increases to over 95% paid within 90 days. We issued 84,529 director penalty notices to individual directors in respect of liabilities of $5.5 billion. At 30 June 2025, $1.2 billion of these liabilities had been collected and we expect this to increase over time as collection activity continues.

Enhancing counter fraud approaches

During 2024–25, we strengthened the ATO's fraud prevention, detection and response strategies under our 'Enhancing counter fraud measures' key focus area, and the Counter Fraud Program.

$250 million
in likely fraudulent refunds stopped

Improved technology, expanded data-driven insights and sophisticated risk modelling is enabling us to better target evasion and fraud, from intentional omission of income and overclaiming of deductions through to identity fraud and serious organised crime. As a result of recent changes, in 2024–25 the ATO detected and contained more than $250 million in likely fraudulent individual income tax return refunds before they were issued.

While we are increasingly focused on prevention and early detection of fraud, we know we cannot 'engineer' fraud out of the system.

We continue to work with our domestic and international partners to bring consequences to fraudsters, including through audits and criminal prosecutions, and multi-agency activities such as those under the Serious Financial Crime Taskforce.

We continued our targeted crackdown on GST fraud under Operation Protego, to bring criminal (not just financial) consequences for GST fraudsters. In 2024–25, we finalised 122 investigations into GST fraud, resulting in the referral of 54 briefs of evidence to the Commonwealth Director of Public Prosecutions.

122
GST fraud
investigations finalised

Additional information on convictions under Operation Protego is available at ato.gov.au/operationprotego.

In 2024–25, the ATO joined the Australian Financial Crimes Exchange (AFCX), enabling the exchange of indicators of fraud with over 50 AFCX members across sectors including banking, superannuation and telecommunications. These exchanges have assisted us to identify fraud markers and take preventative actions, and share indicators such as bank accounts we have barred from use. This has helped financial institutions take further action to protect the community against fraud, and scams more broadly.

While we made considerable progress with our counter fraud approaches in 2024–25, this will be a continuing priority for us in 2025–26, through the 'Enhancing counter fraud measures' enterprise priority.

Targeting promoters of illegal activity

Under our promoter interview program, we have explored a range of opportunities to improve intelligence gathering on individuals suspected of promoting illegal early release of superannuation funds or other contraventions.

In 2024–25, we expanded the program to include ATO and Australian Securities & Investments Commission (ASIC) joint interviews, enabling coordinated enforcement on high-risk suspects. Most interviews have resulted in referrals to the Tax Practitioner Board (TPB) and ASIC, with 6 promoters subject to investigation under our Promoters and Tax Exploitation Program and 3 subject to joint ATO and ASIC action.

Maintaining multinational and private groups tax performance

We have maintained the tax performance of multinationals and large taxpayers under our 'Sustaining multinational and large taxpayer performance' key focus area. The Tax Avoidance Taskforce delivered real-time engagement, tailored assurance reviews, and streamlined reporting. This raised tax liabilities of $6.8 billion in 2024–25, with taskforce funding from government helping to generate $5.7 billion of this amount.

$6.8 billion
tax liabilities
raised from multinational and privately owned/wealthy groups

In 2024–25, we continued our strong focus on the tax performance of multinational and private groups through:

- re-prioritised real-time engagement for the Top 100 and Top 500 programs[8]
- tailored assurance reviews for the Top 1,000 taxpayers[9]
- a continued focus on profit shifting and tax avoidance arrangements of multinationals and large taxpayers.

Specifically for private groups, we streamlined ongoing Top 500 program engagements where groups show they have paid the right amount of tax, reducing the cost of compliance for those that are getting things right. Our key focus is on increasing willing participation through prevention rather than correction.

$2.6 billion
of unpaid taxes were identified by the shadow economy program

Targeting shadow economy activity

The shadow economy program identified $2.6 billion in unpaid taxes this year, bringing the total to $10.5 billion since its commencement in 2018. In spite of successes to date in identifying unpaid taxes, the shadow economy tax gap continues to increase. As a result, continued investment and focus will be required over the year ahead.

In 2024–25, the Shadow Economy Taskforce-led Operation Topaz targeted farms and labour hire providers in southeast Queensland to address non-compliance within the tax and superannuation systems. Operation Topaz was a joint initiative between the ATO, the Fair Work Ombudsman and the Department of Home Affairs.

Over 720,000
real-time prompts
to taxpayers to review their returns

Individual taxpayer compliance

We continue to use our extensive data assets to ensure that individuals pay the right amount of tax, including early taxpayer access to pre-fill data. We have expanded 'enhanced' pre-fill, which further restricts changes to certain tax return labels without substantiation. This includes informative pre-fill data on over 600,000 crypto asset sales.

As part of tax return lodgment, we have increased the use of automatic adjustments and prompts for corrective action where claims do not match our data holdings. In 2024–25, we sent over 720,000 real-time prompts for taxpayers to review amounts in their income tax returns, protecting an estimated $62.5 million in revenue.

8 Additional information about our Top 100 and Top 500 programs is available at ato.gov.au/top100program and ato.gov.au/top500program respectively.

9 Additional information about our Top 1,000 program is available at ato.gov.au/top1000.

Addressing risk and behaviours of concern

Registered tax agents, registered business activity statement agents and other tax professionals play an important role in helping their clients to get their tax right. While we recognise that most tax practitioners do the right thing, we work closely with the TPB to address behaviour and performance issues.

720
individual cases
referred to the TPB

In 2024–25, we referred over 720 individual cases to the TPB and made around 1,560 information exchanges[10]. We work together with TPB staff, who are provided by the Commissioner of Taxation, by sharing relevant information to identify and actively address risks and behaviours of concern, thereby strengthening the integrity of the system and protecting revenue.

Combatting tax crime through international co-operation

We continue to build strong relationships and collaborate globally to share expertise among international tax administrators. We remain influential in the Organisation for Economic Co-operation and Development (OECD) Forum on Tax Administration, and we lead efforts to combat tax crime through the:

- Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC)
- Joint Chiefs of Global Tax Enforcement (J5)
- Study Group on Asia-Pacific Tax Administration and Research (SGATAR).

Additional information on our audit and compliance enforcement activities is available in Part 4 – Revenue performance, Part 5 – Management and accountability, under Fraud and corruption management, Appendix 6: Strategic litigation and Appendix 13: Fraud or evasion exception.

10 Information exchanges relate to the provision of additional information or updates in relation to cases. ATO staff assisting the TPB may ask us for more information to further support their enquiry into a matter, or request information for other investigations that they initiate independently.

Organisational capability

We have continued to build and mature key organisational capabilities underpinning the achievement of our purpose and to progress toward our vision. Our work to build and mature our capabilities has been informed by the recently completed Capability Review.

Capability Review

The Capability Review of the Australian Taxation Office, published in March 2025, identified many strengths within our organisation. The report observed that we are high-performing and have a strong reputation for managing Australia's tax system and relevant aspects of the superannuation system, in modern and reliable ways.

The Capability Review team found that, as individuals, we have a strong sense of purpose and are committed to our work – collecting tax so the government can deliver services for the Australian community. The report identified priority areas for improvement to support our efforts to evolve the ATO into a great organisation. Our response – *Our Performance Evolution* – commits us to acting on these insights and working as a united team, to deliver outcomes for government and the community.

To focus our attention and our actions, *Our Performance Evolution* identifies 3 main shifts needed to evolve our performance, both at the organisational and individual level. These are:

- think bigger
- act bolder
- deliver together.

We have commenced a range of activities focused on delivering *Our Performance Evolution*, and will continue to progress these over the next 12 months. We will use other insights from the Capability Review as an opportunity to enhance our current and future initiatives.

Additional detail is available in Part 5 – Management and accountability, under Capability review.

Workforce

In 2024–25, we continued to:

- develop new and revised people strategies, to be better positioned to respond to changes in our operating environment
- create a positive and inclusive workplace culture underpinned by integrity and driven by impactful leaders
- equip staff with tools and technology that deliver the best staff experience, which enables them to provide quality services and deliver improved taxpayer outcomes.

We maintained high employee engagement levels of 76% in the Australian Public Service (APS) Employee Census 2025, 1 percentage point higher than 2024. These results reflect our continued focus on staff engagement and have again outperformed the APS overall and other comparable agencies (1 percentage point higher).

76% ↑ **1 percentage point**
employee engagement score, 2025

The ATO continues to be a competitive and attractive employer, with strong results for staff recommending the organisation as a good place to work when compared with other large and extra-large operational APS agencies.

417
staff onboarded
through key entry-level programs

Our APS Employee Census 2025 results indicate that those staff who would recommend the ATO as a place to work rose to 86%, up 3 percentage points on last year and 9 percentage points above the APS overall.

In 2024–25, the ATO maintained its commitment to building a sustainable and skilled future workforce by investing in a diverse range of entry-level programs. A total of 417 participants were onboarded across key programs, including 272 ATO Graduates, 30 ATO School Leavers, 43 Evergreen participants, 2 Opening Doors – Veterans participants, 4 APS Academy Digital and Data Cadets, and 66 University Partnership Employment Program participants. These programs align with critical capability areas and professional streams such as design, marketing and communication, data, information technology, taxation (including accounting, finance and law) and human resources.

A key focus over the course of the year was to improve manager capability and confidence. We launched the ATO Manager Program to uplift people management capability across APS level 6 to executive level (EL) 2 cohorts. At 30 June 2025, 36% of eligible managers had completed the training, demonstrating good progress toward achieving our 80% target completion rate by November 2025.

Early outcomes from this training is positive, with improvement already being observed in manager performance in leave management, mandatory training completion and performance oversight. The program will be made available for all new and aspiring managers, and is being shared more broadly across the APS to support capability uplift.

In 2024–25, the ATO continued to lead the APS human resources (HR) professional stream and collaborated with the Australian Public Service Commission to build capability and nurture future HR talent pipelines across the APS. We facilitated 7 HR professional stream events for our network of approximately 6,140 HR professionals. Additionally, we recruited and managed 57 HR graduates across 23 agencies in 2024, and 52 HR graduates across 26 agencies in 2025. We also placed 44 HR school leavers across 19 agencies in 2024, and 13 HR school leavers across 8 agencies in 2025.

Additional information on our workforce management and capability is available in Part 5 – Management and accountability, under Workforce management.

ICT systems

We continue to strengthen our information and communications technology (ICT) ecosystem through ongoing investment. This safeguards our organisation and our data, and improves the taxpayer and staff experience.

The ATO digital strategy and the 'Strengthening the value of data and digital' key focus area have further matured our digital capabilities. We are implementing a range of initiatives to help us to:

- further enhance our digital services
- increase the integrity of our systems
- further digitalise our business to support our purpose and vision.

We continue to shift how we deliver tax services to the community. In 2024–25, we provided a range of online tools and services that allow taxpayers and intermediaries to access our services anywhere, anytime using a variety of channels and devices. These critical capabilities provide:

- stronger fraud protection through secure messaging and lock account functionality in the ATO app
- robust identity management using measures such as online access strength to protect taxpayers' myGov accounts
- tailored and improved online services, including enhancements to myTax that have driven growth in the adoption and use of our online services, the ATO app and the ATO website
- improved services within natural systems, such as simplified PAYG instalment calculations embedded in accounting software
- staff systems and tools to better equip our people to deliver on their responsibilities.

We are committed to continuing to work with our partners and intermediaries to deliver services to taxpayers and enable a digital ecosystem that facilitates the exchange of event-based, accurate and relevant taxpayer data.

Under our 'Enhancing cybersecurity' key focus area, we continued to strengthen the ATO's cybersecurity posture. Maintaining our commitment to safeguarding our organisation and taxpayer data included the following:

- Delivering our cyber program and supporting initiatives, with a defence-in-depth approach that includes multiple layers of security to fortify our organisation and systems against cyberthreats. This included improving our resistance to cyber intrusion with targeted uplift of end-user protections that limit our exposure to external threats.
- Collaborating with partner agencies as a whole-of-government endeavour, focusing on further protecting the government's most critical systems and data.
- Uplifting cybersecurity maturity aligned with whole-of-government requirements.

Meeting community expectations that our systems are secure and available when required will be a continuing focus into 2025–26. We continue to invest in secure infrastructure, making more of our services available digitally and boosting capacity to respond to increasing demand.

In 2024–25, we made substantial strides in modernising our technology foundations. We strengthened our IT systems through targeted technology investments that improved reliability, security and staff experience across the organisation:

- Replaced aged network infrastructure across all ATO sites, enhancing connectivity, performance and resilience, particularly for video calls (Microsoft Teams) and virtual meetings. This provides a strong foundation for future workplace modernisation initiatives.
- Migrated mailboxes to the cloud and improved mobile device fleet management, significantly strengthening our cybersecurity posture. These upgrades, including refreshing 85% of the ATO's smartphone and tablet fleet, have enabled seamless collaboration across locations and devices, enhancing flexibility and responsiveness for our staff.
- Reinforced our information security by implementing mandatory protective markings on all Microsoft documents, helping to safeguard sensitive information from loss, compromise or misuse.
- Bolstered our cyberattack prevention capabilities with targeted enhancements to our monitoring and proactive identification of cyber threats.
- Revamped the People Connect platform to provide staff with faster, more secure access to digital human resource services.
- Introduced real-time end-to-end call traceability, improved visibility of call flows and reduced diagnosis time within our contact centre technologies, which translated into fewer drop-outs and hand-offs between frontline service agents.
- Enhancements across multiple data platforms, including the enterprise data warehouse, to significantly improve user experience, network performance and data processing efficiency. System upgrades and enhancements delivered in 2024–25 saw consistently high performance achieved, providing staff with timely access to critical systems, information and data to support taxpayers.

We've developed a 2-year roadmap to guide strategic IT investments, ensuring technology decisions are aligned with organisational priorities. In 2025–26, we will continue to modernise our technology environment to drive greater productivity, security and user experience across the ATO. Our focus will be on enabling a more agile, digitally-confident workforce and positioning the ATO to respond effectively to future operational demands.

Data and analytics

Investment in our data and analytics capability is critical to achieving our aspiration to be a data-driven, streamlined and integrated organisation. The ATO holds and has access to a wealth of data that we use to make it easier for people to comply with their obligations, and hard not to.

Our 'Strengthen the value of data and digital' key focus area supported our continued work to improve the way we collect, manage, use and share data, responsibly and ethically, to maintain confidence and maximise value for the community and the ATO. We have continued to strengthen our data foundations, to ensure:

- the right data is available for taxpayers and our staff
- we have the right tools and capabilities to understand and use the data in innovative ways, with appropriate guardrails.

We continue to focus on uplifting the data literacy of all staff, and during 2024–25 we provided additional training courses for them, including on artificial intelligence (AI).

Over 117 million
pieces of data pre-filled in tax returns

We use data and analytics to better support our regulatory services and help achieve our goal of prevention rather than correction. In 2024–25, we used data and analytics to:

- pre-fill over 117 million pieces of data, including salary and wages, interest and dividends, and Australian Government allowances and payments
- send over 668,000 informative pre-fill messages to taxpayers to consider the tax consequences of their crypto asset sales when completing their 2023–24 income tax returns

48.3%
of self-preparing sole traders adjusted their return

- provide over 514,000 real-time prompts to taxpayers to review amounts in their business activity statements across approximately 346,000 transactions
- prompt nearly 18,000 self-preparing sole traders to review amounts reported in their 2023–24 tax return where the amounts differed to those in similar circumstances – 48.3% of those prompted adjustments as a result.

More information about how we use data and analytics is available at ato.gov.au/dna. Information about data-matching protocols is available at ato.gov.au/datamatchingprotocols.

Further information on, and detailed analysis of, the performance of the Australian Taxation Office is provided in Part 3 – Annual performance statements on pages 29–96. The annual performance statements reflect changes made to the Australian Taxation Office's performance framework since the *Australian Taxation Office corporate plan 2024–25* was released. An explanation of these changes is provided in the introduction to Part 3.

Full performance information on the Tax Practitioners Board (TPB) and the Australian Charities and Not-for-profits Commission (ACNC) is available in their respective annual reports. The TPB's annual report is available at tpb.gov.au/annual-report. The ACNC's annual report is available at acnc.gov.au/tools/reports.

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 2024 to 30 June 2025.

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, is based on properly maintained records, accurately presents the performance of the entity for the reporting period and comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule), except for the effect of those matters described in the performance statements.

The ATO, TPB and ACNC are working to improve the performance framework for the listed entity, including the performance measures included in the annual performance statements. As a result of this work, a number of changes have been made to improve performance reporting to the public and the Parliament. The ATO, TPB and ACNC will continue to work together to improve the quality and coverage of our performance reporting.

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 which is led by the Commissioner of Taxation.

The Australian Taxation Office annual performance statements 2024–25 outline our progress towards achieving the following purposes of the Australian Taxation Office:

ATO	TPB	ACNC
We collect tax so that government can deliver services for the Australian community.	Support public trust and confidence in the integrity of the tax profession and the tax system and ensure tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.	Promote public trust and confidence in Australian charities.

Changes to our performance information

We are focused on strengthening and maturing our performance reporting through ongoing enhancements to our suite of performance measures. We are committed to a strong performance culture, to ensure we appropriately deliver on our accountabilities to the government and the community.

ATO

We have continued to improve our performance information, with revisions made to a number of our performance measures designed to better define our priorities and demonstrate how the ATO effectively uses its resources to deliver on its purpose.

During 2024–25, we refreshed our purpose and vision and made changes to our key activities and performance measures. The *Australian Taxation Office corporate plan 2024–25* was not varied; however, changes were presented before the end of the performance cycle through the 2025–26 Portfolio Budget Statements and/or *Australian Taxation Office corporate plan 2025–26*. These changes since the *Australian Taxation Office corporate plan 2024–25* was published have been made in accordance with the PGPA Act and PGPA Rule requirements and are incorporated into these annual performance statements.

The number of key activities has been streamlined from 6 to 4, focusing on those material to the ATO achieving its purpose. Key activities that previously comprised enabling functions have been repositioned as organisational capabilities.

In line with these changes, performance measures have been realigned to reflect the updated key activities. Specifically:

- 8 performance measures were removed and will not be reported in these 2024–25 annual performance statements
- 3 replacement measures have been introduced
- 3 measures have updated targets
- 3 measures have updated methodologies
- the name of one measure has been updated to clarify Department of Industry, Science and Resources' (DISR) role.

These refinements are designed to strengthen transparency, accountability and alignment with the PGPA Act and Rule. Further details are provided in the tables below.

Table 3.1 ATO purpose change

Australian Taxation Office corporate plan 2024–25	2024–25 Annual performance statements and Australian Taxation Office corporate plan 2025–26
Contribute to the economic and social wellbeing of Australia by fostering willing participation in the tax, superannuation and registry systems.	We collect tax so that government can deliver services for the Australian community.

Table 3.2 Enterprise performance framework, ATO key activity changes

Australian Taxation Office corporate plan 2024–25		2024–25 Annual performance statements and Australian Taxation Office corporate plan 2025–26	
1	We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer	1	Collect the right amount of tax in the most efficient way for government and the taxpayer
3	Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to	2	Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to
2	We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance	3	Manage our responsibilities in the superannuation system to support the future retirement savings of the community
		4	Administer a range of payments and transfers on behalf of government
4	We work with and through others to deliver efficient and effective tax, superannuation and registry systems		This key activity has been re-positioned in the Australian Taxation Office corporate plan 2025–26 under 'Cooperation'
5	We use data, information and insights to deliver value for our clients and inform decision-making across everything we do		This key activity has been re-positioned in the Australian Taxation Office corporate plan 2025–26 under 'Organisational capability'
6	Our technology and digital services deliver a reliable and contemporary client experience		This key activity has been re-positioned in the Australian Taxation Office corporate plan 2025–26 under 'Organisational capability'

Table 3.3 ATO Key activities and performance measures

Key activities			
1. Collect the right amount of tax in the most efficient way for government and the taxpayer	2. Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to	3. Manage our responsibilities in the superannuation system to support the future retirement savings of the community	4. Administer a range of payments and transfers on behalf of government
Performance measures			
Registration – Proportion of companies registered in the system **Registration** – Proportion of individuals registered in the system **Lodgment** – Proportion of activity statements and income tax returns lodged on time **Tax gap** – As a proportion of revenue **Total revenue effects** – Revenue from all compliance activities **Payment** – Proportion of liabilities paid on time by value **Debt** – Ratio of collectable debt to net tax collections **Cost of collection** – Cost to collect $100 **Bad and Doubtful Debts and Remissions** – ratio of debt uneconomical to pursue to net tax collections Increased use of the **Australian Business Register** as the national business dataset	**Compliance cost** – Adjusted median cost to individual taxpayers of managing their tax affairs **Service satisfaction** – Client satisfaction with their recent interaction with the ATO	Proportion of **Low Income Superannuation Tax Offsets** paid within 60 days Proportion of **superannuation co-contributions** paid within 60 days **Superannuation guarantee** gap as a proportion of superannuation guarantee contributions Value of **superannuation guarantee** charge raised (including penalties and interest) Value of **superannuation guarantee** charge collected Value of **superannuation guarantee** charge entitlements distributed to individuals or superannuation funds Value of **superannuation guarantee** charge debt on hand and the value of debt irrecoverable at law or uneconomical to pursue Value of interest payments processed for **unclaimed superannuation money**	Refundable **film and digital games tax offset** claims are subject to ATO risk detection processes All **Junior Minerals Exploration Incentive (JMEI)** applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing **JMEI** public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued **Fuel Tax Credits Scheme** gap Information on how to claim the **National Rental Affordability Scheme (NRAS)** offset is accurate and accessible **Product Stewardship for Oil** gap **Research and Development Tax Incentives (R&DTI)** refundable claims are subject to R&DTI specific risk detection processes **Research and Development Tax Incentives (R&DTI)** – Offset claims are amended when the Department of Industry, Science and Resources advises the ATO that R&DTI registration has been revoked **Private Health Insurance Rebates** are subject to risk preventative and corrective processes The ATO applies **Interest on Overpayments and Early Payments of Tax** when required Accurate information is made available to taxpayers eligible to claim the **Seafarer Tax Offset** Under development – **Hydrogen Production Tax Incentive** Under development – **Critical Minerals Production Tax Incentive**

Table 3.4 ATO – Changes to 2024–25 performance measures

Performance measure	Description of change	Rationale for change
Digital – Proportion of inbound transactions received digitally for key services	Performance measure removed	Removed as the measure relates to an organisational capability (technology), not a performance outcome. Our digital-related work is an enabling function. Further, the measure captured a subset of taxpayer-initiated transactions and did not cover all relevant interactions.
Digital – Proportion of written outbound interactions issued digitally	Performance measure removed	Removed as the measure reflects an organisational capability (technology), not a performance outcome. Our digital-related work is an enabling function. Further, this measure was limited to a subset of communications and channels, not fully representing the breadth of the ATO's digital outreach.
Working together – Partner perceptions of how we are working together with them to administer the tax and superannuation systems	Performance measure removed	Removed due to the removal of the associated key activity (Key activity 4) that was in the *Australian Taxation Office corporate plan 2024–25*. Our work with partners is covered under 'Cooperation' in our 'Operating context' section.
Tax returns – Proportion of pre-filled items accepted without change	Performance measure removed	Removed due to the removal of the associated key activity (Key activity 5) that was in the *Australian Taxation Office corporate plan 2024–25*. Data-related work is an enabling function and is reflected in our 'Organisational capability' section.
Identity matching – Proportion of data items matched to client identifiers	Performance measure removed	Removed due to the removal of the associated key activity (Key activity 5) that was in the *Australian Taxation Office corporate plan 2024–25*. Data-related work is an enabling function and is reflected in our 'Organisational capability' section.
Availability – Key digital systems availability	Performance measure removed	Removed due to the removal of the associated key activity (Key activity 6) that was in the *Australian Taxation Office corporate plan 2024–25*. Technology-related work is an enabling function and is reflected in our 'Organisational capability' section.
Superannuation guarantee charge distributed as a proportion of superannuation guarantee charge raised	Performance measure removed	Removed to streamline performance measures related to the ATO's superannuation guarantee charge (SGC) responsibilities.
Superannuation guarantee charge raised and distributed within 12 months	Performance measure removed	Removed to streamline performance measures related to the ATO's superannuation guarantee charge (SGC) responsibilities.
Registration – Proportion of companies and individuals registered in the system	Methodology and data source revised to remove third-party data from the calculation of the result (ABS and ASIC data) This measure has been separated into 2 measures to reflect the 2 elements contained in the measure (companies and individuals) and represents 2 methodology changes	To ensure appropriate and meaningful performance measurement.
Tax gap – As a proportion of revenue	Target changed from 'reduce the gap to a level as low as practicable given the nature and complexity of the law and resources available' to '7.4%' Methodology changed to remove the tobacco excise component from the tax gap measure	A quantitative approach to target setting for this measure is considered more appropriate. Tobacco excise has been removed from the tax gap performance calculation due to the limited ability of the ATO to influence the performance outcome.

Table 3.4 ATO – Changes to 2024–25 performance measures *continued*

Performance measure	Description of change	Rationale for change
Fuel Tax Credits Scheme gap	Target changed from 'reduce the gap to a level as low as practicable given the nature and complexity of the law and resources available' to '4%'	A quantitative approach to target setting for this measure is considered more appropriate.
Product stewardship for oil gap	Target changed from 'reduce the gap to a level as low as practicable given the nature and complexity of the law and resources available' to '1%'	A quantitative approach to target setting for this measure is considered more appropriate.
Research and Development Tax Incentive – Offset claims amended	Update the measure to 'Research and Development Tax Incentives (R&DTI) – Offset claims are amended when the Department of Industry, Science and Resources (DISR) advises the ATO that R&DTI registration has been revoked'	The updated measure clarifies that DISR performs the functions of Industry Innovation and Science Australia to make and advise the ATO of revocations and findings related to R&DTI registrations.
National Rental Affordability Scheme (NRAS) – Value of tax offsets processed	Performance measure replaced with 'Information on how to claim the NRAS offset is accurate and accessible'	Replacement measure better reflects the ATO's role in administering this program.
Interest on overpayments and early payments of tax – Value of credit interest applied to client accounts	Performance measure replaced with 'The ATO applies interest on overpayments and early payments of tax when required'	Replacement measure better reflects the ATO's role in administering this program.
Seafarer Tax Offset – Eligible taxpayers are aware of how to claim the offset	Performance measure replaced with 'Accurate information is made available to taxpayers eligible to claim the seafarer tax offset'	Replacement measure better reflects the ATO's role in administering this program.

TPB

No changes have been made to the TPB key activity. Measures remain focused on regulator effectiveness and practitioner support. The name and methodology of one measure was changed.

Table 3.5 Program 1.2 TPB Key activity and performance measures

Key activity
5. Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour.
Performance measures
• Tax practitioner satisfaction • Proportion of completed risk assessments • Sanctions are appropriate

Table 3.6 Program 1.2 TPB – Changes to 2024–25 performance measure

Performance measure	Description of change	Rationale for change
Number of completed risk assessments	Update the measure to 'Proportion of completed risk assessments' Methodology changed to report on the percentage of high-risk cases that have been finalised with a corrective or compliance treatment	To better align with the risk-based approach detailed in the key activity.

ACNC

No changes have been made to the ACNC key activity. A target change was made for one measure.

Table 3.7 Program 1.4 ACNC Key activity and performance measure

Key activity
6. Maintaining a free and accurate register of Australian Charities (the Charity Register)
Performance measures
• Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision • Percentage of time that the Charity Register is available (excluding scheduled maintenance)

Table 3.8 Program 1.4 ACNC – Changes to 2024–25 performance measure

Performance measure	Description of change	Rationale for change
Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision	Target changed from 'at or above previous years' result' to '90%'	To reflect the ACNC's commitment to registering new charities as soon as possible, the 2023–24 target of 90% has been reinstated.

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. The performance measures listed in Table 3.9 demonstrate our performance against the 3 principles of regulator best practice consistent with Resource Management Guide – Regulator Performance (RMG 128) and report our achievement against the principles.

Table 3.9 Regulator performance reporting

Regulator best practice principles	ATO	TPB	ACNC
Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings	• Lodgment/Registration • Tax gap • Payment • Total revenue effects • Debt • Cost of collection • Compliance cost • Service satisfaction • Administered programs	• Tax practitioner satisfaction • Risk assessments • Sanctions are appropriate	• Registering new charities • Availability: Charity Register
Risk based and data driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden and leveraging data and digital technology to support those they regulate to comply and grow	• Lodgment/Registration • Tax gap • Payment • Total revenue effects • Debt • Cost of collection • Compliance cost • Service satisfaction • Administered programs	• Tax practitioner satisfaction • Sanctions are appropriate	• Registering new charities • Availability: Charity Register
Collaboration and engagement: regulators are transparent and responsive communicators implementing regulations in a modern and collaborative way	• Lodgment/Registration • Tax gap • Payment • Total revenue effects • Debt • Compliance cost • Service satisfaction • Administered programs	• Risk assessments	• Registering new charities • Availability: Charity Register

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.

Program 1.1 ATO

Purpose

We collect tax so that government can deliver services for the Australian community.

Program overview

Program 1.1 reflects the ATO's role as the Australian government's principal revenue collection agency, administering legislation governing the tax system, along with aspects of the superannuation and business registry systems.

Performance summary

The annual performance statements report on the performance criteria included in the Treasury Portfolio Budget Statements 2024–25 and the *Australian Taxation Office corporate plan 2024–25* to accurately reflect the performance of the ATO in achieving its purpose. In undertaking our overall assessment of the ATO's performance, we consider:

- the complexity of the tax, superannuation and registry environment and how our activities influence the behaviour of taxpayers in meeting their obligations
- the interrelated nature of performance measures – results should be viewed as a suite of indicators, rather than in isolation
- the use of estimates for some criteria.

It is also important to consider trends in the results over time, both in absolute terms and relative to the performance target for the relevant year. We assess our performance targets annually to determine where existing results are expected to be maintained and where future performance is expected to be stronger, as well as where measures and targets may need to be revised to better reflect the current operating environment. We will continue to monitor and assess our performance as we build on the outcomes that we have achieved to date.

There are 10 measures for Program 1.1 to demonstrate the extent to which we are achieving our purpose. We met the performance targets for 6 of these measures. One measure was rated 'substantially achieved' and 3 measures as 'not achieved'.

In 2025–26, we will be responsive to our environment and deliver on our responsibilities in a way that meets community expectations and is in accordance with the law. We will also continue to use a tailored approach to engage with taxpayers to ensure they meet their obligations, particularly those with collectable debt, in the most efficient way for government and the taxpayer.

We will also maintain our focus on properly differentiating those taxpayers who may be experiencing vulnerability from those who are deliberately non-compliant. We are committed to providing support for those who need help with their obligations or where unexpected events make it hard to lodge or pay on time.

Performance results and analysis

The achievement of the performance result against the target is assessed against a 3-tier rating scale, as described in Table 3.10. 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.

Table 3.10 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Registration – Proportion of companies registered in the system

Table 3.11 Registration – Proportion of companies registered in the system, 2022–23 to 2024–25

Performance measure	**Registration – Proportion of companies registered in the system** • A measure to assess the proportion of companies registered on the ATO client register and actively engaged in the Australian tax and superannuation systems by registering for a tax file number (TFN)		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% from the last reporting period (increase or decrease)		
Results	**2024–25**	**97.4%***	● **Achieved**[(a)]
	2023–24	66.1%	● Achieved
	2022–23	66.5%	● Achieved

Analysis

This year we revised the methodology for this measure to overcome previous limitations.

The previous methodology compared companies with a TFN registered in ATO systems to Australian Securities & Investment Commission (ASIC) registered company data. ASIC data included many companies that do not require a TFN. For example, 'shelf companies' are routinely created and remain dormant. This did not provide a meaningful indicator of TFN adoption by companies.

The revised methodology relies only on ATO data, specifically active records on the ATO client register. This approach focuses on companies actively engaged in the tax and superannuation systems, providing a more meaningful and relevant measure of registration performance.

The result for 2024–25 was 97.4%. While the result represents a variance greater than the target variance from the previous reporting period of within +/- 2%, this variance has resulted from the change in methodology and is not attributable to the performance of the ATO. A comparison between the results using the new and previous methodology is provided below to evidence the impact of the methodology change. The target for this measure will be reviewed for the 2025–26 year to ensure that it is fit-for-purpose.

Financial year	Results using previous methodology	Results using new methodology
2024–25	65.6%	97.41%
2023–24	66.1%	97.44%
2022–23	66.5%	97.42%

Table 3.11 Registration – Proportion of companies registered in the system, 2022–23 to 2024–25 *continued*

Analysis *continued*	The below table contains historical calculations showing the revised methodology applied retrospectively.

Financial year	Client identifier total	TFN total	Percentage TFN to all identifiers
2024–25	4,584,192	4,465,620	97.41%
2023–24	4,364,808	4,253,158	97.44%
2022–23	4,157,164	4,049,844	97.42%
2021–22	3,962,264	3,858,143	97.37%
2020–21	3,764,897	3,664,631	97.34%

The TFN is a foundation registration that underpins taxpayer obligations and engagement in the taxation system. The measurement reflects the ATO's registration performance by way of having a high percentage and stable taxpaying population (individuals and companies) registered through the services we provide. The value of the measure is to form the base of various internal reporting and measurements (for example, ABN, GST). It informs population-wide decision making. Our TFN registration risk management team uses it as one of the measurements to monitor trends and analyse the residual populations.

We intend to further investigate taxpayers that do not obtain a TFN as outlined in the limitation section below.

Type of measure	Effectiveness
Data sources	ATO systems
Methodology	**Numerator** – Those companies included in the denominator that have an active TFN at the measurement date. **Denominator**[(b)] – All active taxpayers with an ASIC-registered company entity type. The proportion is calculated by dividing the numerator by the denominator (multiplied by 100 and expressed as a percentage).
Limitations	The denominator includes all companies with an active ATO client record, regardless of whether they would be subject to withholding or would benefit from a TFN for lodgment purposes. This may include: • corporate trustees of trusts or superannuation funds • companies with a foreign resident withholding (FRW) vendor role. *The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this measure. As we have identified an enterprise risk relating to the integrity of our registers, we are actively working to strengthen our controls to mitigate any potential integrity risks.
Variation from Australian Taxation Office corporate plan 2024–25	The previous Registration measure is now being reported as 2 separate measures ('Companies' and 'Individuals'). The methodology and data source have been changed to remove third-party data from the calculation of the result.

Notes

(a) The result for 2024–25 (97.4%) represents a variance from the previous reporting period of greater than the target variance of within +/- 2%. This variance, however, has resulted from the change in methodology and is not attributable to the performance of the ATO. On this basis, the measure has been assessed as achieved.

(b) Information on ASIC-registered company entity types is available at asic.gov.au/for-business-and-companies/companies/company-building-blocks/company-types.

Registration – Proportion of individuals registered in the system

Table 3.12 Registration – Proportion of individuals registered in the system, 2022–23 to 2024–25

Performance measure	Registration – Proportion of individuals registered in the system • A measure to assess the proportion of individuals registered on the ATO client register and actively engaged in the Australian tax and superannuation systems by registering for a tax file number (TFN)		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 5% from the last reporting period (increase or decrease)		
Results	**2024–25**	**99.1%***	**Achieved[a]**
	2023–24	107.6%	Achieved
	2022–23	107.8%	Achieved

Analysis

This year we revised the methodology for this measure to overcome previous limitations.

The previous methodology used ABS population estimates and age-based criteria, which included individuals who may not be required to participate in the tax system.

The revised methodology uses only ATO data, specifically active records on the ATO client register against those with an active TFN.

The result for 2024–25 was 99.1%. While the result represents a variance greater than the target variance from the previous reporting period of within +/- 5%, this variance has resulted from the change in methodology and is not attributable to the performance of the ATO. A comparison between the results using the new and previous methodology is provided below to evidence the impact of the methodology change. The target for this measure will be reviewed for the 2025–26 year to ensure that it is fit-for-purpose.

Financial year	Results using previous methodology	Results using new methodology
2024–25	107.6%	99.07%
2023–24	107.6%	99.09%
2022–23	107.8%	99.12%

The below table contains historical calculations showing the revised methodology applied retrospectively.

Financial year	Client identifier total	TFN total	Percentage TFN to all identifiers
2024–25	36,210,435	35,873,064	99.07%
2023–24	35,317,565	34,994,520	99.09%
2022–23	34,337,585	34,035,314	99.12%
2021–22	33,313,130	33,043,610	99.19%
2020–21	32,688,802	32,434,276	99.22%

Table 3.12 Registration – Proportion of individuals registered in the system, 2022–23 to 2024–25 *continued*

Analysis *continued*	The ATO manages the TFN registration process, providing support to individuals applying for a TFN and processing their applications. Nearly all individuals who are required to participate in the tax system have a TFN, as their employer or financial institution will withhold tax on any payments at the maximum rate if they do not have one. This approach focuses on individuals actively engaged in the tax and superannuation systems, providing a more meaningful and relevant measure of registration performance. The TFN is a foundation registration that underpins taxpayer obligations and engagement in the taxation system. The measurement reflects the ATO's registration performance by way of having a high percentage and stable taxpaying population (individuals and companies) registered through the services we provide. The value of the measure is to form the base of various internal reporting and measurements (for example, ABN, GST). It informs population-wide decision making. Our TFN registration risk management team uses it as one of the measurements to monitor trends and to analyse the residual populations. We intend to further investigate taxpayers who do not obtain a TFN as outlined in the limitation section below.
Type of measure	Effectiveness
Data sources	ATO systems
Methodology	**Numerator** – Those individuals included in the denominator who have an active TFN at the measurement date. **Denominator** – All active taxpayers with an 'Individual' entity type. The proportion is calculated by dividing the numerator by the denominator (multiplied by 100 and expressed as a percentage).
Limitations	The denominator includes all individuals with an active ATO client record, regardless of whether they would be subject to withholding or would benefit from a TFN for lodgment purposes. This may include: • foreign directors who require a director ID only • foreign investors or residents with no tax obligations due to the nature of their activities in connection with Australia • individuals registered for administrative purposes only (for example, ARN holders). *The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this measure. As we have identified an enterprise risk relating to the integrity of our registers, we are actively working to strengthen our controls to mitigate any potential integrity risks
Variation from Australian Taxation Office corporate plan 2024–25	The 'Registration' measure is now being reported as 2 separate measures ('Companies' and 'Individuals'). The methodology and data source have been changed to remove third-party data from the calculation of the result.

Note

(a) The result for 2024–25 (99.1%) represents a variance from the previous reporting period of greater than the target variance of within +/- 5%. This variance, however, has resulted from the change in methodology and is not attributable to the performance of the ATO. On this basis, the measure has been assessed as achieved.

Lodgment – Proportion of activity statements lodged on time

Table 3.13 Lodgment – Proportion of activity statements lodged on time, 2022–23 to 2024–25

Performance measure	**Lodgment – Proportion of activity statements lodged on time** • A measure to show the number of activity statements lodged on time as a proportion of the anticipated population with a lodgment obligation		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	78%		
Results[(a)]	**2024–25**	**77.3%**	■ **Substantially achieved**
	2023–24	75.6%	◆ Not achieved
	2022–23	72.6%	◆ Not achieved
Analysis	On-time lodgment performance for 2024–25 activity statements was 77.3%. This is 1.6 percentage points above last year's result, continuing the trend of positive improvement for the fourth year in a row, and 0.7 percentage points below the target of 78.0%. The volume of activity statements lodged on time increased by 7.8%, from 11.7 million in 2023–24 to 12.6 million in 2024–25. The small business taxpayer segment continues to be the main driver of underperformance against this measure. This segment was 4.1 percentage points below the overall activity statement on time lodgment performance of 77.3%. During 2024–25, our continued focus on identifying and end-dating tax roles for entities without a requirement to lodge GST and/or PAYG withholding removed 41,000 outstanding activity statements. This contributed to the improved performance, adding 0.25 percentage points to the result. The small business taxpayer segment accounted for approximately 82% of these cancelled activity statement forms. During 2024–25, a focused program that cancels inactive registrations continued to improve the integrity of the lodgment population and on-time lodgment. Over 130,000 roles for approximately 100,000 taxpayers were end-dated, with over 85,000 being deregistered companies. We continue to engage and work with the community and businesses to ensure: • those who have a genuine need to be registered lodge on time • we support taxpayers to finalise their lodgment obligations when exiting the tax system.		
Type of measure	Effectiveness		
Data sources	ATO systems		
Methodology	**On-time lodgment population** – This is the original number of activity statements received within 7 days of the due date. **Anticipated activity statement lodgment population** – This is the number of all activity statements with a 'despatched' status. **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 lodgments population. Early lodged activity statement forms are also included. 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). **Performance rating scale**		

Result	Symbol	Description
Achieved	●	78% and above
Substantially achieved	■	77% to less than 78%
Not achieved	◆	less than 77%

Table 3.13 Lodgment – Proportion of activity statements lodged on time, 2022–23 to 2024–25 *continued*

Limitations	Activity statement lodgment performance is measured for the relevant lodgment obligations due at 30 June. The activity statement obligations are generally not included within the calculation (as they are not due by that date) are: • April–June quarter statements for quarterly lodgers • some May and/or June monthly statement for monthly lodgers • most annual activity statement obligations; that is, less than 0.1% of the total number of annual activity statements are due at 30 June.
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Lodgment – Proportion of income tax returns lodged on time' to provide a clearer read of performance.

Note

(a) Activity statements performance was measured at 8 July 2025 for 2024–25 activity statements, 8 July 2024 for 2023–24 activity statements and 3 July 2023 for 2022–23 activity statements.

Lodgment – Proportion of income tax returns lodged on time

Table 3.14 Lodgment – Proportion of income tax returns lodged on time, 2022–23 to 2024–25

Performance measure	**Lodgment – Proportion of income tax returns lodged on time** • A measure to show the number of income tax returns lodged on time as a proportion of expected lodgments due under self-assessment		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	83%		
Results[a]	**2024–25**	**82.6% (2023–24 returns)**	■ **Substantially achieved**
	2023–24	82.4% (2022–23 returns)	■ Substantially achieved
	2022–23	83.3% (2021–22 returns)	● Achieved
Analysis	On-time lodgment performance for 2023–24 income tax returns was 82.6%. This is 0.2 percentage points above last year and 0.4 percentage points below the target of 83.0%. The volume of income tax returns lodged on time increased by 3.3% (from 16.9 million in 2022–23 to 17.4 million in 2023–24), continuing a 5-year trend. On-time lodgment performance for both the individuals and self-managed superannuation funds taxpayer segments declined by 0.1 percentage points compared to the prior year. All other taxpayer segments improved, particularly small business and public and multinational businesses, which were up 0.7 and 1.7 percentage points respectively compared to last year. Overall, most taxpayers remain engaged and compliant with their income tax lodgment obligations, with the 5-year performance relatively consistent within the range of 82% to 83%.		
Type of measure	Effectiveness		
Data sources	ATO systems		
Methodology	Income tax return lodgment performance is measured for the relevant lodgment period at the following year end date. For example, the performance reported for 2024–25 is for 2023–24 income tax returns (measured at 30 June 2025). **On-time lodgment** – This refers to original income tax returns received by the ATO within 7 days of the due date. **Anticipated lodgment population** – This is all entities in the ATO client register less those that: • were classified as 'inactive' through the tax file number reconciliation process • identified as not having an income tax lodgment obligation • were assessed as having a high likelihood they will not be required to lodge. Due lodgments are 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. 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). Performance rating scale		

Result	Symbol	Description
Achieved	●	83% and above
Substantially achieved	■	82% to less than 83%
Not achieved	◆	less than 82%

Table 3.14 Lodgment – Proportion of income tax returns lodged on time, 2022–23 to 2024–25 *continued*

Limitations	Limitations of the income tax return lodgment performance measure include where: • not all the lodgment details are available to determine on-time lodgment • the refresh dates for analytical models used to remove inactive taxpayers do not align to the data currency report, resulting in slight discrepancies due to timing • the analytical models may remove taxpayers with a requirement to lodge. These limitations are not considered material, as it is anticipated this affects less than 0.5% of the population.
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Lodgment – Proportion of activity statements lodged on time' to provide a clearer read of performance.

Note

(a) Lodgment performance was measured at 8 July 2025 for 2023–24 income tax returns, 8 July 2024 for 2022–23 income tax returns, and 3 July 2023 for 2021–22 income tax returns.

Tax gap – As a proportion of revenue

Table 3.15 Tax gap – As a proportion of revenue, 2022–23 to 2024–25

Performance measure	**Tax gap – As a proportion of revenue** • 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			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	7.4%[a]			
Results	**2024–25**	**9.1% (2022–23)** See page 101 for detailed information	◆	**Not achieved**
	2023–24[b]	7.5% (2021–22) See Part 4 Revenue performance in our 2023–24 annual report for detailed information	●	Achieved
	2022–23[b]	7.0% (2020–21) See Part 4 Revenue performance in our 2022–23 annual report for detailed information	●	Achieved
Analysis	For 2022–23, we estimate the headline net tax gap for income and transactional taxes to be $58.2 billion, or 9.1% of the total theoretical tax base of $640.5 billion. This is above the target of 7.4%, meaning the target has not been achieved. The tax gap has increased in both 2022–23 and 2021–22 due to higher gap estimates for small business income tax. This gap now accounts for 47% of the total net tax gap, up from 43% in 2020–21. The 3 largest components of the net tax gap are the small business income tax gap, the individuals income tax gap, and the GST gap. Together, these account for more than 80% of the $58.2 billion net tax gap. Further analysis of the drivers of these gaps is provided in Part 4 on page 102. While the ATO has previously published the tobacco gap estimate, the estimate has been removed from the tax gap performance calculation due to the limited ability of the ATO to influence the performance outcome. The estimate is no longer included in the headline tax gap. As both the most recent and previous year's headline tax gap figures are refreshed each year, the tobacco gap estimate has also been removed from the refreshed 2019–20 to 2021–22 data. The exclusion of tobacco from the published tax gap program therefore does not impact the estimated result or comparison to the established target. The full tax gap program also includes pay as you go withholding and 3 administered programs: Fuel Tax Credits Scheme; Product Stewardship for Oil; and Superannuation Guarantee Scheme. All of these are excluded from the headline tax gap target and estimate. The administered program tax gap estimates have their own performance targets. For more information refer to page 101.			

Table 3.15 Tax gap – As a proportion of revenue, 2022–23 to 2024–25 *continued*

<table>
<tr><td>Type of measure</td><td>Effectiveness</td></tr>
<tr><td>Data sources</td><td>ATO systems, models, economic data[c]</td></tr>
<tr><td>Methodology</td><td>
The tax gap estimate covers all transactional-based (other than tobacco duty) and all income-based taxes. Information about our tax gap research program is available at ato.gov.au/taxgapresearch.
In developing our methods, we engage appropriate key stakeholders and subject matter experts within the ATO and the community, including tax gap experts, researchers, academics, government agencies and taxpayer representative groups.
Tax gap is a lag measure, generally 2 years 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.
Methods used to calculate tax gaps can improve over time. If we make changes to our method, we explain what they are and how they impact our estimates.
All tax gap estimates are assessed for reliability.
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><=7.4%</td></tr>
<tr><td>Substantially achieved</td><td>■</td><td>>7.4% to <=8.8%</td></tr>
<tr><td>Not achieved</td><td>◆</td><td>>8.8%</td></tr>
</table>
</td></tr>
<tr><td>Limitations</td><td>
Tax gap estimates are affected by factors that the ATO cannot fully control. A range of external economic factors as well as portfolio budget decisions can influence the gap.
Assessing the performance of the tax system and its administration requires consideration of all our performance indicators rather than the tax gap estimates in isolation.
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.
Gap estimates may be affected by additional compliance actions undertaken in the year(s) published, which can explain variations in the revised estimates made to prior years.
Information used to calculate tax gaps improves over time. As new information comes to hand, previous year gap estimates are revised to reflect new information.
Tax gap targets are developed in advance of the estimation of the tax gap headline 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.
</td></tr>
<tr><td>Variation from Australian Taxation Office corporate plan 2024–25</td><td>The target has been updated to '7.4%' to provide a clearer read of performance. The methodology has been changed to remove the tobacco excise from the tax gap result.</td></tr>
</table>

Notes

(a) The tax gap target changed to '7.4%' in 2024–25, from 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available' in 2023–24 and 2022–23.

(b) The performance result and assessment for prior years is based on the estimated result at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.

(c) Further details are available at ato.gov.au/taxgapprinciple.

Total revenue effects – Revenue from all compliance activities

Table 3.16 Total revenue effects – Revenue from all compliance activities, 2022–23 to 2024–25

Performance measure	Total revenue effects – Revenue from all compliance activities • 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		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	$16.0b[(a)]		
Results	**2024–25**	**$18.5b**	**Achieved**
	2023–24	$18.5b	Achieved
	2022–23	$20.3b	Achieved
Analysis	In 2024–25, the total revenue effects estimate of $18.5 billion exceeded the $16 billion target by approximately $2.5 billion (16%). The target is based on compliance activities the ATO is resourced to undertake, as well as annual revenue commitments associated with specific government commitments. This strong performance reflects our 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. During 2024–25, we delivered on all specifically-funded compliance programs that contribute to total revenue effects. These programs include personal income tax, shadow economy, GST compliance, Serious Financial Crime Taskforce, Phoenix Taskforce, Tax Avoidance Taskforce and the Counter Fraud Program. Revenue outcomes from these programs contributed around $9.9 billion in total revenue effects, with a further $8.6 billion attributed to our base-funded compliance activities. Our compliance strategies, which include preventative actions, audits and reviews and lodgment enforcement, are designed to maintain high levels of compliance across the tax and superannuation systems while also allowing us to focus on areas that are either out of tolerance or at risk of moving out of tolerance. When we perform these activities, we not only focus on correcting the return but also undertake actions with the taxpayer to influence future behaviour and lock in future compliance where we can. Our sustained compliance estimates have increased in 2024–25, demonstrating effectiveness at improving longer-term taxpayer compliance. For more information, refer to page 106 – Revenue performance, Total revenue effects.		
Type of measure	Effectiveness		
Data sources	ATO systems, models		
Methodology	The result for total revenue effects is calculated by combining audit actions and incorrect payments stopped, lodgment actions, and prevention and sustained compliance and sustained lodgment. **Audit actions and incorrect claims stopped** – This is the collection of specifically-identified liabilities raised and the reduction in overpayments of refunds from our compliance activities. These amounts are directly connected to the adjustment we make, and payment can occur after we conduct the audit. It includes interest and penalties. **Lodgment actions** – This is defined as revenue from ATO actions intended to secure a lodgment that otherwise would not have been lodged. It also includes default assessments. **Prevention and sustained compliance and sustained lodgment** – This is an estimate of the additional revenue received from taxpayers we influence. They typically represent improved voluntary compliance. When measuring sustained compliance, we ensure there is a clear connection between our activity and the change in taxpayer behaviour. This connection, and any assumptions that underpin it, must be reasonable and defensible.		

Table 3.16 Total revenue effects – Revenue from all compliance activities, 2022–23 to 2024–25 *continued*

Limitations	Audit actions and incorrect claims stopped: A portion of the cash collected is estimated using collections on matched similar liabilities. Prevention and sustained compliance and sustained lodgment: Not all compliance activities are currently captured in models. Some of our estimates rely on the use of statistical methods which have inherent variability, and we work to improve the reliability of our methods over time.
Variation from Australian Taxation Office corporate plan 2024–25	Nil

Note
(a) The total revenue effects target changed to '$16 billion' in 2024–25, from '$15.7 billion' in 2023–24.

Payment – Proportion of liabilities paid on time by value

Table 3.17 Payment – Proportion of liabilities paid on time by value, 2022–23 to 2024–25

Performance measure	**Payment – Proportion of liabilities paid on time by value** • A measure of the effectiveness of the ATO's debt prevention and broader payment compliance strategies		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	88.0%		
Results	**2024–25**	**89.4%**	**Achieved**
	2023–24	89.6%	Achieved
	2022–23	89.9%	Achieved
Analysis	At 30 June 2025, the proportion of liabilities paid on time by value was 89.4%. This is a 0.2 percentage point decrease on last year's result of 89.6%, which itself was a decrease at 30 June 2023. This outcome demonstrates that the majority of the community who do have capacity to pay continue to meet their payment obligations on time. The year-on-year decrease does, however, mean that we need to continue to monitor payment performance. A key component of the ATO Payment Strategy is to drive on-time payment and avoid an increase in collectable debt.		
Type of measure	Effectiveness		
Data sources	ATO systems		
Methodology	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. 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. Payments made on time is divided by tax liabilities raised to obtain the result (multiplied by 100 and expressed as a percentage). * 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.		
Limitations	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.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

Debt – Ratio of collectable debt to net tax collections

Table 3.18 Debt – Ratio of collectable debt to net tax collections, 2022–23 to 2024–25

Performance measure	**Debt – Ratio of collectable debt to net tax collections** • A measure of the effectiveness of the ATO's debt prevention, collection and management strategies			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	Between 6.5% and 7.0%[a]			
Results	**2024–25**	**8.1%**	◆	**Not achieved**
	2023–24	8.4%	■	Substantially achieved
	2022–23	8.6%	■	Substantially achieved
Analysis	In 2024–25, the collectable debt to net tax collections ratio was 8.1% and did not meet the target of between 6.5% and 7.0%. This result is a decrease of 0.3 percentage points from the previous year result of 8.4%. The amount of collectable debt increased to $54.2 billion at 30 June 2025, from $52.8 billion at 30 June 2024; an increase of $1.5 billion (2.8%). This is the smallest yearly increase since the period pre-pandemic, and a positive sign we are slowing the growth of collectable debt. In 2024–25, we continued to focus on improving efficiency and effectiveness through better work practices and procedures, using data and analytics to drive strategic case selection for firmer action and, where taxpayers fail to respond, prioritise stronger legal actions, including wind-ups. We also commenced a firmer and faster approach for repeated audit raised liabilities for superannuation guarantee charge and pay as you go (PAYG) withholding, where taxpayers receive a firmer action warning letter as the first action. Economic conditions continue to present challenges for taxpayers in meeting their obligations, particularly small businesses. We will continue to exercise judgment in ensuring treatments are appropriate to the taxpayer's circumstances.			
Type of measure	Effectiveness			
Data sources	ATO systems, ATO financial statements			
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 revised 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**			
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 2024–25	Nil			

Performance rating scale (within Methodology):

Result	Symbol	Description
Achieved	●	6.5% to 7.0%
Substantially achieved	■	7.1% to 7.5%
Not achieved	◆	7.6% and above

Note

(a) The debt target for 2024–25 was decreased to 'between 6.5% and 7.0%'. The target for 2023–24 was 'between 7.5% and 8.0%' and was 'between 8.0% and 8.5%' in 2022–23.

Cost of collection – Cost to collect $100

Table 3.19 Cost of collection – Cost to collect $100, 2022–23 to 2024–25

Performance measure	Cost of collection – Cost to collect $100 • A measure to show the trend in the ATO's costs of collections of taxation receipts			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	+/- 5c from previous year[a]			
Results	**2024–25**	**$0.54 (incl GST)** **$0.51 (excl GST)**	●	**Achieved**
	2023–24	$0.56 (incl GST) $0.54 (excl GST)	●	Achieved
	2022–23	$0.54 (incl GST) $0.50 (excl GST)	●	Achieved
Analysis	The cost of collection measures the cost of collecting every $100 of tax. The cost to collect $100 decreased from $0.56 in 2023–24 to $0.54 in 2024–25 (including GST and its administration costs), and from $0.54 to $0.51 (excluding GST). Costs associated with collecting tax remained similar to last year while tax collections rose by 4%, resulting in the ratio decrease. Costs associated with collecting tax were relatively stable, with an increase of only 1%. Tax collections for 2024–25 have increased by 4.2%, with most heads of revenue increasing over the year. The largest contributor was income taxes, with strength in superannuation fund taxes driven by capital gains and lower foreign exchange losses, and individual taxes supported by strong business and investment income. GST and excise also contributed to revenue growth. 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 2010 of a decrease of 3c. The ratio shifted notably with the impacts of the pandemic and a buoyant domestic economy. The ratio has since flattened and is now returning to pre-pandemic values, with effort on taxation-focused work stabilising the ratio this year, moving back towards the trend line over time.			

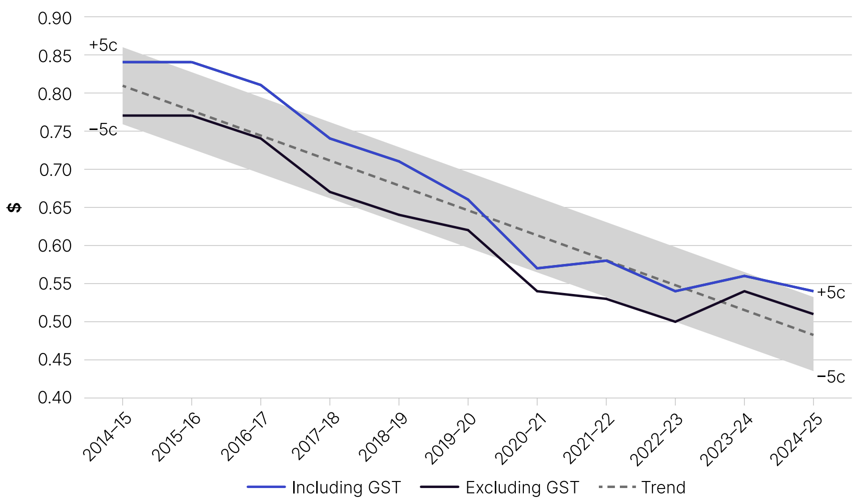


Table 3.19 Cost of collection – Cost to collect $100, 2022–23 to 2024–25 *continued*

Type of measure	Efficiency and effectiveness
Data sources	ATO systems, models
Methodology	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. The cost of tax administration is calculated as total departmental expenditure as per trial balance, with the following expenditure excluded: • certain exclusions at Program 1.1 Australian Taxation Office • Program 1.2 Tax Practitioners Board • Program 1.3 Australian Business Register • 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. Adjusted net taxation collections exclude the following items: • Super guarantee charge • SMSF levy • other non-tax revenue. 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).
Limitations	The ratio can be impacted by external and internal factors. **Adjusted net tax collections** – These are generally driven by external factors, such as: • 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. **Departmental taxation costs** – These are directly driven by the ATO budget and include external factors outside the ATO's control, such as: • efficiency dividends • increased funding for only a defined period or tax collection work the ATO is expected to 'self-fund'. Internal factors under the ATO's control are: • 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 2024–25	Nil

Note

(a) The cost of collection target for 2024–25 was changed to '+/- 5c from previous year'. The target for 2023–24 and 2022–23 was 'consistent with pre-pandemic trend'.

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

Table 3.20 Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs, 2022–23 to 2024–25[(a)]

Performance measure	Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs • An indicator that tracks changes in the cost to individual taxpayers of managing their tax affairs (adjusted to changes in earnings)		
ATO key activity	2: Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	A decrease, or no more than 2% increase over the prior year figure[(b)]		
Results	**2024–25**	**2.0% decrease (2023–24 returns)**	**Achieved**
	2023–24	1.9% increase (2022–23 returns)	Achieved
	2022–23	5.5% increase (2021–22 returns)	Not achieved
Analysis	This measure tracks the change, in percentage terms, to the costs incurred by individuals to manage their tax affairs and adjusts the size of the change by average weekly ordinary time earnings (AWOTE) to measure it in real terms. Costs include expenses such as fees paid to a recognised tax adviser for preparing and lodging the individual's tax return and purchasing tax reference material. The measure draws data from income tax returns processed during the most recent financial year, which reports on assessable income and expenses incurred or paid in the previous income year. This year's result is derived from data sourced from income tax returns processed in 2024–25, relating to amounts paid by individual taxpayers during the 2023–24 income year. The year-on-year comparison shows the adjusted cost of managing tax affairs decreased by 2.0% in the year to June 2025 compared to the prior year. Based on this result, the performance target is considered achieved. The 2024–25 result returns the measure to a decrease after 2 years of increases. The measure result has been further supported by a continued high increase in the deflator (see Methodology below), as individuals saw higher average income growth in the 2023–24 income year when compared to prior years.		
Type of measure	Effectiveness		
Data sources	ATO Individuals tax return data Australian Bureau of Statistics (ABS), Average Weekly Earnings – Persons; Full Time; Adult: Ordinary time earnings (AWOTE) – Original series		
Methodology	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. We report the median, rather than the average, to mitigate potential data issues. 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. 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.		
Limitations	Changes in compliance costs are impacted by policy changes that are outside the ATO's control. We rely on data from external agencies, such as ABS AWOTE data, for this measure. 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.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

Notes

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

(b) The compliance cost target was changed to 'a decrease, or no more than 2% increase over the prior year figure' from 2023–24. The target for 2022–23 was 'remain steady'.

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

Table 3.21 Service satisfaction – Client satisfaction with their recent interaction with the ATO, 2022–23 to 2024–25

Performance measure	Service satisfaction – Client satisfaction with their recent interaction with the ATO • A measure of the overall client experience after interacting with the ATO			
ATO key activity	2: Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	80%			
Results	**2024–25**	**71%**	◆	**Not achieved**
	2023–24	73%	◆	Not achieved
	2022–23	74%	◆	Not achieved
Analysis	In 2024–25, the overall taxpayer satisfaction following recent interactions with the ATO was 71% and did not meet the target of 80%. This marks a decline from the 2023–24 result of 73%. The proportion of taxpayers who rated their recent interaction with the ATO as unacceptable has increased from 27% to 29%. The number of survey responses in 2024–25 was 12,177. This represents a decrease of 4,571 (27%) from 16,748 in the previous year, but a return to similar response rates from 2022–23. In contrast to the overall reduction, the number of survey responses received from not-for-profit (NFP) organisations was 437 in 2024–25, an increase of 193 (79%) compared to 244 responses in 2023–24. This may be related to an increased level of interaction with the NFP sector as part of the NFP transparency measure which commenced on 1 July 2024, requiring NFP organisations with an active Australian business number (ABN) to lodge a self-review return with the ATO. Despite the significant increase in responses from the NFP sector, overall service satisfaction levels have been driven by the Individuals and Micro-business segments, which together made up 11,469 of the responses. The key drivers of satisfaction related to whether the taxpayer's issue had been resolved and length of time taken to reach resolution. Those respondents with an unresolved issue at the time of being surveyed reported a decline in satisfaction in 2024–25 compared to 2023–24. This indicates an increase in taxpayer dissatisfaction with unresolved issues and provides the ATO with a potential opportunity to increase service satisfaction through more timely issue resolution.			

Table 3.21 Service satisfaction – Client satisfaction with their recent interaction with the ATO, 2022–23 to 2024–25 *continued*

Type of measure	Output
Data sources	ATO client experience survey
Methodology	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? • Unacceptable • Acceptable • Excellent 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. 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. **Performance rating scale**

Result	Symbol	Description
Achieved	●	80%–100%
Substantially achieved	■	75–79%
Not achieved	◆	<75%

Limitations	There are inherent respondent biases involved in a survey. Two of the 3 response options (Acceptable/Excellent) are considered positive responses.
Variation from Australian Taxation Office corporate plan 2024–25	Nil

Program 1.2 Tax Practitioners Board

The TPB

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 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 Chief Executive Officer/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 that tax practitioners comply with appropriate standards of professional and ethical conduct as per the TASA, including the Code of Professional Conduct.

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. The TPB's 3 key strategic performance measures are also included in the Australian Taxation Office listed entity's annual performance statements in the Commissioner of Taxation's annual report, as outlined below.

Purpose

The purpose of the TPB is to support public trust and confidence in the integrity of the tax profession and the tax system and to ensure tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.

Program overview

This overview of TPB performance aligns with the *Australian Taxation Office corporate plan 2024–25* and presents the 2024–25 performance against the purpose of the program.

Performance summary

In 2024–25, one of our performance measures was achieved and 2 were substantially achieved.

Reflecting on the period, we recognise the challenges posed by significant regulatory reforms and the corresponding pressures on tax practitioners. Throughout these changes, our main focus has been fostering strong collaboration, delivering ongoing support, and providing clear actionable guidance to assist tax practitioners navigate shifting obligations.

We have focused on enhancing professional standards with a fair and proportionate compliance strategy. We have also stayed alert to external pressures – such as technological advancements and the broader economic climate – that have shaped the professional environment. These factors have highlighted the importance of flexible approaches and open communication, both to maintain compliance and to support the tax profession in adapting to ongoing and emerging challenges.

As part of any good regulatory decision-making, we welcome a court and tribunal's review of our sanctions decisions to confirm that our sanction decisions are appropriate. While we have strived for a target of 100% positive court/tribunal outcomes, we are always looking to improve our decision-making processes to ensure that sanctions imposed are appropriate and that we act fairly.

Performance results and analysis

The 3 performance measures for the TPB are set out in the 2024–25 Australian Taxation Office Budget Statements in the Treasury Portfolio Budget Statements (PBS), and in the *Australian Taxation Office corporate plan 2024–25*.

The achievement of outcomes for each performance target is assessed against a 4-tier rating scale, as described in Table 3.22.

Table 3.22 TPB Performance rating scale

Result	Symbol	Description
Achieved	●	100% of target has been met
Substantially achieved	■	85%–<100% of target has been met
Partially achieved	▲	75%–<85% of target has been met
Not achieved	◆	<75% of target has been met

Tax practitioner satisfaction

Table 3.23 Tax practitioner satisfaction, 2022–23 to 2024–25

Performance measure	**Tax practitioner satisfaction** • We strive to make applying for registration and renewing registration a quick and easy process. This measure gauges tax practitioner satisfaction with our registration and renewal of registration application process			
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour			
Authority source	2024–25 PBS Program 1.2 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	71%			
Results	**2024–25**	**63%**	■	**Substantially achieved**
	2023–24	73%	●	Achieved
	2022–23	72%	●	Achieved
Analysis	We substantially achieved this measure in 2024–25. Tax practitioner satisfaction is assessed based on biannual survey data. As the table below shows, our latest survey results from April 2025 indicated that 63% of respondents were satisfied with the TPB's effectiveness in reducing the registration burden. We note that while the latest result did not meet the target, it showed a significant improvement on the 56% October 2024 result. We are committed to improving our tax practitioner services, including registration. We recognise that the survey data may reflect tax practitioner sentiment more generally, taking into account the pace of regulatory reform and the change to annual registration. We support tax professionals with guidance about reforms and continuing professional education webinars. We remain focused on assisting practitioners to understand their professional and ethical requirements. We rely on practitioner feedback received through several channels to enable us to continuously improve online products, renewal forms and website content.			

Tax practitioner satisfaction

How effective has the TPB been in minimising the burden of maintaining your registration?	Survey respondents satisfied					
	October 2022	May 2023	October 2023	April 2024	October 2024	April 2025
Percentage of tax practitioners responding that we have been 'very effective' or 'moderately effective'	70%	72%	75%	73%	56%	63%

Type of measure	Effectiveness
Data sources	ATO biannual survey results for the question: How effective has the TPB been in minimising the burden of maintaining your registration?
Methodology	Responses rated as 'very effective' and 'moderately effective' as a percentage of total responses to the question.
Limitations	The survey is from a self-selected sample with a low response rate, hence may not be a representative sample of the tax practitioner population.
Variation from Australian Taxation Office corporate plan 2024–25	Nil

Proportion of completed risk assessments

Table 3.24 Proportion of completed risk assessments, 2022–23 to 2024–25

Performance measure	**Proportion of completed risk assessments** • 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			
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour			
Authority source	2024–25 PBS Program 1.2 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	90% of matters are risk assessed[(a)]			
Results	**2024–25**	**96%**	●	**Achieved**
	2023–24	2,283	■	Substantially achieved
	2022–23	New measure from 2023–24, not previously reported in the annual performance statements		
Analysis	We achieved this performance measure during 2024–25. In 2024–25, 96% of all newly identified serious misconduct cases (with a risk rating of significant, high or extreme) were risk assessed and escalated for compliance treatment. In 2024–25, the TPB received 13,417 complaints and referrals directly or indirectly though the ATO and partner agencies. All referrals are considered by the TPB and provide valuable intelligence about the health of the tax and regulatory system. Consistent with being a data- and risk-based agency, our mitigation and treatment focuses on serious misconduct. TPB treatments are proportionate to risks, having regard to our priorities and resources. Mitigation includes early engagement, policy guidance programs to address systematic issues, and targeted investigations.			
Type of measure	Effectiveness			
Data sources	Data is extracted from Workbench in line with compliance performance measure (PM) data collection procedures			
Methodology	Target = The percentage of total complaints + case leads that show a risk of significant, high or extreme that have been finalised with a corrective or compliance treatment. **Calculation Process:** 1. Data Collection – Data is extracted from Workbench in line with compliance PM data collection procedures. 2. Results – Final calculation is completed in line with compliance PM data collection procedures. (a) Complaints = Number of complaints with a risk rating of significant, high or extreme and a 'Complaint finalised date' between 1 July 2024 and 30 June 2025. + (b) Case leads = Number of case leads with a risk rating of significant, high or extreme and a 'Case lead finalised date' between 1 July 2024 and 30 June 2025. = Total completed. Target is the percentage of total completed with an outcome of 'Escalated to a new or existing case' + the outcome of 'Nudge issued' (excludes no further action [NFA] outcomes).			
Limitations	'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. Power BI updates daily and a record of previous reports and datasets is not retained. Manual intervention required – extracting raw data from Workbench, cleansing and processing data in MS Excel.			
Variation from Australian Taxation Office corporate plan 2024–25	Name changed from 'Number of completed risk assessments'. Methodology changed to report on the percentage of higher-risk cases that have been finalised with a corrective or compliance treatment.			

Note

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

Sanctions are appropriate

Table 3.25 Sanctions are appropriate, 2022–23 to 2024–25

Performance measure	**Sanctions are appropriate** • The number of positive court and tribunal outcomes. This measure validates the disciplinary actions we have taken to regulate tax practitioners			
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour			
Authority source	2024–25 PBS Program 1.2 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	The TPB is committed to pursuing positive court and tribunal outcomes			
Results	**2024–25**	**95%**	■	**Substantially achieved**
	2023–24	100%	●	Achieved
	2022–23	100%	●	Achieved
Analysis	We substantially achieved this performance measure during 2024–25. We determine this performance measure with a target of 100% positive outcomes, meaning outcomes that either affirm or substantially affirm the TPB's decision, or provide clarification of the law. This assessment is based on the range of decisions from the courts and Administrative Review Tribunal (ART) that evaluate the TPB's investigations and sanctions. In 2024–25, the TPB's decisions were reviewed in 20 ART and court matters, with 19 decisions favouring the Board in full. These included 2 cases before the Federal Court of Australia, 13 interlocutory matters and 5 final decisions of the ART. The Federal Court handed down a decision favourable to the TPB in the matter of Jayden Van Dyke, ordering him to pay a pecuniary penalty of $1.8 million and the TPB's costs – the highest penalty imposed on an unregistered adviser in a TPB civil penalty case. The Federal Court also sentenced unregistered adviser Jessa Dabalos (formerly Jessa Van Stroe) to a 12-month term of imprisonment for contempt of court. Ms Dabalos prepared and lodged income tax returns for a fee on 365 occasions in breach of a permanent injunction ordered by the court on 3 May 2022. The ART published 5 final decisions in matters involving the TPB, 4 of which affirmed the TPB decisions. The remaining decision varied the TPB's decision to terminate and impose a 2-year exclusion period to a suspension for approximately the same amount of time. We obtained strong interlocutory application results, with the ART refusing all 10 stay applications, 2 confidentiality applications and one reinstatement application opposed by the TPB. We typically opposed stay applications in higher-risk cases where clients or the community may be at risk. Judicial and tribunal reviews support confidence in the system and ensure the Board is acting fairly and lawfully and can give clarity to law and policy.			

Table 3.25 Sanctions are appropriate, 2022–23 to 2024–25 *continued*

Type of measure	Effectiveness
Data sources	Litigation outcomes spreadsheet – includes number of litigation cases, outcomes, jurisdiction, 'positive' rating Federal Court of Australia and Administrative Review Tribunal – case decisions
Methodology	Target = 100% of court and tribunal outcomes are 'positive'[(a)]. Calculation process: 1. Litigation results are recorded in the decisions handed down by the Federal Court and ART. 2. Legal Unit will (a) record results in the 'Litigation outcomes spreadsheet' (includes all cases which are litigated) (b) apply the definition of what is considered a 'positive' outcome. A 'positive' court and tribunal outcome is identified by: (a) a tribunal decision that substantially affirms the Board's sanction decision, or (b) a Federal Court decision that determines in favour of the Board in relation to a civil penalty application, or (c) a Federal Court decision that determines in favour of the Board in relation to a ADJR application, or (d) a tribunal decision or Federal Court decision that provides clarification on legal issues that we have identified that would benefit from tribunal/court consideration and guidance so that we can apply that guidance and interpretation going forward (this would include decisions where the non-application period is varied as we are still seeking firmer guidance from the tribunal on the factors to be taken into account when determining non-application periods), or (e) a tribunal decision where the Board's decision is varied resulting in an exclusionary period being varied upwards or more serious sanctions being imposed due to new evidence/conduct coming to light in the proceeding, or (f) a tribunal or Federal Court decision due to a settlement entered into between the Board and the other party which takes into account a change in circumstances or further evidence adduced in the proceeding resulting in a just outcome for both parties (g) a tribunal or Federal Court decision resulting in a matter being dismissed upon application by the Board (h) an interlocutory tribunal decision that supports the Board's opposition to a stay application or otherwise grants the stay with conditions imposed (i) a Federal Court review decision of a merits review decision by the ART if it were to find no error of law in the AAT decision which substantially affirmed the Board's original decision.
Limitations	Manual collection, recording and interpretation of results in terms of 'positive' outcomes.
Variation from Australian Taxation Office corporate plan 2024–25	Nil

Note
(a) Risk of bias when determining 'positive' outcome is controlled by closely following the 'positive' definition.

Program 1.3 Australian Business Registry Services

Program has been retired following the transfer of responsibility for business registers from the ATO to the Australian Securities & Investments Commission (ASIC) and cessation of the Modernising Business Register (MBR) program. The responsibilities of the Registrar of the Australian Business Register (ABR) will be included in Program 1.1 from 2025–26.

Table 3.26 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Increased use of the ABR as the national business dataset

Table 3.27 Increased use of the ABR as the national business dataset, 2022–23 to 2024–25

Performance measure	**Increased use of the ABR as the national business dataset** • A measure demonstrating the value of ABR data for government agencies and the community by using ABN business information via one or more channels			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.3 and Australian Taxation Office corporate plan 2024–25			
Government agencies				
2024–25 target	550[(a)]			
Results	**2024–25**	**577**	●	**Achieved**
	2023–24	537	●	Achieved
	2022–23	543	●	Achieved
Community				
2024–25 target	2.5b ABN Lookups[(b)]			
Results	**2024–25**	**3.30b (19% increase)**	●	**Achieved**
	2023–24	2.77b (8% decrease)	●	Achieved
	2022–23	3.00b (31% increase)	●	Achieved

Table 3.27 Increased use of the ABR as the national business dataset, 2022–23 to 2024–25 *continued*

Analysis	At 30 June 2025, 577 agencies were using ABR data to support their functions. This exceeded our performance target of 550 agencies. Efforts to increase awareness and improve ABR data use with our partner agencies continue. We conducted 62 usage training sessions for ABR Explorer, consisting of 69 unique agencies and 288 participants, to demonstrate the value of ABR data. We have strengthened the partnership agreement to clarify agency responsibilities regarding data sharing and data ethics, and we introduced an annual review process. The rollout will commence in 2025–26. We engaged with 66 local government agencies to use ABR data, providing industry snapshots to support recovery and response efforts relating to disasters affecting Queensland and New South Wales. Around 3.3 billion community ABN Lookup searches were conducted in 2024–25. This was a 19% increase over the 2.77 billion recorded in 2023–24 and it exceeded the target. The year-to-year use of the service is subject to fluctuation as it is based on community interest driven by environmental factors, and outside the ATO's control.
Type of measure	Output
Data sources	ATO systems, ABR Explorer (External vendor – Intech Solutions) and Department of Industry, Science and Resources (DISR) (ABN Lookup searches)
Methodology	There are 3 components reported for this measure, which captures the number of government agencies and unique users accessing and using ABR data. To access non-public ABR data, government agencies must be eligible and have a current terms and conditions or partnership agreement in place. **ABR Explorer** – This counts the number of unique users from partner agencies accessing ABR Explorer. **ABR Identifier Search** – This counts the number of unique partner agencies that access the ABR database by ABN or Australian company number (ACN). **ABN Lookup** – This measures the use of publicly available data via the ABN Lookup service through web searches or web services by the community (including some government agencies). The data is sourced from VANguard, which is administered by DISR.
Limitations	ABR Identifier Search data is currently limited to the number of 'hits' to the service by an agency and cannot be broken down by individual user details. Information from VANguard is subject to continued support from DISR. The Community ABN Lookup statistics area is beyond the ATO's control and influence.
Variation from Australian Taxation Office corporate plan 2024–25	Nil

Notes

(a) The government agencies target for 2024–25 increased to '550'. The target for 2023–24 was '535 using ABR Explorer' and '22 using ABR Identifier'.

(b) The community target for 2024–25 increased to '2.5 billion ABN Lookups'. The target for 2023–24 was '2.3 billion ABN Lookup searches', and it was '2.0 billion ABN Lookup searches' in 2022–23.

Program 1.4 Australian Charities and Not-for-profits Commission

The ACNC

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 relevant minister.

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

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.

Purpose

The purpose of the ACNC (as outlined in the Portfolio Budget Statements) is to promote public trust and confidence in Australian charities.

Program overview

This overview aligns with the *Australian Taxation Office corporate plan 2024–25* and Program 1.4 of the 2024–25 Australian Taxation Office Budget Statements in the Treasury Portfolio Budget Statements.

Performance summary

In 2024–25, one of our performance measures was met and one was partially met.

The number of charities regulated by the ACNC continues to grow, largely due to changes to the administration of not-for-profit organisations (NFPs) that self-assess as income tax exempt (SAITE) by the ATO.

The ACNC regulated 63,667 charities at 30 June 2025, an increase of 2,420 (4%) compared to 30 June 2024.

Under the SAITE reforms, if a NFP entity with an Australian business number (ABN) wants to be exempt from income tax, it must:

- be registered with the ACNC as a charity if they have charitable purposes, or
- submit an annual return to the ATO if they are not charitable.

While the number of NFP entities that need to be registered with the ACNC remains unknown, our data shows that:

- we received around 930 queries relating to these reforms
- at least 51% of our registration applications related to SAITE.

We expect the increased number of enquiries and registration applications associated with the reforms to continue for at least the next 2 years.

To manage the impacts of SAITE, we have:

- developed guidance and tools, including an online charity self-assessment tool (which received over 21,000 page views), that help NFPs to identify if they are charitable
- hosted webinars to help NFPs to understand the reforms (250 attendees) and to assist newly registered charities which have to report to the ACNC for the first time (407 attendees)
- reviewed and refined our processes to improve efficiency
- employed over 20 temporary staff (funded by the ATO [up to 30 June 2026] and the ACNC)
- met with over 80 NFP peak bodies to promote a streamlined bulk registration process and to share guidance on the new requirements.

Registered charities have a free online presence on the ACNC Charity Register, which is the 'single source of truth' to identify nationally registered charities. The ACNC Charity Register is available at acnc.gov.au/charity.

The Charity Register is the most visited part of the ACNC website. In 2024–25, there were over 2.1 million Charity Register searches, an 8% increase from the previous year.

While our main focus in 2024–25 was to manage the impact of SAITE reforms, key activities for the ACNC included:

- supporting charities to understand the rules around advocacy during the recent 2025 federal election
- launching the 11th edition of the Australian Charities Report, our annual analysis of the sector based on information charities have submitted to us.

Further information on these activities, as well as our analysis against other external key performance indicators is included in the ACNC's annual report, which is available at acnc.gov.au/tools/reports.

Performance results and analysis

The following 2 key strategic performance criteria for the ACNC are set out in the 2024–25 Australian Taxation Office Budget Statements in the Treasury Portfolio Budget Statements (PBS), and in the *Australian Taxation Office corporate plan 2024–25*.

The achievement of outcomes for each performance target is assessed against a 3-tier rating scale, as described in Table 3.28.

Table 3.28 Performance rating scale

Result	Symbol	Description
Met	●	Target met or exceeded
Partially met	▲	80% or more of the target achieved
Not met	◆	Less than 80% of the target achieved

Registering new charities

Table 3.29 Registering new charities, 2022–23 to 2024–25

Performance measure	**Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision** • 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		
ACNC key activity	1: Maintaining a free and accurate register of Australian charities (the Charity Register)		
Authority source	2024–25 PBS Program 1.4 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	90%[a]		
Results	**2024–25**	**86%**	▲ **Partially met**
	2023–24	74%	▲ Partially met
	2022–23	Different metric used	
Analysis	We registered 4,621 new charities this year, the highest number ever registered by the ACNC in any year. We partially met our target, registering 86% of charities (3,994 charities) within 15 business days of receiving all information necessary to make a decision. This was a significant improvement on the previous year, where we registered 74% of charities within the standard. We continued to receive a high number of applications in 2024–25. At least 51% of our applications were due to SAITE.		

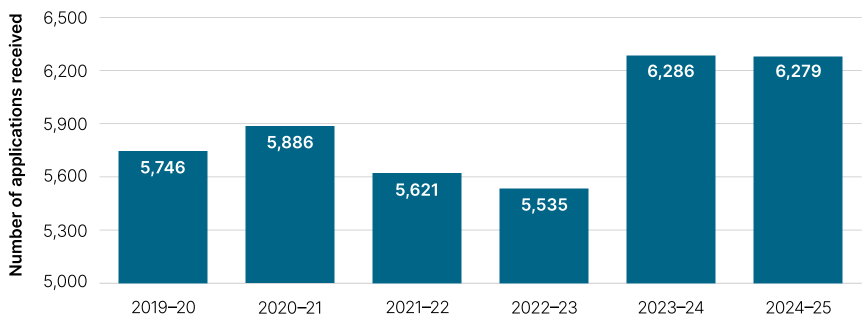
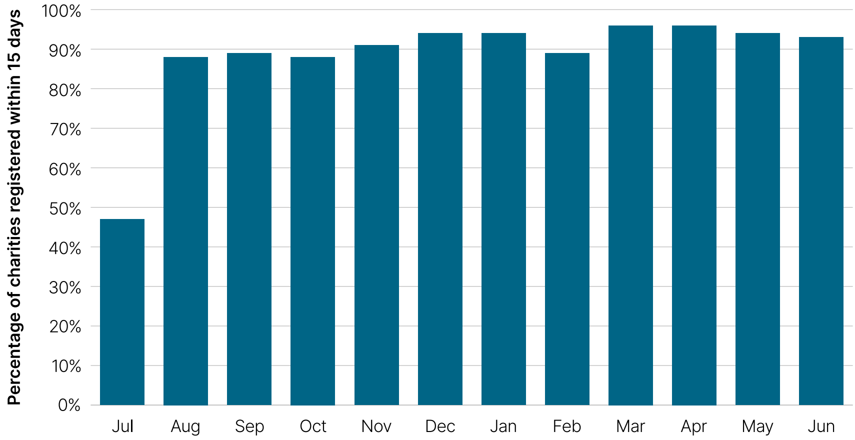


Table 3.29 Registering new charities, 2022–23 to 2024–25 *continued*

Analysis *continued*	Our overall performance was impacted by our July results. In the previous annual report, we highlighted that we received 931 applications in May 2024, the highest number ever received in a month. Despite our best efforts, some of these applications were unable to be assessed by June 2024 and were 'carried over' into 2024–25. Since August 2024, the lowest monthly result has been 88%. We exceeded our target for 7 months of the year due to the initiatives listed in our performance summary.  While we cannot control the number of applications we will receive, we are confident these initiatives will place us in a strong position to meet this target in 2025–26.
Type of measure	Output
Data sources	The ACNC's case management system (Microsoft Dynamics)
Methodology	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.
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 2024–25	The target changed from 'at or above previous year's result' to '90%'.

Note

(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.

Availability of the Charity Register

Table 3.30 Availability of the Charity Register, 2022–23 to 2024–25

Performance measure	**Percentage of time that the Charity Register is available (excluding scheduled maintenance)** • The Charity Register is used by a range of stakeholders including the public, volunteers, donors, charities, government agencies, the media and researchers			
ACNC key activity	1: Maintaining a free and accurate register of Australian charities (the Charity Register)			
Authority source	2024–25 PBS Program 1.4 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	95%			
Results	**2024–25**	**99.92%**	●	**Met**
	2023–24[(a)]	99.99%	●	Met
	2022–23	New measure introduced from 2023–24, not previously reported in the annual performance statements		
Analysis	The Charity Register is the ACNC's key means of promoting public trust and confidence in Australia's charities. It is used by the public, potential donors, volunteers, government, the media, researchers and other charities. Because of the importance of the Charity Register, we are committed to having it available as often as possible. During the year, the Charity Register was available for 99.92% of the time. Due to the provision of corporate services by the ATO, the Charity Register's availability can be affected by both ACNC-specific and ATO-specific issues. In 2024–25, total unexpected downtime was around 449 minutes.			
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.			
Limitations	Uptime Robot (a free tool we use to help measure our performance) checks the Charity Register every 5 minutes. We may use other data sources (such as Google Analytics) to measure our performance.			
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure to include 'Google Analytics'.			

Note

(a) 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).

Administered programs 1.5 to 1.21

Program overview

Programs 1.5 to 1.21 reflect the ATO's role in supporting the delivery of government payments and transfers.

Performance results and analysis

The achievement of the performance result against the target is assessed against a 3-tier rating scale, as described in Table 3.31. Due to the varied nature of the measures, the respective assessment criteria are defined individually, and performance assessments have been made according to agreed methodologies. The results of these assessments are described in the analysis sections for each performance measure.

Table 3.31 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Program 1.5 Australian Screen and Digital Game Production Incentive

Table 3.32 Refundable film and digital games tax offset claims are subject to ATO risk detection processes, 2022–23 to 2024–25

Performance measure	**Refundable film and digital games tax offset claims are subject to ATO risk detection processes** • A measure of ATO performance of facilitating the claim of offsets through company income tax returns by operating a refund integrity detection process designed to identify erroneous, fraudulent and invalid claims		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.5 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Refundable film and digital games tax offset claims are subject to risk detection processes		
Results	**2024–25**	**Target met**	● **Achieved**
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	The ATO actively manages the risk of non-compliance with tax laws that govern refundable film and digital games tax offsets. We apply risk detection processes on all companies that have claimed a refundable film or digital games tax offset in their income tax return to identify ineligible claims for further scrutiny. We continuously monitor our risk detection processes to ensure they function as intended and are being applied to company income tax returns. During 2024–25, these controls operated to identify returns that required manual verification of the refundable film or digital games tax offset claimed. The ATO performed sample testing to confirm the controls operated as designed. In 2024–25, we processed around $906 million in refundable film and digital games claims, underscoring the importance of our role to maintain the integrity of this program.		
Type of measure	Effectiveness		
Data sources	Administrative data		
Methodology	Review ATO documentation on risk detection processes for refundable film and digital games tax offsets and examine a sample of taxpayer claimed offsets to determine whether the processes were designed to identify inappropriate claims and operated as intended.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure from 'ATO systems' to 'Administrative data'.		

Program 1.6 Junior Minerals Exploration Incentive

Table 3.33 Processing of applications, 2022–23 to 2024–25

Performance measure	**All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing** • A measure of the timeliness in the ATO deciding on exploration credit applications received during the application period and notifying applicants of the outcome		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.6 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	All applicants notified within 28 calendar days of the application period closing		
Results	**2024–25**	**Target met**	**Achieved**
	2023–24	Target met	Achieved
	2022–23	Target met	Rating not previously reported in the annual report
Analysis	The ATO's role in administering the junior minerals exploration incentive (JMEI) is to ensure successful applicants are allocated exploration credits in a timely manner. This performance measure sets the processing standard by which we undertake our role to assess and notify applicants of their JMEI allocation following the application closing date. This is important to enable successful applicants to make timely decisions about raising capital to fund exploration activities. Notifications were issued on 12 July 2024 to applicants of the final JMEI round, which opened on 4 June 2024 and closed on 30 June 2024 for the 2024–25 income year. This program has not been extended beyond its legislative end for the 2024–25 financial year. We will no longer be reporting on this performance measure in future financial years.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the number of calendar days between the JMEI application closing date and the issued date for the outcome for applications received during the application period.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

Table 3.34 Publication of public reporting data, 2022–23 to 2024–25

Performance measure	Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued • A measure of the timeliness of the publication of public reporting data		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.6 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Published within 56 calendar days of the application period closing		
Results	**2024–25**	**Target met**	**Achieved**
	2023–24	Target met	Achieved
	2022–23	Target met	Rating not previously reported in the annual report
Analysis	The ATO is required by law to publish certain details of successful JMEI applicants and their JMEI allocation following determination. We ensure these details are publicly available within an administratively practicable timeframe of 56 calendar days from the date of the application period closing. JMEI allocations were published on data.gov.au and linked to ato.gov.au on 11 July 2024 for the final JMEI round that closed on 30 June 2024 for the 2024–25 income year. This program has not been extended beyond its legislative end for the 2024–25 financial year. We will no longer be reporting on this performance measure in future financial years.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the calendar days between the JMEI application closing date and the date the successful JMEI applications data is uploaded to data.gov.au.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

Program 1.7 Fuel Tax Credits Scheme

Table 3.35 Fuel Tax Credits Scheme gap, 2022–23 to 2024–25[(a)]

Performance measure	Fuel Tax Credits Scheme gap • Fuel tax credits 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.		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.7 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	4%[(b)]		
Results	**2024–25**	**3.7% or $345m (2023–24)**	● **Achieved**
	2023–24[(c)]	4.3% or $322m (2022–23)	● Achieved
	2022–23[(c)]	2.6% or $175m (2021–22)	Rating not previously reported in the annual report
Analysis	The slight downward trend in the tax gap reflects a reduction in fraudulent claims and errors linked to the temporary fuel excise reduction. These issues were highlighted in last year's annual report as key contributors to the previous year's tax gap estimate. The 2023–24 tax gap estimate of 3.7% shows a gradual decline, indicating a positive trend in voluntary compliance. This improvement is supported by better detection and treatment of non-compliance. The tax gap measures both under- and over-claiming of fuel tax credits. Some taxpayers underclaim due to poor record-keeping, uncertainty about their entitlements, or the complexity of the rules. Others over-claim because of flawed apportionment methods, system errors, misunderstandings or fraud. To address this, the ATO focuses on helping taxpayers claim correctly. This includes: • publishing clear guidance and web content • developing tools and calculators • offering simplified claiming methods • providing certainty through product and class rulings • taking targeted compliance action when needed. The continued decline in the tax gap highlights the growing effectiveness of the ATO's approach – particularly in detecting and addressing fraud, and in promoting early engagement with advisers and software providers on technology-based claiming systems.		
Type of measure	Effectiveness		
Data sources	ATO systems, models, economic data		
Methodology	The fuel tax credits (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. 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. 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. 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. 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. All tax gap estimates are assessed for reliability. Details of the principles and approaches we use to measure tax gaps are available at ato.gov.au/taxgapprinciple.		

Table 3.35 Fuel Tax Credits Scheme gap, 2022–23 to 2024–25[(a)] *continued*

Limitations	Tax gap estimates are affected by factors that the ATO cannot fully control. A range of external economic factors as well as portfolio budget decisions can influence the gap and ideally should be controlled for in any performance measure or target. Assessing the performance of the tax system and its administration requires consideration of all our performance indicators, rather than the tax gap estimates in isolation. 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. Gap estimates may be affected by additional compliance actions undertaken in the year(s) published, which can explain variations in the revised estimates made to prior years. Information used to calculate tax gaps improves over time. As new information comes to hand, previous year gap estimates are revised to reflect new information. The extent of non-detection is unknown and challenging to measure. The estimate does not include the population that may be entitled to fuel tax credits but has not registered for fuel tax credits. This population does not include a small number of taxpayers who claimed credits for domestic electricity generation.
Variation from Australian Taxation Office corporate plan 2024–25	The target has been updated to '4%' to provide a clearer read of performance.

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 target was changed from 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available' in 2023–24 to '4%' in 2024–25.

(c) The performance result and assessment for prior years is based on the estimated result at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.

Program 1.8 National Rental Affordability Scheme

Table 3.36 Information on how to claim the National Rental Affordability Scheme offset is accurate and accessible, 2022–23 to 2024–25

Performance measure	**Information on how to claim the National Rental Affordability Scheme offset is accurate and accessible** • A measure demonstrating the ATO is performing one of its roles as co-administrator of the National Rental Affordability Scheme (NRAS) by helping taxpayers to understand their rights and obligations regarding the NRAS tax offset		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.8 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Information on how to claim the NRAS offset is accurate and accessible		
Results	**2024–25**	**Target met**	**Achieved**
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	The performance measure for this program has changed to better reflect the ATO's role in administering the NRAS. This new performance measure provides clear insight about our role to help entities understand their rights and obligations in relation to the NRAS. We maintained an online NRAS resource at ato.gov.au/nras, providing details for entities about eligibility criteria and information on how to claim the NRAS offset. During 2024–25, this was reviewed and confirmed as accurate with no legislative changes required. The 2025–26 income year will be the final year in which entities can claim a NRAS offset in their tax return. The final reporting year for this performance measure will be 2025–26.		
Type of measure	Output		
Data sources	ATO website and administrative data		
Methodology	Analysis of ATO documentation and data relating to the accessibility and accuracy of information about the NRAS on the ATO website.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	The previous measure has been replaced with a revised measure that better reflects the ATO's role in administering this program.		

Program 1.9 Product Stewardship for Oil

Table 3.37 Product Stewardship for Oil gap, 2022–23 to 2024–25[a]

Performance measure	**Product Stewardship for Oil gap** • This measure is an estimate of the difference between the amounts of petroleum-based oil levy collected and benefits paid and those amounts that would be collected and paid assuming full compliance with the law			
ATO key activity	4: Administer a range of payments and transfers on behalf of government			
Authority source	2024–25 PBS Administered Program 1.9 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	1%[b]			
Results	**2024–25**	**1.1% or $2.1m (2023–24)**	■	**Substantially achieved**
	2023–24[c]	0.9% or $1.3m (2022–23)	●	Achieved
	2022–23[c]	0.6% or $0.9m (2021–22)	Rating not previously reported in the annual report	
Analysis	The Product Stewardship for Oil (PSO) program continues to be effective, even though the 2023–24 tax gap has slightly increased to 1.1%, just above the 1% target. This increase is largely due to a rise in the levy rate. While the PSO-related tax gap has grown over the past 3 years, it remains very low overall. The ATO evaluates the performance of the PSO program using a range of indicators beyond the tax gap estimate. These include: • monitoring and assurance of the largest PSO benefit claimants • review of all new registrations and first-time claims • oversight of excise revenue collections • automated risk profiling and intervention for higher-risk claims. These measures collectively support the integrity of the program and align with the very low tax gap estimate observed. In addition, the ATO provides education and support to PSO program participants – both benefit claimants and PSO levy payers – to help ensure correct entitlements are claimed. This also promotes the effective collection, recycling and reuse of waste oil streams.			
Type of measure	Effectiveness			
Data sources	ATO systems, models, economic data			
Methodology	The 2 components of the PSO program are: • a levy on producers of new oils and synthetic equivalents that helps fund the program • a benefit paid to recyclers of used oils and synthetic equivalents. There is a separate gap analysis for each component. The results are then combined to form a total program compliance gap. The PSO levy gap analysis compares the amount raised from ATO and Department of Home Affairs clearances of oils and lubricants that attract the levy against data from the Australian Petroleum Statistics on these products that are produced or imported into Australia. The PSO benefit analysis uses our industry compliance results to inform the program benefit gap. We apply a small uplift to allow for non-detection for oil recyclers that are not subject to compliance activity in a given year. This analysis incorporates over-claims and missed claims by taxpayers. Further detail is available at ato.gov.au/PSOgap. **Performance rating scale**			

Result	Symbol	Description
Achieved	●	<=1%
Substantially achieved	■	>1% to <=3%
Not achieved	◆	>3%

Table 3.37 Product Stewardship for Oil gap, 2022–23 to 2024–25[(a)] *continued*

Limitations	We calculate the PSO levy estimate with reference to the compliance levels indicated by the fuel excise gap analysis. We assume compliance levels are similar for PSO producers, given these segments share key producers. Tax gap estimates are affected by factors that the ATO cannot fully control. A range of external economic factors as well as portfolio budget decisions can influence the gap and ideally should be controlled for in any performance measure or target. Assessing the performance of the tax system and its administration requires consideration of all our performance indicators, rather than the tax gap estimates in isolation. 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. Gap estimates may be affected by additional compliance actions undertaken in the year(s) published, which can explain variations in the revised estimates made to prior years. Information used to calculate tax gaps improves over time. As new information comes to hand, previous year gap estimates are revised to reflect new information. The extent of non-detection is unknown and challenging to measure.
Variation from Australian Taxation Office corporate plan 2024–25	The target has been updated to '1%' to provide a clearer read of performance.

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 target was changed from 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available' in 2023–24 to '1%' in 2024–25.

(c) The performance result and assessment for prior years is based on the estimated result at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.

Program 1.10 Research and Development Tax Incentive

Table 3.38 Refundable claims are subject to specific risk detection processes, 2022–23 to 2024–25

Performance measure	Research and Development Tax Incentives (R&DTI) refundable claims are subject to R&DTI specific risk detection processes • A measure to demonstrate we perform our role to manage the risk of non-compliance in relation to claims of refundable R&DTI offsets claimed on company income tax returns.		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.10 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	R&DTI refundable claims are subject to risk detection processes[(a)]		
Results	**2024–25**	**Target met**	**Achieved**
	2023–24	100%	Achieved
	2022–23	New measure from 2023–24, not previously reported in the annual performance statements	
Analysis	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. 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. During 2024–25, we reviewed our controls and confirmed they operated as expected.		
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 2024–25	Change to the data source for this measure from ATO systems to administrative data.		

Note

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

Table 3.39 Offset claims are amended when the ATO is advised that registration has been revoked, 2022–23 to 2024–25

Performance measure	**Research and Development Tax Incentives (R&DTI) offset claims are amended when the Department of Industry, Science and Resources advises the ATO that R&DTI registration has been revoked** • 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 R&DTI registration due to a negative finding or revocation, impacting the company's claim for an R&DTI offset.			
ATO key activity	4: Administer a range of payments and transfers on behalf of government			
Authority source	2024–25 PBS Administered Program 1.10 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	100%			
Results	**2024–25**	**93%**	◆	**Not achieved**
	2023–24	95%	◆	Not achieved
	2022–23	New measure from 2023–24, not previously reported in the annual performance statements		
Analysis	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. In the 2024–25 financial year, a total of 28 company income tax returns were required to be amended by a date falling within the financial year following decisions taken by DISR. Of these returns, 26 were amended and 2 could not be amended as DISR's decisions were received outside legislative timeframes to amend. Accordingly, the ATO amended all company income tax returns that were within its power to amend. During 2024–25, the ATO has improved its internal processes and controls to help ensure that, where it is within the ATO's powers, appropriate amendments are made to company income tax returns, following decisions taken by DISR.			
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 the DISR.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure from ATO systems and third-party data to administrative data and third-party data. The updated measure name clarifies that DISR performs the functions of Industry Innovation and Science Australia to make and advise the ATO of revocations and findings related to R&DTI registrations.			

Program 1.11 Low Income Superannuation Tax Offset

Table 3.40 Proportion of original contributions paid, 2022–23 to 2024–25

Performance measure	**Proportion of original contributions paid within 60 days** • A measure that demonstrates we are making payments to superannuation funds under the Low Income Superannuation Tax Offset program in a timely manner		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.11 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	97%		
Results	**2024–25**	**98.68%**	● **Achieved**
	2023–24	98.08%	● Achieved
	2022–23[a]	97.29%	Rating not previously reported in the annual report
Analysis	Low income superannuation tax offset (LISTO) is a superannuation entitlement for eligible individuals, intended to help boost their super 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. In 2024–25, 100% of LISTO payments were made to eligible individuals. The proportion of original contributions paid within 60 days was 98.68%, an increase from 98.08% the previous year and achieving the target of 97%. The ATO reviews its administration of the program on an ongoing basis, to identify and resolve factors that drive delays in payments. Factors contributing to payments not made within the 60-day timeframe include: • 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. The steady increase in the proportion of LISTO contributions paid within 60 days indicates improved ATO processes and systems for establishing an individual's eligibility and subsequently remitting payments to their superannuation fund.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	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. Using ATO systems, we identify the total number of: • interest payments made under the LISTO program • payments made to superannuation funds under the LISTO program. Our 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).		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

Note

(a) The 'Low Income Superannuation Tax Offset – Proportion of original contributions paid' result for 2022–23 was incorrectly reported as 99.97% in Table 3.35 of the *Commissioner of Taxation annual report 2022–23*.

Program 1.12 Private Health Insurance Rebate

Table 3.41 Private health insurance rebates are subject to risk preventative and corrective processes, 2022–23 to 2024–25

Performance measure	**Private health insurance rebates are subject to risk preventative and corrective processes** • A measure to demonstrate we perform our role as tax regulator and co-administrator to manage the risk of non-compliance with the tax laws that govern the private health insurance rebate (PHIR).		
ATO key activity	4: Administer a range of payments and transfers on behalf of the Australian Government		
Authority source	2024–25 PBS Administered Program 1.12 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Private health insurance rebates are subject to risk preventative and corrective processes		
Results	**2024–25**	**Target met**	**Achieved**
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	The ATO actively manages the risk of non-compliance with legislation governing the PHIR. We maintain risk controls and treatments that prevent and address inappropriate PHIR claims in individual tax returns to ensure taxpayers claim only the rebate amount to which they are entitled. We obtain data directly from private health insurers and use it to: • pre-fill private health insurance information in individual income tax returns before lodgment to help individuals report the correct amounts • detect discrepancies between reported and actual data once a return is lodged, triggering potential corrective action • determine the correct entitlement for the rebate based on the taxpayer's circumstances and the data provided. We conduct ongoing monitoring of these controls and treatments to ensure they operate reliably and as designed. In 2024–25, these controls and treatments operated as intended to pre-fill returns and identify individual income tax returns that required adjusting and/or further manual review to determine the correct PHIR entitlement.		
Type of measure	Effectiveness		
Data sources	Administrative data and third-party data		
Methodology	Analysis of ATO documentation and data relating to the operation of the ATO's preventative and corrective processes that are used by the ATO to address misreported private health insurance related information on individual income tax returns.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure from ATO financial statements to administrative data and third-party data.		

Program 1.13 Superannuation Co-contribution Scheme

Table 3.42 Proportion of original co-contributions paid, 2022–23 to 2024–25

Performance measure	**Proportion of original co-contributions paid within 60 days** • A measure that demonstrates the ATO is making payments to superannuation funds under the Superannuation Co-contribution Scheme in a timely manner			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.13 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	97%			
Results	**2024–25**	**98.56%**	●	**Achieved**
	2023–24	97.43%	●	Achieved
	2022–23	98.84%	Rating not previously reported in the annual report	
Analysis	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. In 2024–25, 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 98.56%, an increase from 97.43% last year and achieving the target of 97%. The ATO is constantly reviewing how it administers the program, to identify and resolve factors that drive delays in payments. Factors contributing to payments made outside of the 60-day timeframe include: • 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. The steady increase in the proportion of co-contributions paid within 60 days indicates improved ATO processes and systems for establishing an individual's eligibility and subsequently remitting the payments to their superannuation fund.			
Type of measure	Output			
Data sources	ATO systems			
Methodology	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. Using ATO systems, we identify the total number of: • interest payments made under the scheme • payments made to superannuation funds under the scheme. Our 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).			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	Nil			

Program 1.14 Superannuation Guarantee Scheme

Table 3.43 Superannuation guarantee gap, 2022–23 to 2024–25

Performance measure	**Superannuation guarantee gap as a proportion of superannuation guarantee contributions** • 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
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25
2024–25 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available

Results		
2024–25	**6.0% or $6,245m (2022–23)**	**Substantially achieved**
2023–24[a]	6.3% or $5,157m (2021–22)	Substantially achieved
2022–23[a]	5.1% or $3,619m (2020–21)	Rating not previously reported in the annual report

Analysis

The net superannuation guarantee (SG) gap for 2022–23 is estimated to be around $6.2 billion or around 6.0% of theoretical contributions.

	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Theoretical contributions ($m)	$62,915	$66,101	$69,983	$72,481	$81,292	$104,845
Net gap ($m)[b]	$3,687	$3,885	$4,447	$5,035	$5,330	$6,245
Net gap (%)[b]	5.9%	5.9%	6.4%	6.9%	6.6%	6.0%

Theoretical contributions represent the amount of SG we estimate should be collected on behalf of employees. It increases with wages in the economy and our estimations of unreported contributions, and it is sensitive to changes in legislation. In 2022–23, theoretical contributions grew substantially due to an increase in the statutory minimum rate to 10.5% and the removal of the $450 per month minimum threshold for employer contributions.

The net SG gap has been gradually increasing in dollar terms from $3.7 billion to $6.2 billion across 2017–18 to 2022–23, but relative to theoretical contributions it has remained steady between 5.9% and 6.9%. Notably, there is an increase in the size of the net gap during the pandemic period (2019–20 to 2021–22), reflecting the external environment as well as the ATO's reallocation of compliance resources during this period.

The level of amendments due to ATO actions increased in 2021–22 and 2022–23, after declining in 2019–20 and 2020–21 due in part to the impacts of the pandemic. The use of Single Touch Payroll (STP) and Member Account Transaction Service (MATS) information has enabled more targeted detection of non-compliance and implementation of preventative and corrective strategies.

The latest year result of 6.0% is 0.6 percentage points below the revised 2021–22 result. We caution against interpreting these results as demonstrating an improvement because:

- one year is insufficient to confirm a trend in improving performance
- the latest year estimate may be revised next year as more up-to-date information becomes available
- given there has been no medium-term improvement in the SG gap, we conservatively rate this measure as substantially achieving the target.

The current performance target is difficult to evaluate quantitatively. The ATO is developing an alternative quantitative approach to target setting, designed to improve reporting on this measure. The earliest this change can be implemented is for 2025–26.

Table 3.43 Superannuation guarantee gap, 2022–23 to 2024–25 *continued*

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data
Methodology	We use the following 3-step method to estimate the SG gap: • Step 1: Estimate unreported SG amount • Step 2: Estimate for errors not detected • Step 3: Calculate the SG gross gap and net gap. The gross gap represents the estimated gap if we did not undertake compliance activities. The net gap includes the impact from our compliance activities, such as reviews and audits, and from employer voluntary adjustments. Further detail is available at ato.gov.au/SGgapmethodology.
Limitations	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: • 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. Further detail on limitations is available at ato.gov.au/SGgaplimitations.
Variation from Australian Taxation Office corporate plan 2024–25	Nil

Notes

(a) The performance result and assessment for prior years is based on the estimated result and methodology at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.

(b) The prior year estimates have been revised using the latest information about lodgments and amendments received since the previous estimate was calculated.

Table 3.44 Value of superannuation guarantee charge raised, 2022–23 to 2024–25

Performance measure	**Value of superannuation guarantee charge raised (including penalties and interest)** • A measure of the value of superannuation guarantee charge raised (including penalties and interest)			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	$1,099m[a]			
Results	**2024–25**	**$1,725.2m**	●	**Achieved**
	2023–24	$1,912.1m	●	Achieved
	2022–23	$1,243.5m	Rating not previously reported in the annual report	
Analysis	In 2024–25, the superannuation guarantee charge (SGC) raised (including penalties and interest) was $1,725.2 million and achieved the target of $1,099 million. This result was 10% lower than the 2023–24 result, primarily due to fewer audits being completed. SGC raised is driven by both ATO compliance work and employers lodging SGC statements voluntarily if they have failed to pay direct to superannuation funds by the legislated due dates. ATO compliance work includes: • the ATO actioning employee-notified complaints about unpaid superannuation • ATO-initiated audit work • ATO programs that target employers that may have an outstanding obligation and encourage them to lodge SGC statements. In recent years, compliance work has raised around 60% of the primary SGC and most of the penalties.			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge collected' to provide a clearer read of performance.			

Note

(a) The 'Value of superannuation guarantee charge raised (including penalties and interest)' target for 2024–25 was increased to '$1,099 million'. The target for 2023–24 was '$1,017 million'.

Table 3.45 Value of superannuation guarantee charge collected, 2022–23 to 2024–25

Performance measure	Value of superannuation guarantee charge collected • A measure of the value of superannuation guarantee charge collected		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	$642m[a]		
Results	**2024–25**	**$1,194.4m**	**Achieved**
	2023–24	$1,092.6m	Achieved
	2022–23	$778.5m	Rating not previously reported in the annual report
Analysis	Superannuation guarantee charge (SGC) collected in 2024–25 was $1,194.4 million, a 9% increase compared to the 2023–24 result and achieved the target of $642 million. SGC collections can be influenced by a range of factors, including the age of the SGC liabilities raised, the total SGC debt on hand, and the mix of voluntary superannuation guarantee lodgments and ATO-driven compliance. The increase in SGC collected demonstrates that our ongoing focus on superannuation guarantee obligations is generating improved collection performance.		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge raised (including penalties and interest)' to provide a clearer read of performance.		

Note

(a) The 'Value of superannuation guarantee charge collected' target for 2024–25 was increased to '$642 million'. The target for 2023–24 was '$594 million'.

Table 3.46 Value of superannuation guarantee charge entitlements distributed, 2022–23 to 2024–25

Performance measure	**Value of superannuation guarantee charge entitlements distributed to individuals or superannuation funds** • A measure of the value of superannuation guarantee charge entitlements distributed to individuals or superannuation funds			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	$578m[a]			
Results	**2024–25**	**$1,100.1m**	●	**Achieved**
	2023–24	$932.5m	●	Achieved
	2022–23	$683.9m	Rating not previously reported in the annual report	
Analysis	Superannuation guarantee charge (SGC) entitlements distributed in 2024–25 was $1,100.1 million, an 18% increase compared to the 2023–24 result and achieved the target of $578 million. This result is the highest since 2020–21, the final year of the superannuation guarantee amnesty where employers were incentivised to lodge and pay outstanding superannuation guarantee obligations. SGC distributions are driven by SGC collections.			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	Nil			

Note

(a) The 'Value of superannuation guarantee charge entitlements distributed' target for 2024–25 was increased to '$578 million'. The target for 2023–24 was '$536 million'.

Table 3.47 Value of superannuation guarantee charge debt on hand, 2022–23 to 2024–25

Performance measure	**Value of superannuation guarantee charge debt on hand** • A measure of the value of superannuation guarantee charge debt that has not been collected from employers after liabilities have been raised due to non-compliance			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	$4,000m(a)			
Results	**2024–25**	**$3,952m**	●	**Achieved**
	2023–24	$3,697m	●	Achieved
	2022–23	$3,343m	Rating not previously reported in the annual report	
Analysis	The value of superannuation guarantee charge debt on hand increased from $3,697 million in 2023–24 to $3,952 million in 2024–25 and achieved the target of $4,000 million. This was expected given the value of superannuation guarantee charge liabilities raised during the year.			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue' to provide a clearer read of performance.			

Note

(a) The 'Value of superannuation guarantee charge debt on hand' target for 2024–25 was increased to '$4,000 million'. The target for 2023–24 was '$3,700 million'.

Table 3.48 Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue, 2022–23 to 2024–25

Performance measure	**Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue** • A measure of the amount of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	$183m[a]			
Results	**2024–25**	**$231.4m**	◆	**Not achieved**
	2023–24	$447.4m	■	Substantially achieved[b]
	2022–23	$214.5m	Rating not previously reported in the annual report	
Analysis	The value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue was $231.4 million in 2024–25, which did not meet the target of less than $183 million. The increased firmer and stronger actions resulting from implementation of the ATO Payment Strategy has resulted in increases in the identification of debts that are uneconomical to pursue or irrecoverable at law. This includes businesses that have reviewed their circumstances as a result of these debt actions and taken steps to close down, which impacts the recovery of some debts.			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements. From 2024–25, the performance rating scale has been updated. The previous rating scale is available in Table 3.51 (page 112) in the *Commissioner of Taxation annual report 2023–24*. Performance rating scale			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge debt on hand' to provide a clearer read of performance.			

Performance rating scale

Result	Symbol	Description
Achieved	●	Less than $183 million
Substantially achieved	■	More than the target but less than 110% of target
Not achieved	◆	More than 110% of the target

Note

(a) The 'Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue' target for 2024–25 was increased to '$183 million'. The target for 2023–24 was '$177 million'.

(b) From 2024–25, the performance rating scale has been updated. The 2023–24 result was assessed using the previous rating scale included at Table 3.51 of the *Commissioner of Taxation annual report 2023–24*.

Program 1.15 Interest on unclaimed superannuation accounts paid

Table 3.49 Value of interest payments processed (unclaimed superannuation money), 2022–23 to 2024–25

Performance measure	**Value of interest payments processed (unclaimed superannuation money)** • A measure of the value of interest paid on any unclaimed superannuation money (USM) account that is either claimed by the account owner or proactively paid by the ATO		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.15 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Not reasonably practicable[(a)]		
Results	**2024–25**	**$64.4m**	**Not applicable**
	2023–24	Not reported in the 2023–24 annual performance statements	
	2022–23	$24.6m	Rating not previously reported in the annual report
Analysis	The value of USM credit interest paid during the 2024–25 financial year was $64.4 million. The ATO calculates and pays interest as required by the relevant legislation when USM is either claimed by the account holder or proactively paid by the ATO. This measure does not have a target as the ATO does not wholly determine the amount of interest to be paid. It is calculated based on: • the value of the USM account balance • the number of days the USM account balance was held by the ATO • the Consumer Price Index interest rate applicable for each financial year. This will be the last year this performance measure is reported as it is not relevant to, or driven by, ATO performance. A more meaningful measure and target has been designed and included in the *Australian Taxation Office corporate plan 2025–26*, with performance against the measure to be reported in the 2025–26 annual performance statements.		
Type of measure	Output		
Data sources	ATO financial statements		
Methodology	The value of USM interest is calculated based on the total value of all processed USM interest transactions less the value of any cancelled or amended transactions. This measure will calculate the total value of interest payments made on any unclaimed superannuation account that is either claimed by the account owner or proactively paid by the ATO from 1 July 2013 onwards.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

Note
(a) It is not practicable to establish a target for this measure as the value of interest is driven by factors outside the ATO's control.

Program 1.16 Interest on Overpayment and Early Payments of Tax

Table 3.50 The ATO applies interest on overpayment and early payments of tax when required, 2022–23 to 2024–25

Performance measure	**The ATO applies interest on overpayments and early payments of tax when required** • A measure to demonstrate the ATO performs its role to apply interest on overpayments and early payments when and in the manner required by the *Taxation (Interest on Overpayments and Early Payments) Act 1983*		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.16 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	The ATO applies interest on overpayment and early payments of tax when required		
Results	**2024–25**	**Target met**	**Achieved**
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	The performance measure for this program has changed to better reflect our activities to apply interest on overpayments and early payments. This new performance measure provides clear insight about the role we perform to apply interest on overpayments and early payments. The ATO applies interest on overpayments and early payments as required under the *Taxation (Interest on Overpayments and Early Payments) Act 1983* (T(IOEP)A). This generally includes: • interest on early payments applied when payments are made toward eligible tax liabilities more than 14 days before the due date • interest on overpayments applied when entitlement to interest conditions set out in the T(IOEP)A are met. We use automated systems to identify transactions eligible for the application of interest under the T(IOEP)A and determine whether they can be processed automatically or require manual review and processing. These systems and processes are subject to sample-based reviews and system design testing to ensure they perform as required. Monitoring and testing conducted throughout 2024–25 provided assurance that the systems and processes operated as intended to apply interest in compliance with the requirements of the T(IOEP)A. Information about interest on early payments is available at ato.gov.au/interestonearlypayments. Information about interest on overpayments is available at ato.gov.au/interestonoverpayments.		
Type of measure	Output		
Data sources	Administrative data		
Methodology	Review of ATO documentation on the ATO's processes, systems and controls that apply interest on overpayments and early payments when required and examine a sample of transactions to determine whether interest was applied as intended.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	The previous measure has been replaced with a revised measure that better reflects the ATO's role in administering this program.		

Program 1.17 Bad and Doubtful Debts and Remissions

Table 3.51 Ratio of debt uneconomical to pursue, 2022–23 to 2024–25

Performance measure	**Ratio of debt uneconomical to pursue to net tax collections** • A measure of the ratio of debt determined to be uneconomical to pursue as a proportion of year-to-date net tax collections			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Administered Program 1.17 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	Below 1%			
Results	**2024–25**	**0.4%**	●	**Achieved**
	2023–24	0.6%	●	Achieved
	2022–23	0.2%	Rating not previously reported in the annual report	
Analysis	At 30 June 2025, the ratio of debt uneconomical to pursue to net cash collections was 0.4%. This represents a decrease of 0.2 percentage points from 2023–24. The amount of net debt uneconomical to pursue at 30 June 2025 was $2.5 billion, compared to $3.7 billion at 30 June 2024. This is a $1.2 billion or 31.9% decrease year-on-year[a]. The year-on-year decrease is a result of 2023–24 being an anomalous year that included the identification of debts uneconomical to pursue or irrecoverable following the COVID-19 pandemic. The ratio is reducing towards pre-2023–24 results.			
Type of measure	Effectiveness			
Data sources	ATO systems, ATO financial statements			
Methodology	Data for debt not pursued is extracted from ATO systems, while the year-to-date net tax collection figure is obtained from ATO financial statements. 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. The sum of total net non-pursuit (uneconomical) amounts processed is divided by the sum of net tax collections. The net non-pursuit amount accounts for any debt amounts cancelled or re-raised.			
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 2024–25	Nil			

Note

(a) 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. The Commissioner has deferred recovery action (place on hold) debts deemed not economical to pursue prior to 1 January 2017, pending enactment of an announced legislative change. This has resulted in $81 million of written-off taxpayer debts not being re-raised and offset in the 2024–25 reporting period. This decision has no impact on the performance result for this measure.

Program 1.18 Seafarer Tax Offset

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	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. 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. 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. 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 taxpayers claimed the offset.		
Type of measure	Output		
Data sources	ATO website and administrative data		
Methodology	Analysis of ATO documentation and data relating to the accuracy of information about the seafarer tax offset on the ATO website.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	The previous measure has been replaced with a revised measure that better reflects the ATO's role in administering this program.		

Program 1.20 Hydrogen Production Tax Incentive[(a)]

Table 3.53 Hydrogen Production Tax Incentive

Performance measure[(b)]	Under development
ATO key activity	4: Administer a range of payments and transfers on behalf of government
Authority source	2024–25 PBS Administered Program 1.20 and Australian Taxation Office corporate plan 2024–25
2024–25 target	Under development

Notes
(a) This is a newly established program. The incentive is announced as commencing from 1 July 2027.
(b) Performance measure will be reported from 2025–26.

Program 1.21 Critical Minerals Production Tax Incentive[(a)]

Table 3.54 Critical Minerals Production Tax Incentive

Performance measure[(b)]	Under development
ATO key activity	4: Administer a range of payments and transfers on behalf of government
Authority source	2024–25 PBS Administered Program 1.20 and Australian Taxation Office corporate plan 2024–25
2024–25 target	Under development

Notes
(a) This is a newly established program. The incentive is announced as commencing from 1 July 2027.
(b) Performance measure will be reported from 2025–26.

4 Revenue performance

Revenue collection

As Australia's principal revenue agency, the ATO facilitates the collection of revenue to fund public goods and services for the 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 2024–25 were $636.3 billion, an increase of $25.7 billion (4.2%) over the previous year. The growth was primarily driven by an increase in superannuation fund tax, individuals and other withholding tax collections, and GST collections.

Superannuation fund tax collections were $25.7 billion in 2024–25, an increase of $13.2 billion (106.2%) over the previous year. This was largely driven by higher capital gains and lower foreign exchange losses.

Total individuals and other withholding tax collections were $338.3 billion in 2024–25, an increase of $6.8 billion (2.1%) over the previous year. This increase largely relates to growth reported on 2023–24 tax returns, reflecting higher gross interest, capital gains and business income. Additionally, instalments were higher due to higher gross interest and business income relating to earlier years.

GST collections were $90.3 billion in 2024–25, an increase of $5.3 billion (6.2%) over the previous year. The increase primarily reflects growth in consumption subject to GST over the year.

Excise collections were $31.3 billion in 2024–25, an increase of $1.5 billion (5.2%) over the previous year. This growth reflects increases in both fuel and alcohol excise, in part due to an extra payment week in 2024–25.

Company tax collections were $138.3 billion in 2024–25, a decrease of $1.9 billion (1.3%) from the previous year. The decrease was largely driven by a decline in instalment collections from the mining sector.

Table 4.1 ATO net tax cash collections, 2022–23 to 2024–25[a]

Tax	2022–23 $m	2023–24 $m	2024–25 $m
Gross PAYG withholding[b]	269,264	294,949	295,827
Gross other individuals	69,407	74,199	81,707
Individual refunds	−42,014	−37,635	−39,223
Total individuals and other withholding taxes	**296,658**	**331,513**	**338,312**
Companies	150,098	140,170	138,314
Superannuation funds[c]	10,406	12,465	25,700
Petroleum resource rent tax	2,287	1,144	1,420
Fringe benefits tax[d]	4,009	4,632	4,927
Total income tax	**463,458**	**489,924**	**508,673**
Excise	26,022	29,761	31,294
Goods and services tax (GST)[e]	81,414	85,012	90,325
Other indirect taxes[f]	2,250	2,344	2,222
Total indirect taxes	**109,687**	**117,116**	**123,841**
Major bank levy	1,525	1,623	1,768
Superannuation guarantee charge	778	1,093	1,194
Foreign investment fees	221	246	235
Self-managed superannuation fund levy	139	141	143
Offshore petroleum levy	391	389	375
Other tax revenue	−60	27	27
Total net tax cash collections	**576,139**	**610,559**	**636,256**
Other non-tax revenue[g]	336	100	208
Total net cash collections	**576,475**	**610,659**	**636,464**
HELP/SFSS[h]	4,938	5,103	5,138

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 and superannuation surcharge, and no-TFN-quoted contributions tax.

(d) Includes Australian Government departments and authorities.

(e) Includes GST collections by the Department of Home Affairs; in 2024–25 these were $5.6 billion. Also includes GST non-general interest charge penalties, which are not distributed to the state and territory governments under the intergovernmental agreement.

(f) Includes wine equalisation tax (WET) and luxury car tax (LCT), of which a small amount was collected by the Department of Home Affairs.

(g) The majority of ‘other non-tax revenue’ is net unclaimed superannuation monies.

(h) Higher Education Loan Program (HELP) and Student Financial Supplement Scheme (SFSS) collections.

Compared to the 2024–25 Federal Budget forecast, ATO net tax collections were $18.7 billion (3.0%) higher than expected. The increase was largely driven by higher-than-expected collections for individual income taxes, superannuation fund tax and GST, partly offset by lower-than-expected company tax.

Total individuals and other withholding tax collections were $11.8 billion above the 2024–25 Federal Budget forecast, reflecting stronger-than-expected labour market conditions and stronger instalments primarily due to stronger-than-expected gross interest and business income from 2022–23 returns.

Superannuation fund tax collections were $5.9 billion above the 2024–25 Federal Budget forecast, largely reflecting higher-than-expected capital gains.

GST collections were $2.7 billion above the 2024–25 Federal Budget forecast, in part reflecting strength in June 2024 activity statements (lodged and paid between July and September 2024), and higher-than-expected consumption subject to GST.

Table 4.2 Expected revenue – variation between budget forecast and actual net collections in 2024–25[a]

Collected from	Collections $m	Budget $m	Variance $m
Total individuals	338,312	326,500	11,812
Companies	138,314	138,583	−269
GST	90,325	87,670	2,655
Superannuation funds	25,700	19,810	5,890
Other	43,605	44,944	−1,339
Total	**636,256**	**617,507**	**18,749**

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

In 2024–25, we issued income tax refunds with a total value of $59.1 billion. We also issued activity statement refunds with a total value of $100.5 billion. Total refunds were $159.6 billion, up 0.3% from 2023–24.

Table 4.3 Amount refunded, 2022–23 to 2024–25[a]

Type of refund	2022–23 $m	2023–24 $m	2024–25 $m
Income tax			
• Income tax – Total individuals	42,014	37,635	39,223
• Income tax – Companies	14,914	18,216	15,598
• Income tax – Superannuation funds[b]	6,951	6,169	3,576
• Income tax – Petroleum resource rent tax	77	187	282
• Income tax – Fringe benefits tax[c]	292	290	378
Total income tax	**64,249**	**62,498**	**59,058**
Excise	10	28	36
Activity statements[d]	90,506	96,607	100,476
Total	**154,765**	**159,132**	**159,570**

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) Includes Australian Government departments and authorities.
(d) Excludes fuel tax credits business activity statement (BAS) refunds.

Tax performance

Our tax performance program includes a suite of measures that provide insights into the health and operation of the tax and superannuation systems, and the impact of our actions. Some measures, especially tax gap estimates, are 'lag' measures and tell us about past performance – as we can only develop meaningful estimates and insights once lodgments and amendments are as close to complete as possible. This means that our most recent tax gap estimates relate to the 2022–23 income year.

To ensure tax gap estimates reflect our best assessment of the health and operation of the system, we use the latest information about lodgments and amendments. Each year when we estimate tax gap and tax assured we refresh the estimates for all prior income years based on additional information received since the previous estimate was calculated.

We measure our most direct impacts on tax collection through our total revenue effects measure, which combines revenue directly from audit actions with increased revenue from influencing taxpayers to voluntarily pay the right amount of tax. This measure relates to the additional revenue collected in 2024–25, noting amounts collected in one year often relate to returns for prior income years.

Our annual total revenue effects estimate also considers any significant refunds paid during the reporting year due to dispute resolution processes where the refund relates to an amount that was reported as a total revenue effects outcome in a previous financial year.

We engage with taxpayers to ensure they are complying with their tax obligations. While addressing non-compliance through audits and other correction activities will always be an important part of our compliance approach, we remain committed to ensuring taxpayers get things right from the start. This includes improving ongoing compliance after we have made a correction for a past period and maintaining confidence that the right amount of tax continues to be paid in the future.

Tax gap estimates

Tax gaps estimate 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.

The tax gap estimates shown in the following tables and commentary are net gaps, which represents our estimate of what ultimately will be uncollected in each financial year. Our historical estimates are refreshed to account for more information, which allows for a more informed analysis of the trend in tax gap.

We group our tax gap estimates into 3 main categories: transaction-based taxes, income-based taxes, and other tax gaps that do not form a part of our headline tax gap estimate (see Tables 4.5, 4.6 and 4.7). Recognising the importance of having reliable and credible tax gap estimates, we continue to engage an external independent advisory group to provide advice on our estimation approaches.

As the nation's principal tax collector, the ATO uses tax gap estimates to inform strategies to reduce tax gaps over time. We engage with a range of stakeholders to understand risks and drivers, and how we can collaborate to maximise voluntary compliance.

2022–23 tax gap estimates

For 2022–23, we estimate the net tax gap for income and transactional taxes to be $58.2 billion, or 9.1% of the total theoretical tax base of $640.5 billion if everyone met their tax obligations (this is an increase by $9.1 billion from 2021–22 and $17.7 billion from 2020–21).

The 3 largest components of the net tax gap are: the small business income tax gap, the individuals income tax gap, and the GST gap. Together these account for more than 80% of the $58.2 billion.

The small business income tax gap is the largest component of the total tax gap (accounting for 47%). We estimate this tax gap has increased from 15% in 2020–21 to 17.4% in 2022–23. As this estimate represents almost half of the total tax gap, it is a significant driver of the overall tax gap estimate. The ATO continues to focus on deliberate behaviours to avoid taxes or exploit the regulatory system, in particular through our shadow economy funded program.

The individuals net tax gap is the second largest component, at 21% of the overall gap. We estimate the tax gap for individuals is $12.5 billion, or 6.2% of the total theoretical tax, down from 6.7% in 2021–22. The ATO continues to expand the use of third-party data for its pre-fill capability, and data and analytics to prevent the overclaiming of deductions.

The GST gap represents 14% of the total and has increased to $8.1 billion, or 9.1% in 2022–23, rising from 6.4% in 2021–22. The ATO is committed to helping small businesses register for GST and report their GST transactions accurately. Recent legislative changes have given us more time, should it be necessary, to process refunds to detect and investigate potential fraud before a refund is issued.

In previous years, in addition to the overall net tax gap, the ATO has also estimated the tobacco duty gap. Going forward, the recently-established office of the Illicit Tobacco and E-cigarette Commissioner will provide more comprehensive reporting on the size of the illicit tobacco and e-cigarette markets. The ATO will contribute to this reporting and is investigating metrics to estimate the amount of undetected domestically-grown illicit tobacco (being the component of the illegal nicotine market under the ATO's remit).

We also estimate the net tax gap for pay as you go (PAYG) withholding and 3 administered programs. The administered program tax gap estimates have their own performance targets. See Table 4.7. These additional estimates do not form a part of the overall tax gap estimate.

Further information on each tax gap estimate is available at ato.gov.au/taxgap, including details of both the gross and net estimates, comparisons of the original and refreshed estimates and analysis, trends, drivers and latest findings.

Table 4.4 Net tax gap estimate – income and transaction-based taxes, 2019–20 to 2022–23[(a)(b)(c)]

All taxes	Reliability assessment	Unit	2019–20	2020–21	2021–22	2022–23	Target gap 2022–23
Tax gap	n/a[(d)]	%	8.0	7.7	8.5	9.1	7.4
		$m	37,855	40,566	49,127	58,234	

Notes
(a) Headline tax gap includes all income and transaction-based taxes and excludes administered programs and PAYG withholding.
(b) All estimates are rounded to the nearest $ million.
(c) Changes from previously published estimates occur for a variety of reasons, including improvements to methods, revisions to data and additional information becoming available.
(d) Reliability is assessed separately for all estimates, as outlined below.

Table 4.5 Net tax gap estimates – transaction-based taxes, 2019–20 to 2023–24[(a)(b)(c)]

Tax type	Reliability assessment	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Taxes on goods and services							
GST	Medium	%	7.3	4.5	6.4	9.1	9.4
		$m	5,046	3,271	5,086	8,113	8,722
Luxury car tax	Medium	%	14.7	6.9	6.2	3.7	–
		$m	110	64	62	43	–
Wine equalisation tax	High	%	4.7	4.4	4.5	4.3	–
		$m	50	50	52	51	–
Excises							
Alcohol	Medium	%	9.0	9.0	9.1	9.6	9.7
		$m	598	696	745	798	861
Fuel excise	Reliable	%	3.2	2.5	1.3	3.9	1.8
		$m	618	492	233	812	446

– = Results are not available for the given year.

Notes
(a) All estimates are rounded to the nearest $ million.
(b) Due to data lags, not all estimates are available for 2023–24.
(c) Changes from previously published estimates occur for a variety of reasons, including improvements to methods, revisions to data and additional information becoming available.

Table 4.6 Net tax gap estimates – income-based taxes, 2019–20 to 2023–24[a][b][c]

Tax on income	Reliability assessment	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Fringe benefits tax	Medium	%	29.4	35.2	33.2	30.4	–
		$m	1,631	1,779	1,757	1,815	–
High wealth	Medium	%	8.8	7.2	6.5	7.2	–
		$m	1,098	1,129	1,326	1,205	–
Individuals not in business[d]	High	%	6.6	6.5	6.7	6.2	–
		$m	10,836	10,600	12,066	12,515	–
Large corporate groups[d]	High	%	3.0	3.3	4.0	3.7	–
		$m	1,803	2,359	3,587	3,720	–
Large superannuation funds	High	%	1.5	1.0	1.2	1.4	–
		$m	179	229	162	174	–
Medium business	Medium	%	8.4	8.1	8.3	8.4	–
		$m	1,202	1,415	1,612	1,689	–
Petroleum resource rent tax	Reliable	%	2.0	2.1	2.3	2.7	–
		$m	20	20	48	51	–
Small business[d]	Medium	%	13.9	15.0	15.9	17.4	–
		$m	14,626	18,383	22,305	27,171	–
Small superannuation funds	Medium	%	2.1	3.4	3.5	3.8	–
		$m	38	79	86	79	–

– = Results are not available for the given year.

Notes

(a) All estimates are rounded to the nearest $ million.

(b) Due to data lags, estimates for 2023–24 are not available.

(c) Changes from previously published estimates occur for a variety of reasons, including improvements in methodology, revisions to data and additional information becoming available.

(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, 2019–2020 to 2023–24[a][b][c]

Product/program	Reliability assessment	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Fuel Tax Credits Scheme	Low	%	2.2	2.3	5.4	3.9	3.7
		$m	158	169	354	290	345
Pay as you go withholding	Medium	%	1.7	2.1	1.9	1.7	–
		$m	3,778	4,734	4,598	4,734	–
Product Stewardship for Oil	High	%	0.8	0.8	0.8	0.9	1.1
		$m	1	1	1	1	2
Superannuation Guarantee Scheme	Medium	%	6.4	6.9	6.6	6.0	–
		$m	4,447	5,035	5,330	6,245	–

– = Results are not available for the given year.

Notes

(a) All estimates are rounded to the nearest $ million.

(b) Due to data lags, only limited estimates for 2023–24 are available.

(c) Changes from previously published estimates occur for a variety of reasons, including improvements in methodology, revisions to data and additional information becoming available.

Tax assured

Tax assured is an estimate of the proportion of tax that we are confident is correctly reported on a positive assurance basis.

This measure is based on the concept of 'justified trust'. We achieve justified trust and 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.

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

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

At 30 June 2025, we estimated that 44.6% of the total tax reported for the 2022–23 tax year could be assured on a positive assurance basis. During 2024–25, we assured an additional 3.0% for the 2021–22 tax year, bringing the total tax assured estimate for 2021–22 from 42.9% to 45.9%.

In practice, we cannot gather third-party data or other evidence to compare against all tax returns. As such, our tax assured estimates will always be lower than the actual amount of tax that is correctly reported.

Where we cannot gather evidence to assure tax, we rely on our broader risk management approaches to provide confidence in tax reporting. Our risk management approaches help us to identify and deal with non-compliance through real-time analytics, benchmarking and sophisticated risk-detection algorithms. This is supported by various administrative systems and tools, including the taxable payments reporting system.

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

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

In 2024–25, our compliance efforts contributed an estimated $18.5 billion of additional revenue – exceeding our target of $16.0 billion. This result reflects our continued investment in strategic engagement across all taxpayer segments.

The target is based on compliance activities the ATO is resourced to undertake through base funding, and includes annual revenue commitments associated with specific government commitments. In 2024–25, a further $71.9 million in revenue commitments was announced in Budget 2024–25 and Mid-Year Economic and Fiscal Outlook (MYEFO) 2024–25. If these commitments were known at the time the target was set, the target would have been $16.1 billion. Our revenue estimate has exceeded this revised target.

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

Table 4.8 Total revenue effects, 2022–23 to 2024–25[a]

All taxes	2022–23	2023–24	2024–25
Total revenue effects target	**$15.0b**	**$15.7b**	**$16.0b[b]**
Total revenue effects result	$20.3b	$18.5b	$18.5b
• Audit actions and incorrect claims stopped[c]	$7.7b	$8.5b	$8.3b
• Prevention and sustained compliance	$6.6b	$3.3b	$3.4b
• Lodgment actions	$4.4b	$4.8b	$4.7b
• Sustained lodgment compliance	$2.2b	$1.9b	$2.2b
• Significant refunds[d]	−$0.5b	−$0.1b	−$0.1b
Liabilities raised[e]	$18.7b	$18.6b	$21.0b
Compliance activities			
• Audit and preventative actions[f]	1.3m	1.7m	1.3m
• Lodgment activities	3.1m	2.9m	3.2m

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) The 2022–23 results include outcomes relating to Operation Protego.

(d) A new category was introduced in 2022–23 to reflect significant refunds following dispute resolution, where the refund relates to a previous payment linked to a specific compliance action and reported as an audit action result in a previous year.

(e) Liabilities raised excludes outlier cases. Outlier cases include mistakes or deliberate fraud cases that are of such high value that our automated risk detection processes identify and stop such claims. These figures are excluded to avoid distorting the true impact of ATO discretionary action.

(f) The audit and preventative actions count for 2023–24 was incorrectly reported as 2.8 million instead of 1.7 million in Table 4.8 of the *Commissioner of Taxation annual report 2023–24*. For more information, see Appendix 16 on page 282.

Audit actions and incorrect claims stopped

Our compliance program targets areas of risk across the tax and superannuation systems and 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.

In 2024–25, we continued to deliver strong revenue outcomes through the compliance program, which included specifically-funded new policy programs and sustained engagement with taxpayers.

The estimated revenue effects attributed to our audit actions and incorrect claims stopped in 2024–25 is $8.3 billion. Around $5 billion of this can be attributed to compliance activities relating to new policy programs including the Tax Avoidance Taskforce, GST compliance, shadow economy, personal income tax, Phoenix Taskforce, Counter Fraud Program and Serious Financial Crime Taskforce. We also refunded around $100 million that was reported as an audit action result in a previous year.

We maintained our focus on public and multinational businesses, due to the value of their direct tax contribution. Compliance activities on these businesses remained relatively consistent this year.

Our leveraged activities targeted the advisers of privately owned and wealthy groups, with a focus on detecting and disrupting attempts to exploit the tax system. Due to the wide nature of tax treatments conducted in the privately owned and wealthy groups population, we often see a greater variance in results for this population from year to year.

Revenue outcomes attributed to the individuals population was lower than previous years. This reduction is primarily due to improved upstream activities including enhanced pre-fill at the time of lodgment, supporting taxpayers to voluntarily comply and reducing the required amount of traditional post-lodgment compliance activity and associated collections. We continue to identify ways to maximise our use of high-confidence data, to shift compliance actions further upstream and reduce downstream compliance costs.

We attribute increased results in the small business population to adjustments to our risk profiling approach, including enhanced use of third-party data and community tip-offs.

We continue to focus on employer obligations and super guarantee (SG) compliance, reflecting the ATO's proactive stance to ensure businesses meet their obligations as employers.

Prevention and sustained compliance

The estimated revenue effects attributed to our prevention and sustained compliance in 2024–25 is $3.4 billion, $1.6 billion of which is estimated to be related to specific government commitments including the Tax Avoidance Taskforce, shadow economy, GST compliance, personal income tax, Phoenix Taskforce and Serious Financial Crime Taskforce.

Most prevention and sustained compliance estimated revenue continued to be sourced from the individuals population and public and multinational entities. This demonstrates that the biggest impact we have on voluntary or sustained compliance is where we can treat large numbers of the population at scale, or where we specifically invest resources to build and maintain voluntary compliance. For public and multinational entities, this long-term improvement is due in part to specific funding under the Tax Avoidance Taskforce.

Our prevention estimates relating to individuals are primarily related to system-based nudges (called prompts) that occur in real time when a taxpayer is lodging their income tax or activity statements. We estimate the impact of the prompt on compliance behaviour based on whether an adjustment is made following the prompt.

Lodgment actions and sustained lodgment

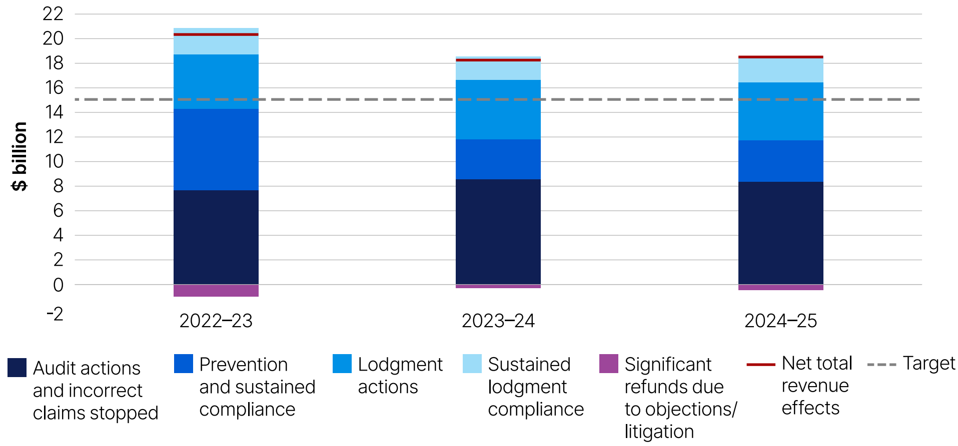
The 2024–25 lodgment program included a focus on GST compliance, the shadow economy, illegal phoenix activity and child support clients. Lodgment activities include a mix of SMS, letters, telephony and firmer actions such as failure to lodge penalties, default assessments and prosecution referrals.

In 2024–25, our 3.2 million lodgment-related activities contributed an estimated $4.7 billion in lodgment action revenue effects, including $2.8 billion related to specific government commitments under the shadow economy, GST compliance and phoenix programs. The estimate is slightly down on last year even though overall activities increased. The lower lodgment result is primarily reflective of more small business entities undergoing lodgment treatment and a higher proportion of penalties being levied against this group. These entities have a lower payment rate, meaning the revenue effect may not be fully realised until payments occur in the future.

While the lodgment program targets non-lodgers, it also specifically includes the child support lodgment enforcement program, which pursues child support participants identified each year by Services Australia to secure lodgments and assessments of income. This helps Services Australia to determine child support obligations, and intercept ATO refunds to recover child support debts.

Sustained compliance following lodgment action is estimated to have contributed $2.2 billion in revenue effects for 2024–25 (including $0.5 billion in relation to specific government commitments in the shadow economy and GST compliance programs), up from $1.9 billion in 2023–24. This is consistent with improved lodge on time results, which saw the highest number of taxpayers lodging on time in more than 10 years, suggesting that more taxpayers are not only increasingly lodging, but also paying on time.

Figure 4.1 Total revenue effects, 2022–23 to 2024–25 by estimated source of total revenue effects



Notes

- 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.
- In 2022–23, a new category was introduced for refunds of significant amounts paid to the ATO following objection or litigations that were reported as revenue effects in prior years.

Future improvements

Estimating the effect of system-based upstream interventions

Increasing our measurement capability to keep pace with new system-based integrity programs is a focus area. These measures are designed to:

- prevent, detect and treat fraud, particularly that undertaken at scale and by third parties
- enable us to act before fraudsters can even enter the system
- increase data-driven upstream activities that support taxpayers to correctly comply at lodgment.

These programs have preventative or protected revenue impacts on the tax and superannuation systems, and we are exploring ways to measure these strategies in our revenue estimates. As this work progresses, we expect to see these outcomes increasingly included in the total revenue effects targets and estimates from 2025–26.

Some of our actions enhance the integrity of the system but are not currently measured as part of total revenue effects. For example:

- We use identity crime models that detect and contain fraudulent returns earlier, including blocking specific fraud attempts before a fake return is lodged (which then results in less traditional downstream audit compliance work for compliance teams). In 2024–25, we estimate that about $270 million of likely fraudulent individual income tax returns was contained.
- Identification and removal of fraudulent PAYG withholding employer data from Single Touch Payroll, preventing future fake returns.
- Enhanced pre-fill capability for specific groups of taxpayers, which supports them to voluntarily comply correctly at lodgment.

Lodgment estimates

We use longstanding methodologies to estimate lodgment results, based on cash collections following lodgment prompting activities. While this has the benefit of being reliable, the Organisation for Economic Co-operation and Development (OECD) guidance on measuring tax compliance outcomes indicates that outcomes are not necessarily directly attributable to an agency's actions (for example, a taxpayer may have remediated their failure to lodge without prompting).

The OECD guidance suggests developing a counterfactual position to what would have occurred without the revenue body's activity or intervention. Accordingly, we undertook a randomised control trial to determine the efficacy of lodgment actions. The trial's lodgment behaviour insights established evidence for the counterfactual that some of the 'prompted' taxpayers would have self-remediated by lodging overdue returns even if they had not been prompted to do so.

Using the insights from this randomised control trial, we have developed a new approach to measuring lodgment revenue effects. The new approach:

- discounts the amount of revenue we count, based on the likelihood that the taxpayer may have lodged outstanding returns if they had not received a prompt to lodge
- covers activity statement and income tax lodgments
- results in a significantly lower estimate of tax revenue outcomes attributable to our lodgment actions.

We intend to introduce this new reporting approach, but recognise that our current targets, including total revenue effects as well as specific government commitments, have been set using the existing approach. We expect to include a detailed side-by-side comparison of lodgment estimates from 2025–26 onwards, and will move to reporting this new approach once targets have been recalibrated.

Debt estimates

In contrast to lodgment estimates, the ATO has historically only included within total revenue effects debts that are paid following payment actions if the liability to which the payment relates was initially raised through a compliance or lodgment activity.

Although not as advanced as our work in relation to lodgment estimates, in the medium term we are considering the development of similar methodologies to determine the amount of debt paid following all outstanding payment interactions, adjusted for the likelihood that the debt would have been paid without ATO intervention.

It should be noted that we have been conducting these interactions over an extended period, and the resulting payments form part of reported ATO net tax collections. This work will quantify the impact of ATO actions for inclusion in total revenue effects.

Income tax

Through our correct reporting and lodgment activities, we raised an additional $19.7 billion in income tax liabilities in 2024–25. Cash collections from our incorrect claims stopped, audit and lodgment actions was $9.5 billion, and revenue attributed to our prevention and sustained compliance and lodgment sustained compliance was $4.5 billion, resulting in total revenue effects of $14.0 billion.

Table 4.9 Income tax liabilities raised (plans and results), 2022–23 to 2024–25

Liabilities/sustained compliance plans and results	2022–23 $m	2023–24 $m	2024–25 $m
Plans	13,753	14,874	17,273
Liabilities raised	20,670	18,487	19,702[(a)(b)]

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 (previously wider revenue effects) which are not included in Table 4.8.

Table 4.10 Income tax total revenue effects, 2022–23 to 2024–25[(a)(b)]

Results		2022–23 $m	2023–24 $m	2024–25 $m
Measures	Audit actions and incorrect claims stopped	2,371	4,415	3,711
	Lodgment actions	1,911	2,175	2,183
	Prevention and sustained compliance	3,533	1,594	1,600
	Sustained lodgment compliance	317	381	392
Base	Audit actions and incorrect claims stopped	2,086	1,886	1,993
	Lodgment actions	1,555	1,811	1,582
	Prevention and sustained compliance	2,716	1,342	1,108
	Sustained lodgment compliance	1,544	1,238	1,411
Total		**16,033**	**14,842**	**13,980**[(c)]

Notes

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

(b) The figures in these tables 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.

Goods and services tax

Through our correct reporting and lodgment activities, we raised an additional $5.9 billion in GST liabilities in 2024–25. Cash collections from our incorrect claims stopped, audit and lodgment actions was $3.0 billion, and revenue attributed to our prevention and sustained compliance and lodgment sustained compliance was $1.1 billion, resulting in total revenue effects of $4.1 billion.

Table 4.11 GST liabilities raised (plans and results), 2022–23 to 2024–25

Liabilities/sustained compliance plans and results	2022–23 $m	2023–24 $m	2024–25 $m
Plans	6,120	4,032	4,199
Liabilities raised	6,128	4,163	5,871[(a)(b)]

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.

Table 4.12 GST total revenue effects, 2022–23 to 2024–25[(a)(b)]

Results		2022–23 $m	2023–24 $m	2024–25 $m
Measures	Audit actions and incorrect claims stopped	1,126	951	1,223
	Lodgment actions	584	537	693
	Prevention and sustained compliance	23	20	23
	Sustained lodgment compliance	160	152	136
Base	Audit actions and incorrect claims stopped	1,076	640	679
	Lodgment actions	449	418	362
	Prevention and sustained compliance	375	298	647
	Sustained lodgment compliance	186	212	289
Total		**3,979**	**3,230**	**4,053**[(c)]

Notes

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

(b) The figures in these tables 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.

More information is available in our *GST administration annual performance report* at ato.gov.au/GSTadministration.

Excise and other indirect taxes

In 2024–25, we raised excise liabilities of $34.7 million from correct reporting activities and collected $6.7 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 $113.4 million, and adjustments in favour of revenue of $33.6 million. Of adjustments in favour of revenue, we collected $27.0 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 $56.1 million in fuel tax credits has been claimed by taxpayers.

Penalties and interest

Interest is charged on unpaid tax liabilities to ensure fairness for taxpayers who do pay on time and the community as a whole. 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. Table 4.13 shows the penalties and interest for 2022–23 to 2024–25.

Table 4.13 Penalties and interest, 2022–23 to 2024–25

Penalties and interest		2022–23 $m	2023–24 $m	2024–25 $m
Penalties	Applicable	2,108	2,289	4,640[(a)]
	Remitted	269	243	250
	Collected	910	694	1,084
Interest	Applicable	5,397	8,991	7,907
	Remitted	1,308	1,014	1,375
	Collected	2,304	3,154	5,085

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 2024–25 is available at ato.gov.au/behaviouralpenalties.

5 Management and accountability

Corporate governance

Our governance arrangements support the Commissioner in leading the ATO, setting our strategic direction and ensuring we meet our commitments to government and the community. Arrangements we have in place to assist us in implementing the principles and objectives of corporate governance include:

- 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 good 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 a range of committees and consultation groups. Our committees operate under a tiered structure that creates clear lines of authority and enables issues to be escalated and resolved, while supporting a strong governance culture that values impartiality, integrity and accountability.

The ATO's suite of Governance Committees consist of:

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

The Audit and Risk Committee provides independent assurance and advice to the Commissioner of Taxation on the appropriateness of the annual financial statements, performance statements, performance reporting, system of risk oversight and management, and system of internal controls.

Information about the Audit and Risk Committee is available on pages 122–125.

The ATO Executive Committee is the organisation's most senior committee. It supports the Commissioner to set the ATO's strategic direction and priorities, and oversees our performance. The committee also resolves significant issues or matters escalated to it. The members of the Executive team and their specific responsibilities are outlined on pages 9–11.

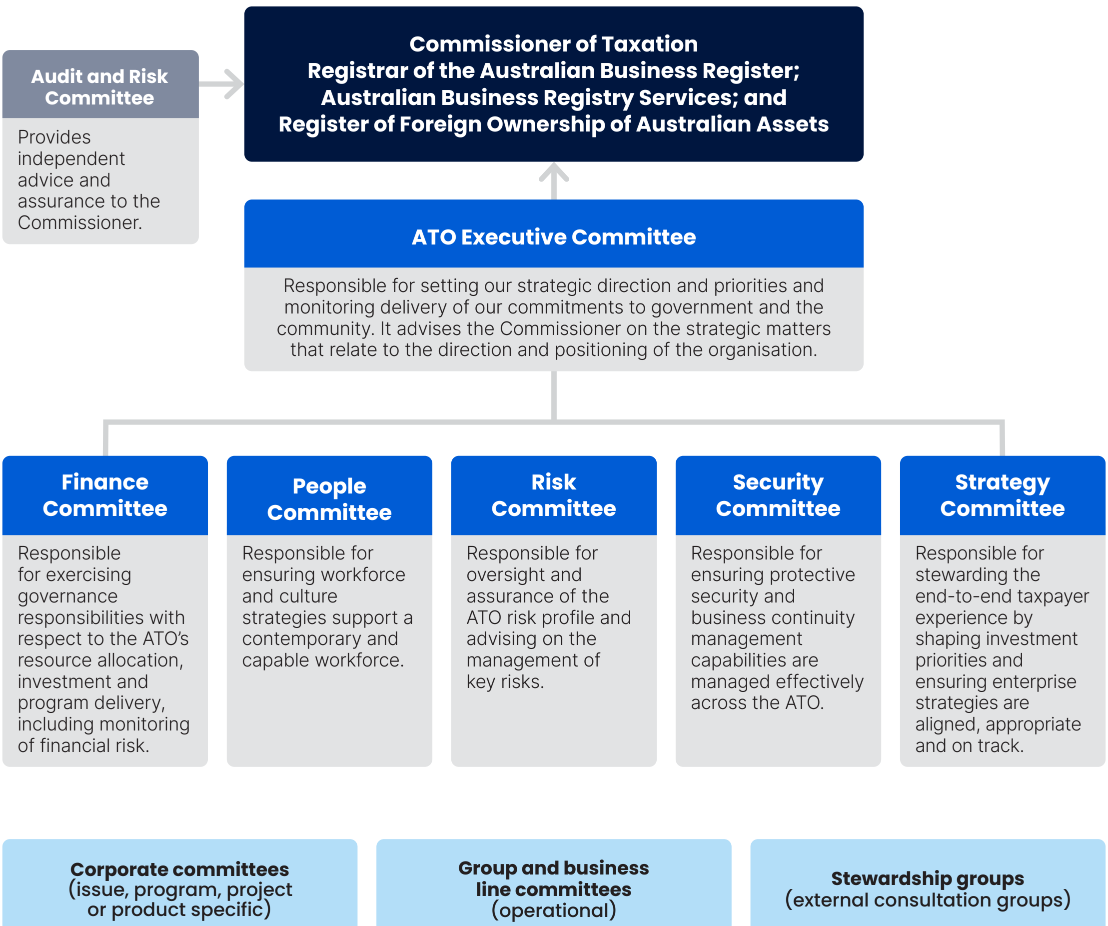
The ATO Executive Committee is supported by 5 enterprise-level committees (Finance, People, Risk, Security, and Strategy). These committees provide strategic oversight and assurance and promote effective decision-making for specified governance areas across the organisation. An integrated enterprise committee charter was implemented in December 2024 to ensure clarity of the collective and specific responsibilities of each committee.

The ATO's broader committee system also includes corporate committees that provide governance, oversight and direction of work across the ATO; and group and business line committees that each govern performance of a specific functional or operational area within the ATO.

Our stewardship groups are strategic, high-level groups with diverse representation from across the Australian community, including professional associations, intermediaries and taxpayer representatives. They play a stewardship role in relation to the future of a taxpayer market or product segment across the tax and superannuation systems.

We seek to continuously improve the operation of our committee system by annually reviewing the purpose of our committees and their membership, to ensure they remain purposeful, efficient and effective. Insights from the Australian Public Service Commission's 2025 capability review of the Australian Taxation Office are informing the current committee review. More information about the capability review is available on page 126.

Figure 5.1 ATO governance structure, at 30 June 2025



The ATO organisational structure is shown in Figure 1.2 on page 12.

The Accountable Authority

For the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the Commissioner of Taxation is the Accountable Authority for the Australian Taxation Office (ATO), the Tax Practitioners Board (TPB), the Australian Charities and Not-for-profits Commission (ACNC) and the ACNC Advisory Board. Details of the Accountable Authority are provided in Table 5.1.

Table 5.1 Details of the Accountable Authority, 2024–25

		Period as the Accountable Authority	
Name	**Position title**	**Date of commencement**	**Date of cessation**
Rob Heferen	Commissioner of Taxation	1 March 2024	28 February 2031

Fraud and corruption management

The minimum standards for the management of fraud and corruption are set out in the 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.

Fraud and corruption against the Commonwealth is a criminal offence that impacts directly on Australians. It undermines confidence in the government and reduces the funds available for delivering public goods and services. The ATO considers and addresses any potentially fraudulent activity or corrupt conduct occurring within the ATO, TPB, ACNC and ACNC Advisory Board, as well as fraud and corruption risks from external sources.

Preventing internal fraud and corruption

The ATO 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 PGPA Act.

Potential fraudulent or corrupt behaviour is identified through a variety of means – including data interrogation, risk assessment and tip-offs – through both 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 1,454 allegations or reports to Speak Up, from which we identified 298 matters of potential internal fraud, corruption or serious misconduct risk that required further enquiries or investigation.

Table 5.2 shows the number of internal fraud and corruption allegations or reports investigated, by outcome, for 2024–25.

Table 5.2 Internal fraud and corruption allegations or reports investigated, by outcome, 2024–25

Outcome	Number investigated
Substantiated[(a)]	58
Unsubstantiated	122
Ongoing at 30 June 2025	118
Total	**298**

Note
(a) Of the 58 substantiated matters, all were dealt with administratively or procedurally under Australian Public Service Code of Conduct determinations.

Unauthorised access remains the largest category of allegations investigated (50%), and 95% of cases 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 indicate malicious fraudulent behaviour, the ATO treats breaches seriously and comprehensive investigations are conducted.

During the year, 3 former employees or contractors were convicted of Commonwealth fraud offences, including 2 as a part of Operation Protego. Following ATO internal investigations and prosecution by the Commonwealth Director of Public Prosecution, the sentences imposed by the Court on the 3 offenders respectively were:

- a reparation order of $19,000 (payable to the ATO) and 300 hours community service
- 18 months imprisonment (suspended) and a 2-year good behaviour order
- 18 months imprisonment (suspended), a 2-year good behaviour order and a reparation order of $24,807.11.

We monitor our systems to identify material shifts in risk exposure and we conduct regular risk assessments to inform the *ATO Fraud and Corruption Control Plan 2024*. To minimise the risk of internal fraud and corruption, we also invest extensively in fraud prevention activities and have a sophisticated internal fraud detection and investigation capability.

We continue to strengthen our controls to address an evolving insider risk environment, including by strengthening our employment onboarding and employment suitability program.

In addition, we regularly run education and awareness sessions, engage staff in conversations about potential internal fraud and corruption risks within their business areas and use contemporary communication products and self-help material to actively promote our Speak Up integrity channel. These sessions and products complement the ATO'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 concepts and products with the Australian Public Service Academy, to assist managers with team-based integrity conversations.

Crime in the tax and superannuation systems

Tax crime manifests in various forms, ranging from individual instances of income tax and GST fraud to complex, serious and organised criminal activity. While these offences differ in scale and sophistication, they all pose a significant threat to the integrity of the tax and superannuation systems. The ATO plays a critical role in safeguarding these systems and protecting taxpayers from those who seek to defraud the Commonwealth and unlawfully access valuable taxpayer information.

The Counter Fraud Program (CFP) commenced in 2024–25 and will continue over the next 3 years. The CFP will strengthen the ATO's ability to prevent, detect, monitor and respond to identity crime-enabled fraud attacks. These new, challenging and innovative attacks require a strong focus on ensuring the ATO's multi-layered fraud controls remain responsive and effective.

While we continue to strengthen our systems to prevent and detect fraud, the serious organised crime environment is evolving and dynamic, with crime groups operating across multiple tax and other crime types, both within Australia and internationally. This demands a multi-faceted approach that extends beyond the ATO's own capabilities.

In 2024–25, the ATO led and participated in taskforces that deliver a whole-of-government response to serious financial crime and related non-compliant behaviour that may undermine the integrity of our tax and superannuation systems, including the Serious Financial Crime, Phoenix and Shadow Economy taskforces.

We also contributed to the outcomes of the Counter Foreign Interference Taskforce and the Illicit Tobacco Taskforce by targeting, disrupting and helping to dismantle organised crime syndicates. Additionally, the ATO is a key member of the Fraud Fusion Taskforce, a multi-agency partnership working to disrupt fraud and criminal activity in government payment programs.

Recognising the importance of a global approach to dealing with organised crime, we continue to actively participate in the Joint Chiefs of Global Tax Enforcement (J5) and have further enhanced engagement with public and private partners, both domestically and internationally. We also actively supported the Organisation for Economic Co-operation and Development (OECD) in its efforts to enhance international cooperation in the fight against international tax and other related crimes.

In 2024–25, the Operation Protego Integrity Taskforce was prescribed as a taskforce in the *Taxation Administration Regulations 2017*. The ATO co-leads this taskforce with the Australian Public Service Commission (APSC) to support investigations and disciplinary actions against Commonwealth employees alleged to be involved in wide-scale GST fraud, identified through Operation Protego.

The taskforce's purposes include protecting public finances and enhancing the integrity of Commonwealth sector by enabling data and intelligence sharing across agencies to manage employee integrity risks through appropriate disciplinary or administrative actions.

Risk management

The ATO Executive promotes a positive and pragmatic approach to risk management and continuous improvement of risk practice across the ATO. This is in line with section 16 of the PGPA Act and the Commonwealth Risk Management Policy, which specify that the accountable authority must maintain an appropriate system of internal control and risk oversight and management.

The ATO Risk Committee is responsible for maintaining a view of the ATO's system of risk oversight and management. The committee provides oversight of the ATO's enterprise risks to ensure that appropriate controls are in place and considers emerging risks posed by the evolving external environment.

The ATO Chief Risk Officer leads a program of work to ensure fit-for-purpose risk management is embedded into decision-making processes across our day-to-day operations.

The ATO Risk Committee and the ATO 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 2024–25, we launched an updated Risk Management Framework and have continued to improve the identification and management of emerging risks. We undertook our first climate risk and opportunity assessment, in line with the Climate Risk and Opportunity Management Program. For more information see Appendix 15.

We invested in improving risk culture in the ATO through a new positive risk behaviours campaign highlighting the importance of engaging with risk, incorporating insights from our senior leaders. We also focused on uplifting staff capability by establishing a new online and interactive risk community for risk professionals, and releasing new learning products.

Our internal risk communications, across multiple channels, are used to encourage staff to positively engage with risk and improve risk awareness and capability. We leverage these channels to improve knowledge and engagement with risk management governance, policy, processes, systems and tools.

Internal audit

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

In 2024–25, the Internal Audit branch presented 27 reports to the Audit and Risk Committee covering a wide range of topics and areas, including:

- compliance and legal decision-making
- governance of data
- information and records
- human resource management and internal payment systems
- IT systems governance and controls
- security, including cybersecurity maturity of the TPB and ACNC.

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 to provide independent assurance and advice on the appropriateness of the annual financial statements, performance statements, performance reporting, system of risk oversight and management, and system of internal controls of the 3 bodies.

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

As operationally independent statutory authorities, 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.

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. In order to provide advice and assurance to the Commissioner about the appropriateness of the financial and performance reporting, the committee is supported by specialised subcommittees for financial statements and performance statements. The committee complies with section 17 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) on audit committees for Commonwealth entities.

All members of the committee during 2024–25 are listed in Table 5.3. In 2024–25, the committee comprised 4 independent members. ATO senior executives attend as observers and advisers.

Table 5.3 Details of the Audit and Risk Committee, 2024–25[a]

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/ total meetings[b]	Total annual remuneration ($)[c]
Margaret Crawford PSM (Chair)	• 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 Practicing Accountants (CPA) Australia, Australian Institute of Company Directors, Institute of Public Administration Australia • Member of the Uniting Vic.Tas Audit and Risk Committee since 2025 • Independent Monitor, Victorian Certificate of Education 2025 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	4/10	31,652

Table 5.3 Details of the Audit and Risk Committee, 2024–25[(a)] *continued*

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/ total meetings[(b)]	Total annual remuneration ($)[(c)]
Mark Sercombe	• Independent member of the ATO Audit and Risk Committee since 2021 • 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 since 2022 • 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	10/10	43,482
Teresa Dyson	• Independent member of the ATO Audit and Risk Committee since 2023 • Bachelor of Laws (Hons), Master of Applied Finance, Master of Tax, Bachelor of Arts • Fellow of the Australian Institute of Company Directors • Admitted as a solicitor in Qld, NSW, Victoria and High Court • Non-executive director and chair of several other audit and risk committees, including: – Shine Justice Ltd since 2020 – Seven West Media Ltd since 2017 • Non-executive director of the Queensland Government Gold Coast Hospital and Health Board since 2016 • Member of the Australian Government Takeovers Panel since 2018 • Former non-executive director of: – Entyr Ltd, 2023–2024 – 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 • 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	9/10	42,295

Table 5.3 Details of the Audit and Risk Committee, 2024–25[a] *continued*

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/ total meetings[b]	Total annual remuneration ($)[c]
Russell Egan	• 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 • Managing Director RJ Egan Advisory Services since 2024 • Member of the Shellharbour City Council Audit, Risk and Improvement Committee since 2025 • Chief Operating Officer, Deputy Chief Executive Officer, Services Australia, 2019–2024 • Director-General, Integrated Service, Service Canada, 2016–2019 • 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)	3/10	15,913
Peter Achterstraat AM (Chair 2018–2024)	• Chair of the ATO Audit and Risk Committee, 2018–December 2024 • Bachelor of Commerce, Bachelor of Laws, Bachelor of Economics (Hons) • Fellow of Chartered Accountants Australia and New Zealand, Certified Practicing Accountants (CPA) Australia, the Governance Institute of Australia and the Australian Institute of Management • Member of the National Mental Health Commission Audit and Risk Committee since 2023 • Chair of the Department of Agriculture, Fisheries and Forestry Audit and Risk Committee, 2022–2025 • Chair of the Australian Securities & Investments Commission (ASIC) Audit and Risk Committee, 2019–2024 • Member of the Australian Commission for Safety and Quality in Health Care Audit and Risk Committee since 2019 • Commissioner of the NSW Productivity Commission since 2018 • President of the Australian Institute of Company Directors (NSW Division), 2014–2020 • President of the Institute of Public Administration Australia (NSW Division), 2009–2014 • Auditor-General of NSW, 2006–2013	6/10	46,673

Table 5.3 Details of the Audit and Risk Committee, 2024–25[a] *continued*

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/ total meetings[b]	Total annual remuneration ($)[c]
Diana Wright	• Independent member of the ATO Audit and Risk Committee, 2021–February 2025 • FCPA (Fellow Certified Practicing Accountant), PhD London University, MSc and BSc (Combined Honours) London University, Diploma of the Imperial College London University • Member of the Department of Environment Audit Committee, 2010–2014 • Member of the Financial Reporting Council, 2000–2001 • Member of the Department of Finance Audit Committee, 1998–2001 • 30 years experience in the Australian Public Service, including as a senior executive (SES Band 2) developing, implementing, managing, evaluating and reviewing major government policy and programs, international treaties and Commonwealth legislation	6/10	24,348

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 2024 to 30 June 2025.

(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 2024 to 30 June 2025.

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 legal, policy and other obligations at all levels of the organisation
- foster a culture that does not tolerate 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 ATO Conformance with obligations program serves as a mechanism for senior management to provide the ATO Audit and Risk Committee with assurance that the ATO is meeting its legislative, policy and other obligations. This is achieved through periodic conformance and integrity indicator reporting.

By asking responsible obligation owners how they manage conformance obligations and working to resolve 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 ATO Audit and Risk Committee on a quarterly basis.

Open and transparent operations

Australia's tax and superannuation systems are community assets. Appropriate access to information about these systems enhances transparency and leads to increased levels of trust and confidence.

External scrutiny

External scrutineers undertake independent reviews, investigations and audits of the ATO's operations – either as the result of their own 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 options for improving services to our clients, address potential barriers to willing participation, and ensure the successful delivery of outcomes in our 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.

Capability review

On 27 March 2025, the capability review of the Australian Taxation Office was published under the Australian Government's pilot Capability Review Program, available at apsc.gov.au/initiatives-and-programs.

The Capability Review Program, which is managed by the Australian Public Service Commission (APSC), is part of the government's enduring plan for Australian Public Service (APS) Reform. The program aims to:

- embed a culture of continuous improvement across the APS
- ensure agencies can deliver government priorities and outcomes for Australians.

The ATO is committed to acting on key insights identified by the review. We articulate this commitment in *Our Performance Evolution*, drawing on insights from the review. *Our Performance Evolution* focuses on priority areas to unlock our full potential and adopts a strong focus on working as a united team to deliver improved outcomes for the Australian community.

Our Performance Evolution was published on 27 June 2025 and is available at ato.gov.au/ourperformanceevolution.

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 (ART).

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.

On 4 December 2024, Commissioner of Taxation Rob Heferen and Tax Ombudsman Ruth Owen signed a new protocol outlining the nature of the cooperative working relationship between the ATO and the Tax Ombudsman. More information on the protocol is available at ato.gov.au/taxombudsman.

The following reviews and reports concerning the ATO were tabled in 2024–25:

- ATO administration and management of objections
- Identification and management of financial abuse within the tax system.

In 2024–25, the ATO received 1,349 complaints via the Tax Ombudsman (compared to 1,454 in 2023–24). Of these:

- 720 complaints (53%) had not previously been lodged with us and were subsequently redirected to the ATO complaint handling process
- 392 complaints (29%) were referred to us to provide a response to the Tax Ombudsman for resolution with the taxpayer
- 237 complaints (18%) 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.

The following performance audits concerning the ATO were tabled in 2024–25:

- Governance of Artificial Intelligence at the Australian Taxation Office
- Management of Complaints by the Australian Taxation Office
- Australian Taxation Office's Procurement of IT Managed Services.

The reports on these performance audits are available at 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 2024–25, we registered 31 cases where the OAIC notified the ATO of a review of our FOI Act decisions. In the same period, the OAIC finalised 48 cases. Of these cases, the ATO's decision was affirmed in 7 cases and varied by the OAIC in 4 cases. The OAIC discontinued 22 cases either on the grounds the request for review lacked substance or the applicant could not be contacted. In 11 cases, the applicant withdrew their request for review and in 4 cases the OAIC closed the review without a decision, to allow the applicant to apply directly to the Administrative Review Tribunal for a review.

Details of OAIC investigations are available at 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 is available at ato.gov.au/ips. As the TPB and ACNC operate as operationally independent bodies, they publish separate plans on their websites. See tpb.gov.au/information-publication-scheme and acnc.gov.au/about/foi/information-publication-scheme.

The IPS is a requirement in Part II of the FOI Act, and has replaced the former requirement to publish a 'Section 8' statement in an annual report.

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 2024–25:

- 11 disclosures were made direct to the ATO
- 4 disclosures were assessed to meet the criteria under section 26 of the PID Act, and allocated for investigation
- 7 disclosures resulted in a decision not to investigate under the PID Act
- 5 investigations were finalised with a section 51 report, and no findings of disclosable conduct (including 4 disclosures from 2023–24)
- 2 investigations were 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.

There were no findings or convictions of corrupt conduct in the ATO during 2024–25.

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 2024–25, we appeared with Treasury at 2 Senate Estimates hearings, responded to 353 questions on notice, and provided evidence to the following parliamentary committees and inquiries[(a)]:

- Joint Committee of Public Accounts and Audit
  - Inquiry into Commonwealth Financial Statements 2022–23
  - Inquiry into the administration of Commonwealth regulations (Auditor-General Report No.15 of 2023–24 Australian Taxation Office's Management and Oversight of Fraud Control Arrangements for the Goods and Services Tax)
  - Inquiry into the use and governance of artificial intelligence systems by public sector entities
- Joint Committee on Law Enforcement
  - Inquiry into capability of law enforcement to respond to money laundering and financial crime
- Parliamentary Joint Committee on Corporations and Financial Services
  - Inquiry into financial services regulatory framework in relation to financial abuse
  - Inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry[(b)]
  - Inquiry into Corporate Insolvency in Australia
- Select Committee on the Cost of Living
- Senate Standing Committee on Economics
  - Inquiry into Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024
  - Inquiry into Not-for-profit entities – Tax assessments
  - Inquiry into Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024
  - Inquiry into Taxation (Multinational – Global and Domestic Minimum Tax) Imposition Bill 2024 [Provisions] and related bills.

Notes

(a) The 2025 Budget estimates hearings, including the ATO's scheduled appearance on Wednesday, 2 April 2025, were cancelled due to the proroguing of the 47th Parliament on Friday, 28 March 2025.

(b) We appeared twice in 2024–25 at the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry.

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

Being accountable to our stakeholders

We are accountable to our ministers, parliament and the community for how we administer the tax and superannuation systems. This includes being accountable for how we deal with people and the information they share with us.

The ATO Charter outlines our commitment to dealing 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 that is 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 clients 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/ourcharter.

For more information about how we measured the effectiveness of the ATO Charter in 2024–25, see Appendix 2 on pages 240–241.

Community trust in the ATO and tax system

Community trust and confidence in the ATO and the tax system can be impacted by a number of external and environmental factors including personal experiences, the impact of administrative practices or policy changes. We monitor community trust and confidence through our Community Perceptions Survey[11], which is designed to ascertain attitudes and opinions on a range of topics relating to the tax system and the ATO's administration of it, and aspects of the superannuation system.

In 2024–25, the result from our Community Perceptions Survey was 63 out of 100, consistent with 2023–24. Those respondents reporting high levels of trust also reported higher levels of life satisfaction, more positive expectations for their financial situation, and high levels of trust in ATO staff.

11 Every month, a representative sample of 500 members of the general public are invited to complete our Community Perceptions Survey. Respondents are asked 4 questions about various taxpayer groups (interpersonal trust) and 4 questions about the ATO (institutional trust). Responses to each of the 8 questions are averaged to produce an index score out of 100, with equal weighting given to each question. In 2024–25, 6,143 responses were collected.

In general, respondents indicated they had low trust that big businesses are paying the correct amount of tax. The ATO continues to resolutely tackle tax avoidance by multinational enterprises, large public and private groups, and highly wealthy individuals and their advisers. The government funding of the Tax Avoidance Taskforce provides additional investment in this important work to improve and expand our outcomes.

The ATO publishes detailed tax gap estimates across market segments to provide transparency about how effectively the tax system is performing. These are available at ato.gov.au/taxgap.

Complaints, compliments and feedback

The ATO continues to focus on improving the experience of taxpayers. Complaints, feedback and compliments provide valuable insights that help us to enhance our services. Complaints continue to represent a very small proportion of our interactions with taxpayers.

Complaints handling

During 2024–25, complaints received continued to trend upwards, with normal seasonal peaks seen during Tax Time (refer to Figure 5.2). We received 50,906 complaints across all products, a 3% increase on 2023–24, and the highest annual complaints volume to date. This equated to a daily average of 203 complaints.

While overall volumes were higher compared to previous years, complaints received in quarter 4 were 25% lower than the same period in 2023–24 and 22% lower than 2022–23. At 30 June 2025, there were 1,430 complaints on hand, a 27.1% decrease on 2023–24 and our lowest number since April 2022.

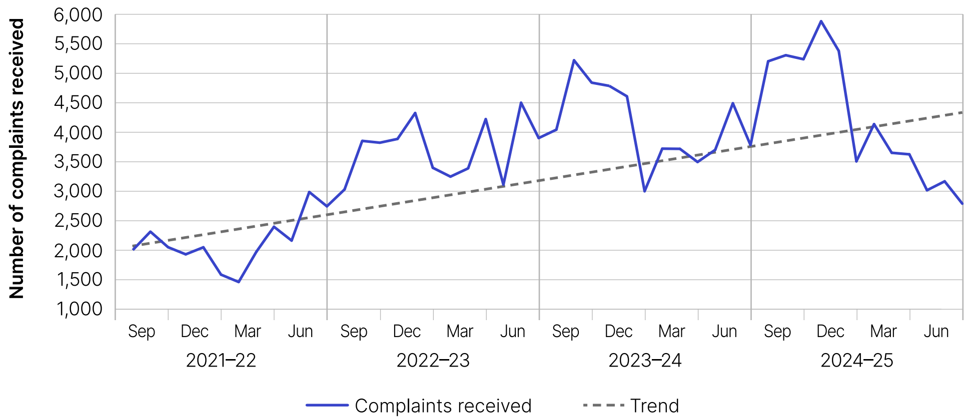
Timeliness was the driver in 65% of all finalised complaints. This is consistently our most significant driver, accounting for 59% of complaints in 2023–24, 65% in 2022–23 and 49% in 2021–22.

We finalised (resolved) 51,738 complaints during the year, which includes complaints received in previous years. Of the 48,284 complaints where an outcome was recorded, 67% were upheld in favour of the complainant.[12]

Despite the number of complaints, we exceeded our service commitment target of 85%, resolving 99% of complaints within 15 business days, or within the date negotiated with the taxpayer. Over half (58%) of the complaints were resolved within 15 days, regardless of whether additional time was negotiated with the taxpayer.

12 A complaint may not have an outcome recorded if it is resolved during the taxpayer's initial interaction.

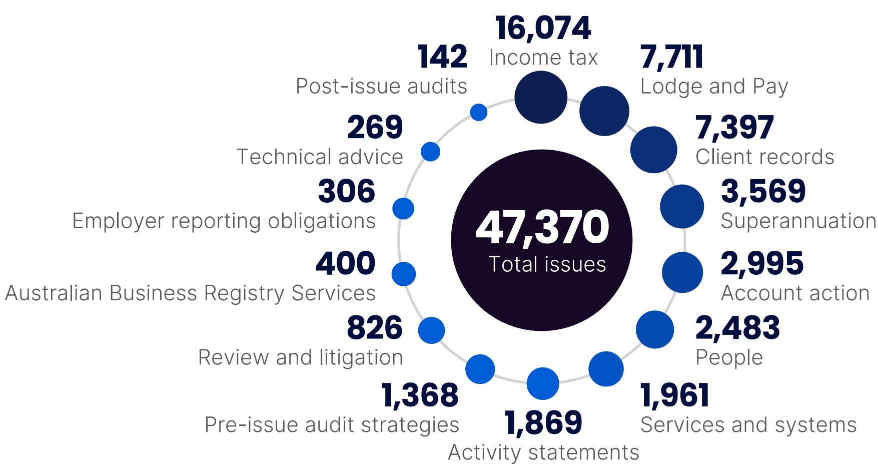
Figure 5.2 Complaints received, 2021–22 to 2024–25



ATO complaints are categorised by product. A product refers to a broad aspect of our interactions with taxpayers (for example, income tax or superannuation). The products which continue to receive the most complaints were:

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

Figure 5.3 Highest complaints by product, 2024–25[a]



Note

(a) The number of complaints by product is different to the total number of complaints, as:

- a single complaint may relate to multiple products
- a complaint product may not have been captured (for example, where we resolved it during the taxpayer's initial interaction).

Complaint products are further categorised into specific topics; for example, tax returns or amendments. The following table provides information on the highest complaint topics, as well as a breakdown of tax agent complaints (which represent 43% of total complaints).

Table 5.4 Highest complaint topics, 2022–23 to 2024–25

Top 5 complaint topics (Number of complaints)	2022–23	2023–24	2024–25	Change % 2023–24 to 2024–25
All complaints				
Income tax return[(a)]	5,403	6,303	3,876	–38.5
Insolvency/bankruptcy[(b)]	345	1,311	3,614	+175.7
Compromised account[(c)]	933	2,907	3,530	+21.4
Income tax refund[(d)]	1,331	3,169	3,400	+7.3
Copy of document[(e)]	2,501	929	3,362	+261.9
Tax agents				
Copy of document[(e)]	1,987	612	2,649	+332.8
Income tax return[(a)]	3,621	3,580	2,246	–37.2
Income tax refund[(d)]	657	1,608	1,698	+5.6
Compromised account[(c)]	179	781	1,243	+59.2
Income tax amendment[(f)]	1,612	1,442	1,006	–30.2

Notes

(a) Income tax return complaints mainly relate to how quickly a tax return is processed.
(b) Insolvency/bankruptcy complaints are primarily driven by insolvency practitioners and relate to systems and processing issues. Generally, these are not complaints from taxpayers who are concerned that the ATO is a creditor.
(c) Compromised account complaints usually relate to instances where a taxpayer's record has been compromised and they cannot access their account.
(d) Income tax refund complaints concern either the amount of the refund, or where a tax refund has not been issued.
(e) Copy of document complaints typically relate to the time taken to process requests for documents. For example, previous tax returns.
(f) Income tax amendment complaints relate to the process of lodging an amendment.

While the 'income tax return' topic continued to generate the most complaints, we observed a 38.5% decrease in volumes compared to 2023–24. However, the numbers of complaints received for 'insolvency/bankruptcy', 'compromised account' and 'copy of document' all increased, with these increases related to the rise in the number of companies entering administration, identity-related fraud and timeliness.

We have implemented a range of measures to assist us to better understand and address increasing complaint volumes, including:

- detailed analysis on trending topics
- sharing trend information across the ATO for targeted business improvement.

These measures, coupled with dedicated programs of work addressing on-hand complaint volumes have resulted in a significant decrease in complaints in the final quarter of 2024–25 relative to previous years.

Complaints include those received via the Tax Ombudsman. Refer to pages 126–127 for more detail.

Compliments and feedback

The ATO received a total of 2,804 items of feedback from the community. The majority of feedback received related to suggested enhancements to our services and systems, including telephony, as well as our communication products and channels such as ato.gov.au. Most of the 2,579 compliments received related to the knowledge and skills of ATO staff or the quality of ATO systems and services.

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)
- partnerships with global and regional institutions such as the International Monetary Fund (IMF), including programs in Indonesia, Papua New Guinea, Fiji and Palau.

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 2024–25, 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 270–274.

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 2024–25, no taxation officers were found guilty of such an offence. One matter remained before the court at 30 June 2025, with a guilty plea entered to one count of disclosing protected information contrary to subsection 355-25(1)(b)(ii); sentence is pending.

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 2024–25.

The Commissioner considered exercising the power, but ultimately did not do so, on 2 occasions in 2024–25. There are 8 other matters due for finalisation in 2025–26.

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

We are a high-performing and agile workforce with a focus on integrity, the right culture, capability, and tools to deliver the best client and staff experience.

During 2024–25, the ATO made further progress towards strengthening its workforce management processes. Our focus remains on developing a consistent group workforce planning approach, ensuring a future-ready workforce equipped to meet evolving organisational needs.

As part of these efforts, we:

- advanced leadership development through succession planning and targeted learning offerings for leaders and high potential talent
- scaled delivery of the ATO Manager Program to uplift middle manager capability
- strengthened workforce wellbeing through the refreshed ATO mental health strategy and psychosocial action planning.

The ATO has placed a significant focus on strengthening manager capability and confidence. We developed the ATO Manager Program 2025 to equip Australian Public Service (APS) 6 to executive level (EL) 2 managers with practical people management skills, to navigate complex workforce challenges. This includes engagement, performance and wellbeing matters. The program is being implemented for up to 4,300 managers over the course of the 2025 calendar year.

Leadership development remains a key focus, with continued investment in EL 2 and senior executive service (SES) band 1 talent programs and SES masterclasses. This includes enhancements to our SES performance experience aligned with APS frameworks. Our SES Immersion Program has helped a further 183 substantive SES participants gain frontline insights. To complement the initiatives, the Leadership Dialogue Series involved site-based engagement led by the Commissioner and ATO Executive members, strengthening leadership culture, collaboration and shared purpose across the ATO.

Our APS Employee Census 2025 results highlight the positive impact of our initiatives. Employee engagement increased by 1 percentage point from last year, placing us 1 percentage point above the APS average. Our already strong wellbeing results remained stable in 2025, 2 percentage points above the APS average. Building on this momentum, we are proud of our refreshed Thriving Minds mental health strategy – strengthening our commitment to a workplace where every team member can thrive.

Our achievements position the ATO for sustained success, ensuring a dynamic and adaptable workforce ready to meet challenges and opportunities of the future.

Strategic Commissioning Framework

In 2024–25, the ATO took steps to bring core work in-house, in line with the APS Strategic Commissioning Framework. This included transitioning vendor work to our APS workforce and targeted reduction in external workforce reliance.

Our target for 2024–25 aimed to bring $31.9 million (excluding GST) of core work in-house. We exceeded our target, with a reduction of $80.4 million (excluding GST) in supplier expenditure. The reduction in supplier expenditure was partially offset by increased average staffing level (ASL) costs related to bringing the work in-house.

Statistics on our employees

Along with our legislative obligations, we need to understand the size and constitution 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 working for the ATO, TPB and ACNC, and exclude statutory appointments for Commissioner and Second Commissioner roles unless noted otherwise. Refer to subsection 60-130(1) of the *Tax Agent Services Act 2009* (for the TPB) and Division 130 of Division 120-5(1) of the *Australian Charities and Not-for-profits Commission Act 2012* (for the ACNC).

Our workforce

Table 5.5 shows the number of employees by substantive classification level and employment type at 30 June 2025. Table 5.6 shows the same information for the previous year.

Table 5.5 Employees, by level and employment type, at 30 June 2025

	Ongoing			Non-ongoing			Casual	
Level	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	Total casual	Total
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**

Table 5.6 Employees, by level and employment type, at 30 June 2024

	Ongoing			Non-ongoing			Casual	
Level	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	Total casual	Total
SES 3	1	0	1	0	0	0	0	**1**
SES 2	30	0	30	0	0	0	0	**30**
SES 1	187	12	199	0	0	0	0	**199**
EL 2	1,954	131	2,085	13	3	16	4	**2,105**
EL 1	4,068	424	4,492	34	3	37	1	**4,530**
APS 6	3,972	500	4,472	27	4	31	2	**4,505**
APS 5	1,906	211	2,117	28	2	30	0	**2,147**
APS 4	3,110	359	3,469	35	6	41	7	**3,517**
APS 3	2,218	299	2,517	18	2	20	28	**2,565**
APS 2	414	98	512	90	66	156	1,110	**1,778**
APS 1	87	22	109	1	0	1	176	**286**
Total	**17,947**	**2,056**	**20,003**	**246**	**86**	**332**	**1,328**	**21,663**

Ongoing employees

Table 5.7 shows our ongoing workforce by substantive classification level, gender and employment type at 30 June 2025. Table 5.8 shows the same information for the previous year.

Table 5.7 Ongoing employees, by level and gender, at 30 June 2025

	Man/Male			Woman/Female			Different term			
Level	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Part time	Total different term	Total
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**

Table 5.8 Ongoing employees, by level and gender, at 30 June 2024

Level	Man/Male Full time	Man/Male Part time	Total man/male	Woman/Female Full time	Woman/Female Part time	Total woman/female	Different term Full time	Different term Part time	Total different term	Total
SES 3	0	0	0	1	0	1	0	0	0	**1**
SES 2	16	0	16	14	0	14	0	0	0	**30**
SES 1	99	2	101	84	10	94	4	0	4	**199**
EL 2	1,041	16	1,057	912	115	1,027	1	0	1	**2,085**
EL 1	2,069	50	2,119	1,994	374	2,368	5	0	5	**4,492**
APS 6	1,866	57	1,923	2,095	441	2,536	11	2	13	**4,472**
APS 5	862	24	886	1,042	187	1,229	2	0	2	**2,117**
APS 4	1,424	51	1,475	1,677	307	1,984	9	1	10	**3,469**
APS 3	1,053	63	1,116	1,154	232	1,386	11	4	15	**2,517**
APS 2	140	19	159	273	79	352	1	0	1	**512**
APS 1	40	7	47	46	15	61	1	0	1	**109**
Total	**8,610**	**289**	**8,899**	**9,292**	**1,760**	**11,052**	**45**	**7**	**52**	**20,003**

Non-ongoing employees

Non-going 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 5.9 shows our non-ongoing workforce by substantive level, gender and employment type at 30 June 2025. Table 5.10 shows the same information for the previous year.

Table 5.9 Non-ongoing employees, by level and gender, at 30 June 2025[a][b]

	Man/Male			Woman/Female			Different term		
Level	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Total different term	Total
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.

Table 5.10 Non-ongoing employees, by level and gender, at 30 June 2024[(a)(b)]

	Man/Male			Woman/Female			Different term		
Level	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Total different term	Total
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	5	3	8	7	0	7	1	1	**16**
EL 1	23	1	24	9	2	11	2	2	**37**
APS 6	16	1	17	10	3	13	1	1	**31**
APS 5	13	0	13	15	2	17	0	0	**30**
APS 4	12	1	13	22	5	27	1	1	**41**
APS 3	8	0	8	10	2	12	0	0	**20**
APS 2	40	27	67	50	39	89	0	0	**156**
APS 1	0	0	0	1	0	1	0	0	**1**
Total	**117**	**33**	**150**	**124**	**53**	**177**	**5**	**5**	**332**

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 2024.

Diversity

The ATO recognises that a diverse and inclusive workforce improves the staff experience, leading to greater creativity and organisational capability. It also improves and enhances the design and delivery of client services that support the diverse community we serve. The *ATO 2024 Diversity and Inclusion Strategy* represents our ongoing commitment to increasing diversity and fostering inclusion in the ATO.

In 2024–25, we:

- retained our Australian Workplace Equality Index Platinum Employer status
- retained our Disability Confident Recruiter status
- completed annual Workplace Gender Equality Agency reporting
- launched our Aboriginal and Torres Strait Islander peoples cultural capability approach
- launched mentoring programs supporting employees with disability, and Aboriginal and Torres Strait Islander peoples staff
- held corporate and site-based events supporting diversity days/weeks of importance
- developed 10 dedicated learning pathways supporting inclusion and diversity topics.

For more details about our commitment to diversity, see ato.gov.au/diversity.

Table 5.11 shows the proportion of our employees in diversity groups. Table 5.12 shows the numbers of First Nations employees by employment type.

Table 5.11 Ongoing employees belonging to diversity groups, at 30 June[(a)(b)]

Diversity group	2024 %	2025 %	Change from 2024
Culturally and linguistically diverse	36.3	36.6	0.3
First Nations people	3.1	3.2	0.1
Lesbian, gay, bisexual, trans/transgender and intersex (LGBTI+)	4.0	4.4	0.4
Mature age (50 years+)	34.3	34.9	0.6
Neurodivergent	3.3	4.4	1.1
People with disability	5.8	6.1	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) Information on gender equality (the seventh diversity group) is provided in Tables 5.7–5.10.

Table 5.12 First Nations employees, by employment type, at 30 June[(a)]

Type	At 30 June 2024			At 30 June 2025		
	First Nations employees	Total employees	First Nations employees %	First Nations employees	Total employees	First Nations employees %
Ongoing	620	20,003	3.1	627	19,711	3.2
Non-ongoing	3	332	0.9	1	98	1.0
Casual	23	1,328	1.7	27	1,684	1.6
Total	**646**	**21,663**	**3.0**	**655**	**21,493**	**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 2025, 6.1% of ongoing employees within the ATO's human resource system identified as having disability. This is an increase from 5.8% the previous year.

We have continued to implement our *2024 Diversity and Inclusion Strategy* and *Diverse Group Action Plan 2022–24*, enabling people with disability to fully participate in the workforce.

In 2024–25, we:

- renewed our annual Disability Confident Recruiter accreditation to ensure our recruitment and onboarding processes are safe and fit-for-purpose for people with disability
- facilitated the sharing of experiences for staff with disability or neurodiversity, allies and those who are connected to someone with disability or neurodiversity through our National Disability and Ally Network and the Neurodiversity Network
- appointed 2 senior executive service (SES) neurodiversity champions
- supported our staff by providing reasonable adjustments, local assistance and access to disability inclusion officers and a disability employment officer
- piloted a career mentoring program for employees with disability
- designed and delivered training to support neuro-inclusion in the workplace, and deaf awareness.

Disability reporting includes TPB and ACNC information.

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 5.13 Employees, by job family, at 30 June(a)(b)(c)

Job family	2024 %	2025 %
Accounting/Finance	1.4	1.5
Administration	3.8	3.8
Analytics, risk and intelligence	8.5	8.9
Communication/Marketing	1.6	1.6
Engagement, assurance and compliance	25.8	25.5
Entry-level programs	3.9	1.8
Governance and performance	7.2	7.2
Human resources management	3.1	3.0
Information and organisational professionals	1.9	1.9
Information technology	9.0	9.6
Law	7.5	7.6
Other agencies	1.5	1.6
Project management	2.7	2.6
Senior executive	1.2	1.4
Service delivery	20.8	22.1
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 5.14 Employees, by business area, 2024–25[(a)(b)]

Business area	Number of employees
ATO Corporate	548
ATO Executive	25
ATO Finance	463
ATO People[(c)]	1,162
Australian Charities and Not-for-profits Commission	145
Enterprise Solutions and Technology	2,470
Enterprise Strategy and Design	401
Fraud and Criminal Behaviours	587
Frontline Business Improvement	514
Frontline Compliance	1,205
Frontline Resource Management	400
Frontline Risk and Strategy	214
Frontline Services	3,339
Individuals and Intermediaries	1,048
International, Support and Programs	743
Law Design and Practice Strategy and Support	82
Objections and Review	561
Office of the Chief Tax Counsel	401
Policy, Analysis and Legislation	176
Private Wealth	2,278
Public Groups	1,468
Small Business	1,112
Smarter Data Program	882
Superannuation and Employer Obligations	1,070
Tax Practitioners Board	199
Total	**21,493**

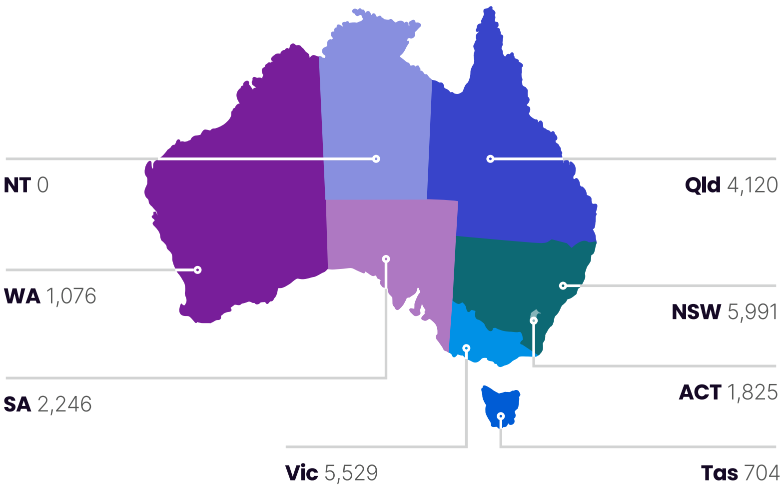
Notes
(a) Includes ongoing, non-ongoing and casual employees; excludes contractors.
(b) Business area category names may vary from previous annual reports – to align with changes in organisational governance or structure.
(c) Includes entry-level program participants and secondments.

Locations

The ATO has staff located in 22 buildings around Australia, including CBD, suburban and regional locations. The ATO is also supported to deliver its services through self-service facilities located within Services Australia's service centres. From November 2024, declining demand for in-person support, and the availability of telephone, self-service and online options saw the withdrawal of ATO officers from Services Australia service centres in Dandenong and Paramatta (the last service centres with ATO-staff).

The ATO property portfolio is managed in accordance with the *Commonwealth Property Management Framework*.

Figure 5.4 Our workforce by location, at 30 June 2025



Note
Does not include overseas staff.

Table 5.15 shows our workforce by location and employment type, at 30 June 2025, compared to the previous year. Some regions are made up of multiple locations. In the following tables:

- Brisbane includes Brisbane central business district (CBD) and Upper Mount Gravatt
- Melbourne includes Melbourne CBD, Dandenong, Box Hill and Moonee Ponds
- Sydney includes Sydney CBD, Penrith and Parramatta.

Table 5.15 Total employees, by location and employment type, at 30 June[(a)][(b)]

		At 30 June 2024				At 30 June 2025			
State/ Territory	Region	Ongoing	Non-ongoing	Casual	Total	Ongoing	Non-ongoing	Casual	Total
NSW	Albury	598	4	229	831	589	0	240	**829**
	Gosford	417	3	43	463	436	1	45	**482**
	Newcastle	530	6	2	538	520	2	1	**523**
	Sydney	3,406	74	271	3,751	3,405	9	250	**3,664**
	Wollongong	358	5	91	454	374	0	119	**493**
	Total	**5,309**	**92**	**636**	**6,037**	**5,324**	**12**	**655**	**5,991**
Qld	Brisbane	3,565	66	152	3,783	3,553	19	207	**3,779**
	Townsville	342	1	0	343	340	1	0	**341**
	Total	**3,907**	**67**	**152**	**4,126**	**3,893**	**20**	**207**	**4,120**
SA	Adelaide	2,011	34	155	2,200	2,016	8	222	**2,246**
Tas	Burnie	61	0	15	76	67	0	24	**91**
	Hobart	518	9	57	584	519	0	94	**613**
	Total	**579**	**9**	**72**	**660**	**586**	**0**	**118**	**704**
Vic	Geelong	106	1	0	107	108	0	0	**108**
	Melbourne	5,002	82	213	5,297	4,999	36	386	**5,421**
	Traralgon	207	2	6	215	0	0	0	**0**
	Total	**5,315**	**85**	**219**	**5,619**	**5,107**	**36**	**386**	**5,529**
WA	Perth	1,015	18	80	1,113	990	5	81	**1,076**
ACT	Canberra	1,865	27	14	1,906	1,793	17	15	**1,825**
Overseas	Various	2	0	0	2	2	0	0	**2**
Grand total	**All locations**	**20,003**	**332**	**1,328**	**21,663**	**19,711**	**98**	**1,684**	**21,493**

Notes

(a) There were no employees in the Northern Territory at 30 June 2025.

(b) Employees from the Traralgon office moved to Australian Securities & Investments Commissioner (ASIC) in a machinery of government process in April 2025.

Ongoing employees

Table 5.16 shows our ongoing workforce by location, gender and employment type, at 30 June 2025. Table 5.17 shows the same information for the previous year.

Table 5.16 Ongoing employees, by location and gender, at 30 June 2025[(a)(b)]

		Man/Male			Woman/Female			Different term			
State/ Territory	Region	Full time	Part time	Total man/male	Full time	Part time	Total woman/female	Full time	Part time	Total different term	Total
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 Australian Securities & Investments Commission (ASIC) in a machinery of government process in April 2025.

Table 5.17 Ongoing employees, by location and gender, at 30 June 2024[(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	176	13	189	335	73	408	1	0	1	**598**
	Gosford	146	4	150	215	50	265	1	1	2	**417**
	Newcastle	191	7	198	284	47	331	1	0	1	**530**
	Sydney	1,312	44	1,356	1,746	299	2,045	4	1	5	**3,406**
	Wollongong	144	8	152	162	44	206	0	0	0	**358**
	Total	**1,969**	**76**	**2,045**	**2,742**	**513**	**3,255**	**7**	**2**	**9**	**5,309**
Qld	Brisbane	1,629	58	1,687	1,614	257	1,871	7	0	7	**3,565**
	Townsville	93	3	96	213	33	246	0	0	0	**342**
	Total	**1,722**	**61**	**1,783**	**1,827**	**290**	**2,117**	**7**	**0**	**7**	**3,907**
SA	Adelaide	916	28	944	880	181	1,061	4	2	6	**2,011**
Tas	Burnie	18	2	20	28	13	41	0	0	0	**61**
	Hobart	203	16	219	229	67	296	2	1	3	**518**
	Total	**221**	**18**	**239**	**257**	**80**	**337**	**2**	**1**	**3**	**579**
Vic	Geelong	37	0	37	61	7	68	1	0	1	**106**
	Melbourne	2,394	60	2,454	2,130	399	2,529	17	2	19	**5,002**
	Traralgon	52	4	56	101	49	150	1	0	1	**207**
	Total	**2,483**	**64**	**2,547**	**2,292**	**455**	**2,747**	**19**	**2**	**21**	**5,315**
WA	Perth	442	16	458	456	100	556	1	0	1	**1,015**
ACT	Canberra	855	26	881	838	141	979	5	0	5	**1,865**
Overseas	Various	2	0	2	0	0	0	0	0	0	**2**
Grand total	**All locations**	**8,610**	**289**	**8,899**	**9,292**	**1,760**	**11,052**	**45**	**7**	**52**	**20,003**

Note
(a) There were no ongoing employees in the Northern Territory at 30 June 2024.

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 5.18 shows our non-ongoing employees by location and gender, at 30 June 2025, further broken down by employment type. Table 5.19 shows the same information for the previous year.

Table 5.18 Non-ongoing employees, by location and gender, at 30 June 2025[(a)(b)(c)]

		Man/Male			Woman/Female			Different term		
State/ Territory	**Region**	**Full time**	**Part time**	**Total man/male**	**Full time**	**Part time**	**Total woman/female**	**Full time**	**Total different term**	**Total**
NSW	Albury	0	0	0	0	0	0	0	0	**0**
	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**
	Wollongong	0	0	0	0	0	0	0	0	**0**
	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	Geelong	0	0	0	0	0	0	0	0	**0**
	Melbourne	19	1	20	12	2	14	2	2	**36**
	Traralgon	0	0	0	0	0	0	0	0	**0**
	Total	**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**
Overseas	Various	0	0	0	0	0	0	0	0	**0**
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 and the Northern Territory at 30 June 2025.

Table 5.19 Non-ongoing employees, by location and gender, at 30 June 2024[(a)(b)(c)]

State/ Territory	Region	Man/Male Full time	Man/Male Part time	Total man/male	Woman/Female Full time	Woman/Female Part time	Total woman/female	Different term Full time	Total different term	Total
NSW	Albury	1	0	1	2	1	3	0	0	**4**
	Gosford	1	0	1	2	0	2	0	0	**3**
	Newcastle	3	0	3	3	0	3	0	0	**6**
	Sydney	25	5	30	31	12	43	1	1	**74**
	Wollongong	1	0	1	3	1	4	0	0	**5**
	Total	**31**	**5**	**36**	**41**	**14**	**55**	**1**	**1**	**92**
Qld	Brisbane	26	7	33	27	5	32	1	1	**66**
	Townsville	0	0	0	0	1	1	0	0	**1**
	Total	**26**	**7**	**33**	**27**	**6**	**33**	**1**	**1**	**67**
SA	Adelaide	11	4	15	8	9	17	2	2	**34**
Tas	Burnie	0	0	0	0	0	0	0	0	**0**
	Hobart	0	4	4	2	3	5	0	0	**9**
	Total	**0**	**4**	**4**	**2**	**3**	**5**	**0**	**0**	**9**
Vic	Geelong	1	0	1	0	0	0	0	0	**1**
	Melbourne	32	10	42	23	16	39	1	1	**82**
	Traralgon	0	0	0	2	0	2	0	0	**2**
	Total	**33**	**10**	**43**	**25**	**16**	**41**	**1**	**1**	**85**
WA	Perth	5	2	7	6	5	11	0	0	**18**
ACT	Canberra	11	1	12	15	0	15	0	0	**27**
Overseas	Various	0	0	0	0	0	0	0	0	**0**
Grand total	**All locations**	**117**	**33**	**150**	**124**	**53**	**177**	**5**	**5**	**332**

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 2024.
(c) There were no non-ongoing employees in the Northern Territory at 30 June 2024.

Employee retention and separation

The following tables provide information on our ongoing employee retention rates and separations.

Table 5.20 shows the numbers of ongoing employees by years of service at the ATO, at 30 June 2024 and 30 June 2025.

Table 5.20 Ongoing employees, by years of service at the ATO, at 30 June

Years of service at the ATO	At 30 June 2024	At 30 June 2025	Change %
0–4 years	7,379	6,824	−7.5
5–9 years	2,506	3,180	26.9
10–14 years	2,614	2,434	−6.9
15–19 years	2,962	2,383	−19.5
20–24 years	2,850	2,561	−10.1
25–29 years	679	1,356	99.7
30–34 years	344	243	−29.4
35–39 years	524	543	3.6
40–44 years	128	164	28.1
45–49 years	14	20	42.9
50 years or more	3	3	–
Total	**20,003**	**19,711**	**−1.5**

Table 5.21 shows the numbers of ongoing employees that left the ATO during the year, grouped by reason for separation, for 2023–24 and 2024–25.

Table 5.21 Reasons for ongoing employee separations, 2023–24 and 2024–25

Employee separations	2023–24	2024–25	Change %
Age retirement	503	435	−13.5
Dismissal	29	19	−34.5
Invalidity and death	43	49	14.0
Machinery of government[(a)]	–	187	–
Movement to another agency	275	278	1.1
Redundancy	23	13	−43.5
Resignation	587	426	−27.4
Total	**1,460**	**1,407**	**−3.6**

Note

(a) The Australian Government transferred responsibility for business registers from the ATO to the Australian Securities & 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 is 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

The majority of our APS 1 to executive level (EL) 2 staff are employed under the *ATO Enterprise Agreement 2024*, which sets out employment conditions. This agreement has a nominal expiry date of 28 February 2027.

Table 5.22 shows the numbers of staff covered by the agreement, and those employed under other employment arrangements.

There are 3 non-SES employees who have an Individual Flexibility Arrangement in place, which alters one or more specific aspects of the agreement.

Table 5.22 Employment arrangements of substantive SES and non-SES employees, at 30 June 2025

Arrangement	SES	Non-SES	Total
ATO Enterprise Agreement 2024	0	21,256	**21,256**
Determinations under subsection 24(1) of the *Public Service Act 1999*	237	0	**237**
Total	**237**	**21,256**	**21,493**

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 2024–25 are shown in Table 5.23.

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 5.23 Salary ranges (excluding non-salary benefits) by classification level, at 30 June 2025

Level	Minimum $	Maximum $
SES 3	364,593	413,142
SES 2	287,056	324,534
SES 1	227,124	262,477
EL 2	150,784	179,606
EL 1	125,291	136,595
APS 6 and equivalent	97,816	112,312
APS 5 and equivalent	90,596	96,042
APS 4 and equivalent	81,265	88,200
APS 3 and equivalent	72,951	78,705
APS 2 and equivalent	64,095	71,037
APS 1 and equivalent	56,681	62,600
Cadets while undertaking practical training in the workplace	56,681	62,600
Cadets while undertaking study	30,669	31,512

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 5.24.

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 5.24 Remuneration for key management personnel, 2024–25[(a)(b)(c)(d)(e)]

		Short-term benefits			Post-employment benefits	Other long-term benefits			
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits	Total remuneration
Rob Heferen	Commissioner of Taxation	$801,761	$0	$2,939	$119,393	$52,482	$0	$0	$976,575
David Allen[(f)]	Second Commissioner	$433,013	$64,920	$0	$30,116	$19,092	$0	$0	$547,141
Jacqui Curtis PSM FCPHR[(f)]	Chief Operating Officer	$415,963	$0	$21,111	$84,446	$24,551	$0	$0	$546,071
Kirsten Fish[(f)]	Second Commissioner	$392,510	$68,166	$2,939	$30,116	$16,942	$0	$0	$510,673
Jeremy Hirschhorn[(f)]	Second Commissioner	$424,814	$68,166	$2,939	$40,285	$14,673	$0	$0	$550,877
Mark Sawade[(g)(h)]	Chief Information Officer	$113,403	$0	$902	$19,813	$2,599	$0	$0	$136,717
Matthew Hay PSM[(g)]	Acting Chief Information Officer	$251,559	$0	$2,443	$39,155	$10,847	$0	$0	$304,004

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 2024–25.
(g) Figures reflect period occupied in a key management personnel position.
(h) Mark Sawade commenced in the Chief Information Officer role on 11 March 2025.

Senior executives

Under the PGPA Act, 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. The information is provided in Table 5.25.

Table 5.25 Remuneration for senior executives, 2024–25[a][b][c][d]

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	No. of senior executives	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	Average total remuneration
$0–$220,000	64	$90,954	$0	$3,110	$14,832	$3,600	$0	$3,056	$115,552
$220,001–$245,000	7	$174,445	$0	$12,020	$35,260	$8,764	$0	$0	$230,489
$245,001–$270,000	20	$193,911	$0	$7,749	$32,957	$12,619	$0	$12,412	$259,648
$270,001–$295,000	45	$223,768	$0	$8,411	$40,355	$10,709	$0	$0	$283,243
$295,001–$320,000	99	$241,522	$0	$10,390	$42,551	$13,100	$0	$0	$307,563
$320,001–$345,000	29	$259,143	$0	$11,261	$44,476	$13,939	$0	$0	$328,819
$345,001–$370,000	11	$269,397	$0	$13,016	$50,939	$17,448	$0	$0	$350,800
$370,001–$395,000	12	$287,498	$0	$11,411	$51,733	$15,333	$0	$20,726	$386,701
$395,001–$420,000	7	$319,464	$0	$13,558	$52,695	$17,444	$0	$0	$403,161
$420,001–$445,000	4	$311,871	$0	$23,972	$56,848	$35,931	$0	$0	$428,621
$570,001–$595,000	1	$272,634	$0	$248,922	$49,985	$12,631	$0	$0	$584,172

Notes
(a) Totals may differ from the sum of components due to rounding.
(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 2 staff in this category. Details are provided in Table 5.26.

Table 5.26 Remuneration for other highly paid staff, 2024–25[a][b][c]

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	No. of other highly paid staff	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	Average total remuneration
$270,001–$295,000	1	$87,935	$0	$1,978	$16,536	$6,076	$0	$171,538	$284,063
$545,001–$570,000	1	$174,798	$0	$336,073	$35,737	$9,682	$0	$0	$556,290

Notes
(a) Totals may differ from the sum of components due to rounding.
(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 if 8 or more return flights are planned for the following year.

Executive level 2 employees are entitled to:

- a taxable annual allowance ($1,978 in 2024–25) 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 following year.

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.
- All employees who are likely to undertake 12 or more return flights in the following year can apply for airline lounge memberships.

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.

Around 3,044 employees had salary packaging arrangements in place in 2024–25.

Carer recognition

The ATO is not responsible for the development, implementation, provision or evaluation of care supports and, therefore, section 8(3) of the *Carer Recognition Act 2010* does not apply.

We support carers in the workplace through our employment policies, including flexible hours, access to a range of leave provisions including parental leave for both primary and secondary caregivers, and our employee diversity networks. The types of flexible working arrangements available to ATO employees to support carers include:

- part-time work agreements
- breastfeeding/lactation breaks
- non-standard working hours
- work from home/remote work arrangements
- job-share arrangements
- purchased leave schemes
- career break or sabbatical leave schemes
- flex leave.

These elements support us in fulfilling our responsibilities to our stakeholders – ministers, parliament and the community – whether they come from legislation or community expectations.

Work health and safety

The ATO is committed to providing a healthy and safe working environment for all workers and visitors. We take our obligations under the *Work Health and Safety Act 2011* (WHS Act) and the ATO Enterprise Agreement 2024 seriously.

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 2025 results showed:

- 76% 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 2024–25, we refreshed the ATO Thriving Minds mental health strategy, reflecting our ongoing commitment to prioritising mental health at work and building on our award-winning Thrive@Work Program introduced in 2023–24. We continued to deliver a range of proactive and risk-based initiatives that support a healthy and safe workplace and prevent harm, by:

- embedding work health and safety education into annual mandatory training and the new ATO Manager Program
- offering a range of learning resources on wellbeing and mental health, including our Thriving Minds portal
- conducting a range of work health and safety risk assessments; this included psychosocial hazards and sexual harassment
- 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 a network of 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, including in-house psychology services for high-risk intervention and support.

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 2024–25, there were 3 WHS investigations conducted by the regulator, including:

- a proactive inspection relating to the ATO having appropriate and effective systems relating to WHS consultation, cooperation and coordination
- a monitoring compliance inspection relating to managing psychosocial hazards/complaints following an individual matter
- an alleged WHS issue relating to the handling of a worker's illness and wellbeing post injury at the ATO.

Comcare inspectors did not identify any non-compliance with respect to the scope of these inspections and investigations.

In 2024–25, there were 5 notifiable incidents reported to Comcare. We received no notices under Part 10 of the WHS Act – enforcement measures in 2024–25.

Work health and safety reporting includes TPB and ACNC information.

Table 5.27 Safety, Rehabilitation and Compensation Commission performance indicators, 2022–23 to 2024–25[(a)]

Indicator	2022–23	2023–24	2024–25
P1.1 Incidence of injuries with 5 or more days lost time per 1,000 full-time equivalent employees	0.5	0.5	0.9
P1.2 Incidence of injuries with 30 or more days lost time per 1,000 full-time equivalent employees	0.3	0.4	0.5
P1.3 Incidence of injuries with 60 or more days lost time per 1,000 full-time equivalent employees	0.1	0.2	0.5
P4 Lost time injury (claims) frequency rate	0.3	0.3	0.5
R1 Percentage of claims with incapacity for 10 or more days and a return to work plan (%)	71	20	7
R2 Quality of return to work (% achieving return to work on case closure)	60	50	0

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.

Financial performance

The ATO is responsible for the management of substantial Commonwealth funds and demonstrates effective and efficient management of financial resources in accordance with Australian Government policies, including the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

For our financial statements (as required by 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 2024–25*.

This section includes financial information for the ATO, TPB and ACNC, unless noted otherwise.

Operating expense budget

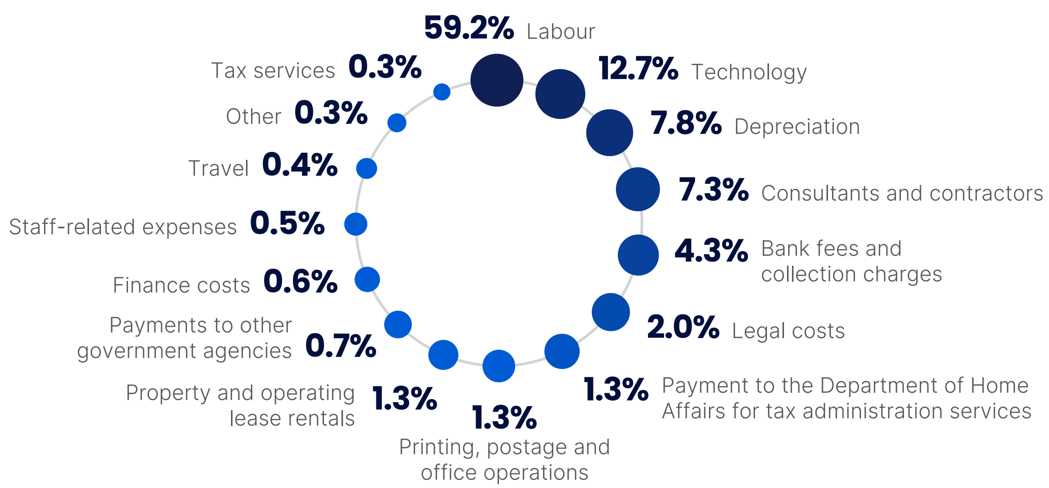
The ATO actively manages its budget through governance and assurance processes, including oversight by the ATO Finance Committee and the ATO Executive Committee, providing an integrated approach to effective resource management and the prioritisation of significant investment decisions.

Effective management of resources has enabled the ATO to continue to deliver essential services for the government and the Australian community while continuing to invest in improved taxpayer experiences through the transformation of our digital services.

The ATO's operating budget for 2024–25 was $4.5 billion. Following a deficit in 2023–24, the ATO's 2024–25 financial result is an operating surplus of $154.1 million after excluding depreciation and write-downs. The underspend is primarily due to new policy proposal funding provided in the 2024–25 Mid-Year Economic and Fiscal Outlook (MYEFO), coupled with delays in relevant legislation which in turn delayed the ATO's ability to deliver on these policies.

This operating result includes lease principal repayments under the Australian Accounting Standards Board (AASB) 16 leasing standard and excludes non-cash financial accounting adjustments, such as impairments and write-off expenses, depreciation and amortisation.

Figure 5.5 Operating expenditure, 2024–25



Capital budget

The ATO's approach to capital management includes a capital management plan that contains information about our proposed capital expenditure from all funding sources.

The ATO commenced 2024–25 with a capital budget of $182.6 million, which comprised:

- departmental capital budget of $150.3 million
- equity funding of $32.3 million.

During 2024–25, the ATO's capital budget increased by $3.3 million as a result of both government and ATO decisions.

The ATO's 2024–25 capital expenditure was $104.0 million. The ATO has requested approval to carry forward 2024–25 capital underspends to support government priorities and legislative projects in future years.

Table 5.28 Capital expenditure, 2022–23 to 2024–25[a]

Capital item	2022–23 $m	2023–24 $m	2024–25 $m
Building improvements	45.2	48.1	43.0
Internally-developed software	42.4	17.3	19.0
IT infrastructure and hardware	44.5	23.2	41.9
Purchased software	11.0	34.1	–
Total	**143.2**	**122.7**	**104.0**

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 2024–25 was $709 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 5.29 Agency resource statement, 2024–25[1][2]

Agency resources	Actual available appropriations 2024–25 $000's	Payments made 2024–25 $000's	Balance remaining 2024–25 $000's
Departmental			
Annual appropriations – ordinary annual services[3]	**4,949,590**	**4,233,197**	**716,393**
Current year appropriations[4]	4,483,927	3,831,960	651,967
Prior year appropriations[5]	465,663	401,237	64,426
Annual appropriations – capital budget[6]	**234,988**	**84,553**	**150,857**
Current year appropriations	127,333	4,638	122,695
Prior year appropriations[7]	107,655	79,915	28,162
Annual appropriations – other services, non-operating[8]	**89,831**	**10,849**	**78,982**
Current year appropriation[9]	43,299	9,810	33,489
Prior year appropriations[10]	46,532	1,040	45,492
Total annual departmental resources (a)	**5,274,409**	**4,328,600**	**946,231**
Special accounts (b)[11]	**74,948**	**60,238**	**14,710**
Opening balance	13,137		
Appropriation receipts[12]	56,604		
Non-appropriation receipts	5,207		
Payments		60,238	
Closing balance			14,710
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts (c)	47,822	47,822	
Total departmental resources (a) + (b) – (c)	**5,301,535**	**4,341,016**	**960,941**
Administered			
Annual appropriations – ordinary annual services[3]	**25,321**	**6,250**	**19,071**
Current year appropriations	10,564	5,990	4,574
Prior year appropriations[13]	14,757	260	14,497
Total administered annual appropriations (d)	**25,321**	**6,250**	**19,071**
Special appropriations limited by criteria/entitlement (e)		**169,251,869**	
Taxation Administration Act 1953 – section 161		167,918,036	
Product Grants and Benefits Administration Act 2000 – section 55		90,237	
Superannuation Guarantee (Administration) Act 1992 – section 71		1,143,917	
Small Superannuation Accounts Act 1995 – section 76(9)		194	
Public Governance, Performance and Accountability Act 2013 – section 77		99,485	
Special accounts (f)[11]	**118,647**	**25,189**	**93,458**

Table 5.29 Agency resource statement, 2024–25[1][2] *continued*

Agency resources	Actual available appropriations 2024–25 $000's	Payments made 2024–25 $000's	Balance remaining 2024–25 $000's
Opening balance	86,148		
Receipts	32,499		
Payments		25,189	
Closing balance			93,458
Total administered resources (d) + (e) + (f)	**143,968**	**169,283,308**	**112,529**
Total resourcing and payments	**5,445,503**	**173,624,323**	

Notes

1 This includes all programs outlined in Table 5.30 Budgeted expenses and resources for Outcome 1.
2 Totals may differ from the sum of components due to rounding.
3 Appropriation Act (No.1) 2024–25, Appropriation Act (No.3) 2024–25, prior-year departmental appropriations, PGPA Act section 74 agency receipts and PGPA Act section 75 transfer.
4 Includes $26,103,330 transferred to the Australian Securities & Investments Commission (ASIC) under section 75 of the PGPA Act.
5 Includes $36,352,000 withheld from Appropriation Act (No. 1) 2022–23 and $1,804,000 withheld from Appropriation Act (No. 1) 2023–24 under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2025.
6 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'.
7 Payments made include adjustment for duplicated drawdown from 2023–24 Appropriation Act applied in 2024–25.
8 Appropriation Act (No.2) 2024–25, Appropriation Act (No.4) 2024–25 and prior-year departmental appropriations.
9 Includes $265,000 withheld from Appropriation Act (No. 2) 2024–25 under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2025.
10 Includes $8,547,000 withheld from Supply Act (No. 2) 2022–23, $6,346,000 withheld from Supply Act (No.4) 2022–23 and $5,387,000 withheld from Appropriation Act (No.2) 2023–24 under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2025.
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 The Tax Practitioners Board Special Account, established by *Tax Agent Services Act 2009* through *Treasury Laws Amendment (2023 Measures No. 1) Act 2023*, commenced 1 July 2024. Appropriation receipts includes recognition of balance sheet adjustments necessary on establishment of the special account.
13 Includes $4,997,000 withheld from Appropriation Act (No.1) 2022–23, $5,576,000 withheld from Appropriation Act (No.1) 2023–24 and $3,709,735 withheld from Supply Act (No.3) 2022–23 under section 51 of the PGPA Act. These funds are considered legally available appropriation as at 30 June 2025.

Table 5.30 Budgeted expenses and resources for Outcome 1, 2024–25[(a)(b)]

Budgeted expenses and resources	Budget[(c)] 2024–25 $'000	Actual expenses 2024–25 $'000	Variation 2024–25 $'000
Program 1.1: Australian Taxation Office			
Administered expenses			
Ordinary annual services	10,564	5,959	4,605
Departmental expenses			
Departmental items	4,383,535	4,307,239	76,296
Total for Program 1.1	**4,394,099**	**4,313,198**	**80,901**
Program 1.2: Tax Practitioners Board[(d)]			
Departmental expenses			
Special accounts	32,088	32,683	–595
Total for Program 1.2	**32,088**	**32,683**	**–595**
Program 1.3: Australian Business Registry Services			
Departmental expenses			
Departmental items	117,696	89,768	27,928
Total for Program 1.3	**117,696**	**89,768**	**27,928**
Program 1.4: Australian Charities and Not-for-profits Commission			
Departmental expenses			
Special accounts	19,790	22,510	–2,720
Total for Program 1.4	**19,170**	**22,510**	**–2,720**
Program 1.5: Australian Screen and Digital Game Production Incentive			
Administered expenses			
Special appropriations	904,416	1,105,151	–200,735
Total for Program 1.5	**904,416**	**1,105,151**	**–200,735**
Program 1.6: Junior Minerals Exploration Incentive			
Administered expenses			
Special appropriations	4,197	7,445	–3,248
Total for Program 1.6	**4,197**	**7,445**	**–3,248**
Program 1.7: Fuel Tax Credits Scheme			
Administered expenses			
Special appropriations	10,150,698	9,812,821	337,877
Total for Program 1.7	**10,150,698**	**9,812,821**	**337,877**
Program 1.8: National Rental Affordability Scheme			
Administered expenses			
Special appropriations	48,871	33,021	15,850
Total for Program 1.8	**48,871**	**33,021**	**15,850**
Program 1.9: Product Stewardship for Oil			
Administered expenses			
Special appropriations	102,753	91,080	11,673
Total for Program 1.9	**102,753**	**91,080**	**11,673**

Table 5.30 Budgeted expenses and resources for Outcome 1, 2024–25[a][b] *continued*

Budgeted expenses and resources	Budget[c] 2024–25 $'000	Actual expenses 2024–25 $'000	Variation 2024–25 $'000
Program 1.10: Research and Development Tax Incentive			
Administered expenses			
Special appropriations	4,748,146	4,071,675	676,471
Total for Program 1.10	**4,748,146**	**4,071,675**	**676,471**
Program 1.11: Low Income Superannuation Tax Offset			
Administered expenses			
Special appropriations	561,293	529,125	32,168
Total for Program 1.11	**561,293**	**529,125**	**32,168**
Program 1.12: Private Health Insurance Rebate			
Administered expenses			
Special appropriations	272,647	281,810	−9,163
Total for Program 1.12	**272,647**	**281,810**	**−9,163**
Program 1.13: Superannuation Co-contribution Scheme			
Administered expenses			
Special appropriations	101,223	98,582	2,641
Total for Program 1.13	**101,223**	**98,582**	**2,641**
Program 1.14: Superannuation Guarantee Scheme			
Administered expenses			
Special appropriations	1,200,000	1,109,612	90,388
Total for Program 1.14	**1,200,000**	**1,109,612**	**90,388**
Program 1.15: Interest on Unclaimed Superannuation Accounts Paid			
Administered expenses			
Special appropriations	14,360	48,414	−34,054
Total for Program 1.15	**14,360**	**48,414**	**−34,054**
Program 1.16: Interest on Overpayment and Early Payments of Tax			
Administered expenses			
Special appropriations	390.000	552,590	−162,590
Total for Program 1.16	**390,000**	**552,590**	**−162,590**
Program 1.17: Bad and Doubtful Debts and Remissions			
Administered expenses			
Expenses not requiring appropriation in budget year[e]	12,301,750	12,545,020	−243,270
Total for Program 1.17	**12,301,750**	**12,545,020**	**−243,270**
Program 1.18: Seafarer Tax Offset			
Administered expenses			
Special appropriations	445	−212	657
Total for Program 1.18	**445**	**−212**	**657**

Table 5.30 Budgeted expenses and resources for Outcome 1, 2024–25[(a)(b)] *continued*

Budgeted expenses and resources	Budget[(c)] 2024–25 $'000	Actual expenses 2024–25 $'000	Variation 2024–25 $'000
Program 1.19: Economic Response to the Coronavirus			
Administered expenses			
Special appropriations			
Cash Flow Boost for Employers		−351	351
JobMaker Hiring Credit			
JobKeeper Payment		−1,196	1,196
Total for Program 1.19		**−1,546**	**1,546**
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services	10,564	5,959	4,605
Special appropriations	18,499,049	17,739,570	759,479
Expenses not requiring appropriation in budget year[(e)]	12,301,750	12,545,020	−243,270
Departmental expenses			
Departmental appropriation	4,373,829	4,256,503	117,326
Special accounts	51,878	55,193	−3,315
Expenses not requiring appropriation in budget year[(e)]	127,402	140,504	−13,102
Total expenses for Outcome 1	**35,364,472**	**34,742,748**	**621,724**
	2024–25	**2024–25**	
Average staffing level (number)[(f)]	**19,705**	**19,741**	**–**

Notes

(a) This table is prepared on the basis of accrued expense amounts, while the administered payments table on page 265 is prepared on a cash basis.

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

(c) Budget 2024–25 relates to Estimated actual expenses published in the 2025–26 Portfolio Budget Statements, and includes any subsequent adjustments made to the original 2024–25 Budget.

(d) The Tax Practitioners Board Special Account, established by *Tax Agent Services Act 2009* through *Treasury Laws Amendment (2023 Measures No. 1) Act 2023*, commenced 1 July 2024.

(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, ANAO requirements, and the *Environment Protection and Biodiversity Conservation Act 1999*.

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

Procurement refers to the whole process of acquiring goods or services – from identifying a need, through to obtaining and paying for the goods or services. If relevant, it also includes the ongoing contract management and disposal of goods.

The ATO's approach to procuring goods and services is consistent with the principles of the PGPA Act and related procurement legislation and government policies, including the *Commonwealth Procurement Rules* (CPRs), the *Modern Slavery Act 2018*, *Government Procurement (Judicial Review) Act 2018* and the *APS Strategic Commissioning Framework* (SCF). To ensure this, the ATO has a range of controls in place, conducts regular assurance activities, and reviews instructions and guidance to ensure they reflect best practice.

Standard ATO contracts include a clause requiring suppliers to comply with all legislative and government policy obligations, including those relating to taxation, workplace health and safety and all other laws applicable in connection with the conduct and operation of the supplier's business (for example, maintaining sustainable business practices and minimising environmental impacts).

All ATO contracts of $100,000 or more provide for the Auditor-General to have access to the contractor's premises.

This section includes procurement information for the ATO, TPB and ACNC, unless noted otherwise.

Consultancy contracts

The ATO procures consultants when independent specialised advice is required but cannot be accessed from within the ATO.

Consultants are engaged through a procurement process, using open tender, limited tender or an established panel arrangement. The main categories for which consultants are engaged include management advisory and expert services, including tax panel experts and valuation services.

During 2024–25, the ATO entered into 62 new reportable consultancy contracts, with total actual expenditure of $2.8 million. An additional 46 ongoing reportable consultancy contracts were active during 2024–25, with total actual expenditure of $2.2 million. Prior-year contracts accounted for 44% of total consultancy expenditure.

Table 5.31 Number of and expenditure on reportable consultancy contracts, 2024–25[a]

Reportable consultancy contracts 2024–25	Number	Expenditure $m
New contracts entered into during the reporting period	62	2.8
Ongoing contracts entered into during a previous reporting period	46	2.2
Total	**108**	**5.0**

Note
(a) Amounts are GST inclusive.

Table 5.32 Significant reportable consultancy contracts expenditure, 2024–25[a][b][c][d]

Organisation	ABN	Expenditure $	Proportion of total expenditure %
The Boston Consulting Group Pty Ltd	70 007 347 131	922,900	18.3
KPMG	51 194 660 183	516,976	10.2
McGrathNicol Advisory	34 824 776 937	243,998	4.8
Sensei Productivity Pty Ltd	34 610 828 656	220,000	4.4
Kevin E. Lindgren KC	37 348 838 878	204,084	4.0
Total		**2,107,958**	**41.7**

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

Non-consultancy services are engaged through a procurement process, using open tender, limited tender or an established panel arrangement.

The main categories for which non-consultant contracts are procured include:

- IT equipment, services and software
- building leases, property management
- contact centre services.

During 2024–25, the ATO entered into 732 new reportable non-consultancy contracts, with total actual expenditure of $350.2 million. An additional 959 ongoing reportable non-consultancy contracts were active during 2024–25, with total actual expenditure of $1,287.2 million.

Table 5.33 Number of and expenditure on reportable non-consultancy contracts, 2024–25[a]

Reportable non-consultancy contracts 2024–25	Number	Expenditure $m
New contracts entered into during the reporting period	732	350.2
Ongoing contracts entered into during a previous reporting period	959	1,287.2
Total	**1,691**	**1,637.4**

Note
(a) Amounts are GST inclusive.

Table 5.34 Significant reportable non-consultancy contracts expenditure, 2024–25[a][b][c][d]

Organisation	ABN	Expenditure $	Proportion of total expenditure %
Optus Networks Pty Ltd	92 008 570 330	124,506,574	7.6
Probe Operations Pty Ltd	94 624 615 925	100,203,411	6.1
Accenture Australia Pty Ltd	49 096 776 895	89,458,596	5.5
DXC Enterprise Australia Pty Ltd	16 612 896 527	83,903,621	5.1
IBM Australia Limited	79 000 024 733	69,689,342	4.3
Total		**467,761,544**	**28.6**

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 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 business participation in the Commonwealth Government procurement market through a range of measures, including:

- streamlined tender requirements for low-value, low-complexity contracts
- applying standard agreements for low-risk procurements under $200,000
- using simple, accessible templates and language for market approaches
- adhering to the principles of the Commonwealth Government's Digital Sourcing Framework, which includes structuring procurements in a way that enables small and medium enterprises to compete fairly for components of large ICT projects
- actively pursuing opportunities to work with Aboriginal and Torres Strait Islander businesses, which are often small and medium enterprises; our targeted engagement supports both economic inclusion and the broader goals of the Commonwealth Indigenous Procurement Policy
- leveraging Australian Industry Participation policies to encourage small-to-medium enterprise involvement.

Small-to-medium enterprises and small enterprise participation statistics are available on the Department of Finance website at finance.gov.au.

The ATO recognises the importance of ensuring small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website at treasury.gov.au.

Indigenous procurement policy

The ATO is a proud supporter of supplier diversity. We proactively promote equal opportunity in the supply marketplace by encouraging the purchase of goods and services from Indigenous businesses.

The ATO adheres to the Indigenous Procurement Policy, using panel arrangements and exemption 16 of the Commonwealth Procurement Rules, to provide a streamlined framework for the engagement of Indigenous businesses.

In 2024–25, the ATO:

- continued to work closely with Supply Nation and Indigenous suppliers to identify opportunities to build on and establish new procurement relationships
- spent $17.3 million with 60 Indigenous businesses, representing expenditure for both 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 Guidelines 2024*, including reporting and publishing of all grants provided throughout the year.

During 2024–25, the ATO awarded 35 grants. Information on grants awarded by the ATO in 2024–25 is available at grants.gov.au.

Compliance with finance law

The PGPA Act requires that agencies 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 2024–25.

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); and
- 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 the basis of historical cost, except for certain assets and liabilities measured at fair value.

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, the Tax Practitioners Board (TPB) through the TPB Special Account, and Australian Business Registry Services (ABRS).

Auditor-General for Australia

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer, Minister for Financial Services

Opinion

In my opinion, the financial statements of the Australian Taxation Office (the Entity) for the year ended 30 June 2025:

(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 2025 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 2025 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.

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.

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Key audit matter	How the audit addressed the 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 2025, the Entity reported total taxation revenue of $654,796 million.	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 2025; 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 2025.

Key audit matter	How the audit addressed the matter
Valuation of taxation receivables *Refer to Note 15 'Administered – Non-Financial Assets'* 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. 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. For the year ended 30 June 2025, the Entity reported: • total taxation receivables of $98,012 million; • impairment allowance of $49,818 million; and • allowance for credit amendments of $6,820 million.	To audit the valuation of taxation receivables, I: • 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 • 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

11 September 2025

AUSTRALIAN TAXATION OFFICE

STATEMENT BY THE COMMISSIONER OF TAXATION AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2025 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
11 September 2025

Janine Bristow
CHIEF FINANCE OFFICER
AUSTRALIAN TAXATION OFFICE

11 September 2025

Australian Taxation Office
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2025

	Note	**2025 $'000**	2024 $'000	Original budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	**2,635,800**	2,501,608	2,739,141
Suppliers	1B	**1,439,053**	1,550,147	1,360,718
Depreciation and amortisation	4A	**345,898**	390,459	381,528
Finance costs	1C	**26,426**	28,576	27,286
Impairment loss on financial instruments	1D	**4,303**	3,423	-
Write-down and impairment of other assets	1E	**542**	16,544	-
Other expenses	1F	**176**	201	-
Total expenses		**4,452,198**	4,490,958	4,508,673
Own-source revenue				
Rendering of services	2A	**198,346**	138,534	148,861
Rental income	2B	**18,957**	18,440	16,656
Other revenue and gains	2C	**31,269**	24,829	21,943
Total own-source revenue		**248,572**	181,803	187,460
Net cost of services		**(4,203,626)**	(4,309,155)	(4,321,213)
Revenue from the Australian Government	2D	**4,231,432**	4,050,266	4,179,602
Surplus / (Deficit) on continuing operations		**27,806**	(258,889)	(141,611)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Revaluation of restoration obligations provision		**89**	(89)	-
Other changes in asset revaluation reserves	4A	**20,047**	6,142	-
Total comprehensive income / (loss)		**47,942**	(252,836)	(141,611)

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

	Note	2025 $'000	2024 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash	3A	**38,036**	39,407	34,730
Trade and other receivables	3B	**922,154**	594,168	572,215
Total financial assets		**960,190**	633,575	606,945
Non-financial assets[1]				
Buildings	4A	**767,268**	930,954	882,539
Buildings - leasehold improvements	4A	**221,224**	200,103	245,747
Plant and equipment	4A	**174,998**	175,291	92,258
Intangibles - computer software	4A	**303,215**	349,298	364,778
Other non-financial assets	4C	**108,276**	124,634	155,233
Total non-financial assets		**1,574,981**	1,780,280	1,740,555
Total assets		**2,535,171**	2,413,855	2,347,500
LIABILITIES				
Payables				
Employees	5A	**81,993**	69,460	78,690
Suppliers	5B	**208,192**	188,381	231,997
Other payables	5C	**5,516**	6,242	4,762
Total payables		**295,701**	264,083	315,449
Interest bearing liabilities				
Leases	6A	**943,705**	1,130,591	956,096
Total interest bearing liabilities		**943,705**	1,130,591	956,096
Provisions				
Employee provisions	7A	**890,377**	827,738	750,325
Other provisions	7B	**42,937**	45,401	28,676
Total provisions		**933,314**	873,139	779,001
Total liabilities		**2,172,720**	2,267,813	2,050,546
Net assets		**362,451**	146,042	296,954
EQUITY				
Contributed equity		**2,641,847**	2,473,380	2,645,975
Reserves		**174,617**	154,481	148,428
Accumulated deficit		**(2,454,013)**	(2,481,819)	(2,497,449)
Total equity		**362,451**	146,042	296,954

[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 year ended 30 June 2025

	Contributed equity			Asset revaluation surplus			Retained earnings			Total equity		
	2025	2024	Original budget	**2025**	2024	Original budget	**2025**	2024	Original budget	**2025**	2024	Original budget
	$'000	$'000	$'000	**$'000**	$'000	$'000	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Opening balance												
Balance carried forward from previous period	**2,473,380**	2,363,836	2,488,550	**154,481**	148,428	148,428	**(2,481,819)**	(2,182,707)	(2,355,838)	**146,042**	329,557	281,140
Opening balance	**2,473,380**	2,363,836	2,488,550	**154,481**	148,428	148,428	**(2,481,819)**	(2,182,707)	(2,355,838)	**146,042**	329,557	281,140
Comprehensive gain/(loss)												
Other comprehensive gain/(loss)	-	-	-	**20,136**	6,053	-	-	-	-	**20,136**	6,053	-
(Deficit) for the period	**-**	-	-	**-**	-	-	**27,806**	(258,889)	(141,611)	**27,806**	(258,889)	(141,611)
Total comprehensive gain/(loss)	**-**	-	-	**20,136**	6,053	-	**27,806**	(258,889)	(141,611)	**47,942**	(252,836)	(141,611)
Transactions with owners												
Distributions to owners												
Returns of contributed equity[1]	**(7,193)**	(40,640)	-	-	-	-	-	(40,223)	-	**(7,193)**	(80,863)	-
Contributions by owners												
Equity injection - appropriations	**43,299**	26,174	30,092	-	-	-	**-**	-	-	**43,299**	26,174	30,092
Departmental capital budget	**127,333**	125,594	127,333	-	-	-	**-**	-	-	**127,333**	125,594	127,333
Restructuring[2]	**5,028**	(1,584)	-	-	-	-	**-**	-	-	**5,028**	(1,584)	-
Total transactions with owners	**168,467**	109,544	157,425	**-**	-	-	**-**	(40,223)	-	**168,467**	69,321	157,425
Closing balance as at 30 June	**2,641,847**	2,473,380	2,645,975	**174,617**	154,481	148,428	**(2,454,013)**	(2,481,819)	(2,497,449)	**362,451**	146,042	296,954

[1]Return of contributed equity relates to amounts withheld through a section 51 determination, which represent a loss of control to the ATO. Current year amounts also include the repeal of Appropriation Act (No. 2) 2022-23, Supply Act (No. 2) 2022-23 and Supply Act (No. 4) 2022-23, which automatically lapsed on 1 July 2025.

[2]Transfers of net assets in Stage 1 (2024) and net liabilities in Stage 2 (2025) of the cessation of the Modernising Business Registers (MBR) Program. Finalisation of the transfers will take place in 2025-26.

The above statement should be read in conjunction with the accompanying notes.

Accounting policy

Equity Injection

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and departmental capital budgets (DCBs) are recognised directly in contributed equity in that year.

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 year ended 30 June 2025

	Note	2025 $'000	2024 $'000	Original budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**3,986,961**	4,041,165	4,167,196
Rendering of services		**224,836**	168,053	169,733
Receipts transferred from the Official Public Account		**401,673**	351,208	-
GST received		**153,352**	167,107	128,786
Other		**-**	2,200	19,343
Total cash received		**4,766,822**	4,729,733	4,485,058
Cash used				
Employees		**2,560,509**	2,416,369	2,730,212
Suppliers		**1,395,758**	1,536,016	1,358,118
GST paid		**155,336**	159,625	128,786
Interest payments on lease liabilities		**25,123**	27,029	27,286
s74 receipts transferred to the Official Public Account		**410,876**	355,197	-
Total cash used		**4,547,602**	4,494,236	4,244,402
Net cash from operating activities		**219,220**	235,497	240,656
Cash used				
Purchase of property, plant and equipment		**72,498**	90,369	127,132
Purchase of intangibles		**22,905**	36,193	55,487
Total cash used		**95,403**	126,562	182,619
Net cash used by investing activities		**(95,403)**	(126,562)	(182,619)
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity		**94,981**	126,562	181,924
Total cash received		**94,981**	126,562	181,924
Cash used				
Principal payments of lease liabilities		**220,169**	230,748	239,917
Total cash used		**220,169**	230,748	239,917
Net cash used by financing activities		**(125,188)**	(104,186)	(57,993)
Net increase in cash held		**(1,371)**	4,749	44
Cash at the beginning of the reporting period		**39,407**	34,658	34,686
Cash at the end of the reporting period	3A	**38,036**	39,407	34,730

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2025

Budget variances commentary:
The table below provides explanations for major variances between the agency's original budget estimates, as published in the 2024-25 Portfolio Budget Statements (PBS), and the actual financial performance for the year ended 30 June 2025.

Affected line items	Explanation of major variances
Employee benefits Employee provisions	Employee benefits was lower than the original budget primarily due to lower than originally anticipated staffing, delays in several large programs, and internal reprioritisation of resources associated with Government commitments. Employee provisions was higher than the original budget mainly due to increases in pay rates associated with the enterprise agreement and the application of the current year's bond rate which are not budgeted for.
Suppliers	Supplier expenses were higher than the original budget due to increased merchant fees from credit card transactions as well as an increase in IT sustainment costs, including the support and maintenance of software. Supplier payables was lower than the original budget primarily due to the timing of payments made for services provided to the ATO.
Leases	Lease liabilities were lower than the original budget due to the timing of recognition of new building leases and new plant and equipment leases entered into during the year.
Rendering of services Other revenue and gains	Revenue from rendering of services was higher than the original budget primarily due to increased bank merchant fees from credit card transactions, reflecting current trends in taxpayer behaviour. Revenue from other revenue and gains was higher than anticipated due to services received free of charge.
Revenue from the Australian Government Trade and other receivables	Revenue from the Australian Government was higher than the original budget due to additional funding for measures announced at MYEFO 2024-25, partially offset by the transfer of relevant registry functions to the Australian Securities and Investment Commission (ASIC). Trade and other receivables was higher than the original budget mainly due to a higher than expected appropriation receivable balance carried forward from prior year, and lower than expected current year operating and capital expenditure

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2025

Affected line items	Explanation of major variances
Depreciation and amortisation Buildings Plant and equipment Intangibles Other non-financial assets	Non-financial assets was lower than the original budget due to the timing of new leases entered during the financial year, lower than expected asset additions due to delays to several large programs and lower than expected software amortisation due to the extended useful life of a core business system. Prepayments was lower than originally budgeted due to a lower than expected prepayment balance carried forward from prior year, combined with lower than anticipated prepayments for the current year.
Provisions	Other provisions was higher than the original budget mainly due to higher provisioning for court awarded costs and indemnities than anticipated at the time the budget was prepared.
Equity	Equity was higher than the original budget due to the current financial year's operating surplus, 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
as at 30 June 2025

	Note	2025 $'m	2024 $'m	Original budget $'m
NET COST OF SERVICES				
Expenses				
Subsidies	13A	**15,120**	15,199	15,525
Personal benefits	13B	**910**	936	1,064
Impairment of receivables	13C	**10,921**	9,981	9,474
Penalty and interest charge remission expenses		**1,625**	1,257	1,420
Interest on overpayments and early payments		**552**	483	270
Superannuation guarantee charge		**1,110**	1,082	1,200
Unclaimed superannuation monies interest		**48**	64	14
Other expenses		**6**	-	11
Total expenses		**30,292**	29,002	28,978
Revenue				
Income tax	14A	**520,841**	499,591	502,833
Indirect tax	14B	**129,622**	122,559	125,580
Other taxes	14C	**4,333**	4,372	4,683
Non-taxation	14D	**361**	28	160
Total revenue		**655,157**	626,550	633,256
Net contribution by services		**624,865**	597,548	604,278
Surplus on continuing operations		**624,865**	597,548	604,278
Total comprehensive income		**624,865**	597,548	604,278

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 2025

	Note	**2025** **$'m**	2024 $'m	Original budget $'m
ASSETS				
Financial assets				
Cash		**581**	563	451
Cash held in special accounts[1]		**93**	86	82
Total financial assets		**674**	649	532
Non-financial assets				
Receivables	15A	**41,798**	38,394	46,530
Accrued revenue	15B	**21,321**	19,128	17,667
Total non-financial assets		**63,119**	57,522	64,197
Total assets administered on behalf of the Australian Government		**63,793**	58,171	64,729
LIABILITIES				
Payables				
Subsidies		**40**	74	53
Personal benefits		**17**	14	17
Superannuation guarantee charge		**117**	106	89
Taxation refunds due		**2,463**	2,175	2,121
Superannuation holding account		**93**	86	90
Other payables		**1**	3	2
Total payables		**2,731**	2,458	2,371
Provisions				
Subsidies	16	**6,290**	6,145	6,349
Personal benefits	16	**1,120**	1,202	1,202
Income taxation refunds	16	**1,817**	2,213	2,186
Indirect taxation refunds	16	**27**	6	18
Superannuation guarantee payments	16	**580**	577	443
Unclaimed superannuation payments	16	**638**	688	690
Unclaimed superannuation monies interest	16	**56**	72	53
Interest on overpayment of taxes	16	**163**	138	114
Other refunds	16	**16**	14	10
Total provisions		**10,707**	11,055	11,065
Total liabilities administered on behalf of the Australian Government		**13,438**	13,513	13,436
Net assets		**50,355**	44,658	51,293

[1] Cash held in special accounts does not include amounts held on trust for special accounts of $241 million (2024: $245 million). See Note 20 special accounts for more information.

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 2025

Accounting policy

Administered 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 majority of 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 year ended 30 June 2025

	2025 $'m	2024 $'m
Opening assets less liabilities as at 1 July	**44,658**	40,765
Adjustments to equity[1]		
Family tax benefit equity transfer	**67**	118
Higher education loan program equity transfer	**(460)**	(62)
Australian apprenticeship support loan equity transfer	**36**	(4)
Student financial supplement scheme equity transfer	**4**	-
Net (cost of)/contribution by services		
Income	**655,157**	626,550
Expenses	**(30,292)**	(29,002)
Transfers (to)/from the Australian Government		
Appropriation transfers from the Official Public Account		
Annual appropriations	**6**	-
Special appropriations (unlimited)	**169,286**	168,092
Appropriation transfers to the Official Public Account		
Transfers to the Official Public Account	**(788,107)**	(761,799)
Closing assets less liabilities as at 30 June	**50,355**	44,658

[1] Adjustments are made to equity and income tax revenue for the repayments of family tax benefit debts, and for the movement in the estimated compulsory repayments of income contingent loans between the current and prior financial year.

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 year ended 30 June 2025

	2025 $'m	2024 $'m
OPERATING ACTIVITIES		
Income tax	**508,711**	490,023
Indirect tax	**123,908**	117,150
Other revenue	**3,918**	3,595
Superannuation holding account	**7**	5
Subsidies	**(15,011)**	(14,491)
Personal benefits	**(988)**	(1,015)
Interest	**(527)**	(459)
Other	**(1,174)**	(985)
Net cash from operating activities	**618,844**	593,824
Cash at the beginning of the reporting period	**649**	532
Cash from the Official Public Account		
Appropriations	**169,259**	168,070
Special accounts	**29**	22
Total cash used from the Official Public Account	**169,288**	168,092
Cash to the Official Public Account		
Administered receipts	**(788,078)**	(761,777)
Special accounts	**(29)**	(22)
Total cash to the Official Public Account	**(788,107)**	(761,799)
Cash at the end of the reporting period	**674**	649

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 year ended 30 June 2025

Budget variances commentary
Commentary for major variances between the original budget estimates, as published in the 2024-25 Portfolio Budget Statements (PBS), and the actual amounts disclosed in the 2024-25 financial statements is presented below.

The nature and timing of the Commonwealth's Budget Process can contribute to variances. Budget estimates for 2024-25 were updated where appropriate throughout the year as presented in the 2024-25 Portfolio Additional Estimates Statements (PAES), and the 2025-26 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 expenses were lower than the original budget due to lower than anticipated growth in the research and development tax incentive refundable tax offset and fuel tax credits scheme. This was partially offset by higher than anticipated Australian screen and digital games production incentives.
Personal benefits	Personal benefits expenses were lower than the original budget primarily due to lower than anticipated average entitlement amounts for the low income superannuation tax offset for 2023-24 and 2024-25.
Impairment of receivables Impairment allowance	Impairment of receivables and impairment allowance were higher than the original budget primarily due to increased impairment of small debts, particularly activity statement debts, which were impaired at a higher rate than expected.
Penalty and interest charge remission expenses	Penalty and interest charge remission expenses were higher than the original budget primarily due to higher than expected remissions for companies and other individuals.
Interest on overpayments and early payments Interest on overpayment of taxes	Interest on overpayments and early payments were higher than the original budget primarily due to a significantly increased number of taxpayers eligible for interest on overpayments and early payments, and a higher than expected number of large cases. Interest on overpayment of taxes (provision) was higher than the original budget primarily due to an increase in provision for interest on overpayments for large cases.
Superannuation guarantee charge Superannuation guarantee payments	Superannuation guarantee charge (SGC) expense (collections to be distributed) was slightly lower than the original budget, primarily due to lower than expected SGC liabilities raised in 2024-25, however this was partially offset by a higher than expected proportion of SGC being collected. Superannuation guarantee payment provisions were slightly higher than original budget, primarily due to a higher than expected provision balance carried forward from 2023-24.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
BUDGET VARIANCES COMMENTARY
for the year ended 30 June 2025

Affected line items	Explanation of major variances
Income tax Direct tax receivables Direct tax accrued revenue Income tax refund provision Allowance for credit amendments	Income tax revenue was higher than the original budget largely reflecting higher than expected individuals and super fund taxes. Strength in individuals revenue was driven by a more resilient labour market and stronger instalments, primarily reflecting higher gross interest and business income from earlier years. Strength in super fund tax revenue is mainly attributed to stronger capital gains, underpinned by robust share price growth. Direct tax receivables were lower than the original budget due to an increased allowance for credit amendments and lower individual receivables. This was partially offset by higher company receivables. Direct tax accrued revenue was higher than the original budget, primarily due to fringe benefits tax which was driven by higher than expected employment. Income taxation refund was lower than the original budget primarily due to lower than expected provision for refunds for company income tax. Provision for refunds can be volatile due to the timing of lodgments, payments and compliance activity from year to year. Allowance for credit amendments was higher than original budget due to an increase in the allowance for company income tax, following the dispute of some large cases.
Indirect tax Indirect tax receivable Indirect tax accrued revenue	Indirect tax revenue was higher than the original budget primarily due to stronger than expected GST revenue, in part due to higher cash collections. Indirect tax receivables were lower than original budget due to a lower than expected GST receivable balance carried forward from 2023-24. Indirect tax accrued revenue was higher than the original budget primarily due to higher than expected GST accrued revenue, driven by revised expectations for GST lodgments received after 30 June 2025.
Other taxes Other taxes receivables	Other tax revenue was lower than the original budget due to: - lower than expected superannuation guarantee charge (SGC) liabilities raised noting the expected SGC had been calculated following the highest on record prior year results, and - lower than expected foreign investment application fees due to a reduction in the number of applications being lodged following government policy change. Other tax receivables were lower than the original budget primarily driven by lower than expected superannuation guarantee charge liabilities raised.
Non-taxation Unclaimed superannuation payments	Non-tax revenue was higher than the original budget primarily due to higher than expected unclaimed super monies (USM) inflows across almost all USM types, partly offset by higher than anticipated USM outflows. Unclaimed superannuation payments were lower than the original budget mainly due to lower than expected provision balance carried forward from 2023-24. This was partially offset by stronger than expected USM payment claims partially driven by higher USM inflows.
Cash	Cash balance was higher than the original budget due to the timing of payments processed at the end of financial year.
Taxation refunds due	Taxation refunds due was higher than the original budget due to the volatility of taxation refunds which depend on the timing of lodgments, payments, and compliance activity from year to year.

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 year ended 30 June 2025

Table of contents

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 the aspects of Australia's superannuation system
- custodian of the Australian Business Register.

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 26 Narellan Street, Canberra, 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 the basis of historical cost, 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.

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, the Tax Practitioners Board (TPB) through the TPB Special Account, and the Australian Business Registry Services (ABRS).

Australian Taxation Office
Notes to and forming part of the financial statements

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
General interest charge revenue and remission expenses that have not yet been posted to taxpayer accounts	14
Penalties and interest charges and settlements	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 this financial year

There are no new accounting standards or interpretations that have been adopted for the first time in 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 2024-25 departmental financial statements.

Material changes in accounting estimates have been made to accrued expense for low income superannuation tax offset, accrued revenue for goods and services tax and luxury car tax. Refer to accounting policy in Note 13 and Note 14.

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

	2025 $'000	2024 $'000
Note 1A: Employee benefits		
Wages and salaries	**1,825,259**	1,754,853
Superannuation:		
Defined contribution plans	**249,005**	216,424
Defined benefit plans	**152,771**	149,179
Leave and other entitlements	**401,462**	374,975
Separation and redundancies	**2,553**	2,356
Other employee expenses	**4,750**	3,821
Total employee benefits	**2,635,800**	2,501,608

Accounting policy

Accounting policies for employee related expenses is contained in Note 7A Employee provisions.

	2025 $'000	2024 $'000
Note 1B: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**324,316**	485,399
IT and communications	**565,466**	545,108
Legal	**88,522**	85,632
Office operations	**249,932**	202,835
Property	**58,075**	65,139
Tax administration services provided by the Department of Home Affairs	**59,218**	58,359
Payments to other Government agencies	**32,401**	43,624
Staff related expenses	**21,947**	26,051
Travel	**17,979**	18,964
Tax services	**13,371**	10,841
Audit fees	**2,690**	2,701
Total goods and services supplied or rendered	**1,433,917**	1,544,653
Other suppliers		
Short term leases[1]	**751**	1,899
Workers compensation expenses	**4,385**	3,595
Total other suppliers	**5,136**	5,494
Total suppliers	**1,439,053**	1,550,147

[1]The ATO has one short-term lease commitment as at 30 June 2025.

The above lease disclosures should be read in conjunction with the accompanying notes 1C, 2B, 4A and 6.

Accounting policy

Short term leases and leases of low value assets

The ATO has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than $10,000 per asset). Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Australian Taxation Office
Notes to and forming part of the financial statements

	2025 $'000	2024 $'000
Note 1C: Finance costs		
Interest on lease liabilities	**25,123**	27,029
Unwinding of discount	**1,303**	1,547
Total finance costs	**26,426**	28,576

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.

	2025 $'000	2024 $'000
Note 1D: Impairment loss on financial instruments		
Impairment on trade and other receivables	**4,303**	3,423
Total impairment loss on financial instruments	**4,303**	3,423
Note 1E: Write-down and impairment of other assets		
Impairment of buildings	**-**	289
Impairment of plant and equipment	**194**	190
Impairment of intangibles	**348**	16,065
Total write-down and impairment of other assets	**542**	16,544
Note 1F: Other expenses		
Compensation	**160**	154
Losses from asset sales	**16**	7
Total other expenses	**176**	201

Australian Taxation Office
Notes to and forming part of the financial statements

2: Own-source revenue

	2025 $'000	2024 $'000
Note 2A: Rendering of services		
Rendering of services	**198,346**	138,534
Total revenue from rendering of services	**198,346**	138,534
Disaggregation of rendering of services		
Type of customer:		
Australian Government entities (related parties)	**21,338**	7,235
State and Territory Governments	**324**	343
Non-government entities	**176,684**	130,956
	198,346	138,534

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

	2025 $'000	2024 $'000
Note 2B: Rental income		
Finance lease:		
Finance income	**26**	96
Operating lease:		
Lease income	**18,931**	18,344
Total rental income	**18,957**	18,440

Finance leases
The ATO in its capacity as lessor has one sublease that is recognised as a finance sublease. A sublease is classified as a finance sublease when the right-of-use asset transferred comprises 75% or more of the underlying head lease right-of-use asset.

Maturity analysis of finance lease receivables

	2025 $'000	2024 $'000
Within 1 year	**843**	4,242
One to two years	**-**	843
Two to three years	**-**	-
Three to four years	**-**	-
Four to five years	**-**	-
More than 5 years	**-**	-
Total undiscounted lease payments receivable	**843**	5,085
Unearned finance income	**2**	28
Net investment in leases	**841**	5,057

Operating leases
The ATO in its capacity as lessor has a range of long and short-term leases with fixed dates for expiry. A number of subleases are due to end over the next five years.

Maturity analysis of operating lease income receivables:

	2025 $'000	2024 $'000
Within 1 year	**8,653**	15,108
One to two years	**4,427**	5,022
Two to three years	**2,307**	4,427
Three to four years	**2,025**	2,307
Four to five years	**1,129**	2,025
More than 5 years	**-**	1,129
Total undiscounted lease payments receivable	**18,541**	30,018

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 head lease, in order to reduce the risk associated with the ATO’s obligations under the head lease. These leases have a range of terms between one month and ten years, reflecting the ATO’s expected operational needs for the subleased premises.

Australian Taxation Office
Notes to and forming part of the financial statements

	2025 $'000	2024 $'000
Note 2C: Other revenue and gains		
Recovery of legal costs	**13,648**	9,757
Resources received free of charge		
Services received	**11,882**	8,419
Remuneration of auditors	**2,600**	2,600
Secondments	**295**	205
Other revenue and gains[1]	**2,844**	3,848
Total other revenue and gains	**31,269**	24,829

[1] Includes amounts related to refunds/(reversals) and overpayments/(underpayments) of $107,000 (2024: $59,000).

Accounting policy

Revenue from recovery of legal costs is recognised at the time the court awards those costs to the ATO.

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.

	2025 $'000	2024 $'000
Note 2D: Revenue from the Australian Government		
Departmental appropriations	**4,231,432**	4,050,266
Total revenue from the Australian Government	**4,231,432**	4,050,266

Accounting policy

Departmental appropriations for the year (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

	2025 $'000	2024 $'000
Note 3A: Cash		
Special account - ACNC	**10,085**	13,137
Special account - TPB	**4,625**	-
Cash on hand or on deposit	**23,326**	26,270
Total cash	**38,036**	39,407

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.

	2025 $'000	2024 $'000
Note 3B: Trade and other receivables		
Service receivables		
Service receivables	**20,041**	13,448
Total service receivables	**20,041**	13,448
Appropriations receivables		
Existing programs		
Cash held in the Official Public Account: ATO	**857,277**	535,144
Total appropriations receivables	**857,277**	535,144
Other receivables		
GST receivable from the ATO (as Tax Administrator)	**29,246**	27,262
Lease receivables	**1,831**	6,429
Other receivables	**27,973**	23,060
Total other receivables	**59,050**	56,751
Total trade and other receivables (gross)	**936,368**	605,343
Less expected credit loss allowance	**(14,214)**	(11,175)
Total trade and other receivables (net)	**922,154**	594,168

Australian Taxation Office
Notes to and forming part of the financial statements

4: Non-financial assets

Note 4A: Current year - Reconciliation of the opening and closing balances of property, plant, equipment, and intangibles 2025

	Buildings	Buildings - leasehold improvements	Plant and equipment	Intangibles - computer software	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2024					
Gross book value	1,834,065	227,571	255,968	1,916,600	4,234,204
Work in progress	-	12,932	10,128	15,335	38,395
Accumulated depreciation, amortisation and impairment	(903,111)	(40,400)	(90,805)	(1,582,637)	(2,616,953)
Total as at 1 July 2024	930,954	200,103	175,291	349,298	1,655,646
Movements[1]					
Additions:					
Purchased	-	43,029	41,932	-	84,961
Right-of-use assets	31,500	-	-	-	31,500
Internally developed	-	-	-	19,046	19,046
Revaluations recognised in other comprehensive income	-	16,578	3,469	-	20,047
Impairment write-offs recognised in net cost of services	-	-	(194)	(348)	(542)
Transfers between asset classes in/(out)	-	(338)	338	-	-
Disposals:					
Other movements of right-of-use assets	-	-	1,945	-	1,945
Depreciation / amortisation expense	-	(38,148)	(30,163)	(64,781)	(133,092)
Depreciation on right-of-use assets	(195,186)	-	(17,620)	-	(212,806)
Total as at 30 June 2025	767,268	221,224	174,998	303,215	1,466,705
Total as at 30 June 2025 represented by					
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 30 June 2025	767,268	221,224	174,998	303,215	1,466,705
Carrying amount of right-of-use assets	767,268	-	81,893	-	849,161

[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 services of accredited valuer, Jones Lang LaSalle (JLL), to conduct a physical inspection fair value review as at 31 March 2025. 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). There is a revaluation surplus of $174.6 million (2024: $154.6 million), an increase of $20 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.

On initial adoption of AASB 16 *Leases*, the ATO adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, 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 deprecated 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.

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.

Australian Taxation Office
Notes to and forming part of the financial statements

Asset type	Threshold	2025	2024
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			
Other than desktop computers, laptops, monitors and printers	Bulk purchases furniture and fittings $200,000 Individual purchases plant and equipment $3,000	5 – 25 years (Straight-line method)	5 – 25 years (Straight-line method)
Desktop computers, laptops, monitors and printers	Bulk purchases $200,000 Individual purchases $3,000	4 – 5 years (Reducing balance method)	4 – 5 years (Reducing balance method)

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.

<u>Impairment</u>

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 2025. 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.

<u>Derecognition</u>

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

<u>Asset recognition thresholds</u>

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	2025	2024
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 2025.

Other non-financial assets

No indicators of impairment were found for other non-financial assets.

	2025 $'000	2024 $'000
Note 4B: Capital commitments		
Maturity analysis - capital commitments		
Within 1 year	**36,617**	18,718
One to two years	**-**	297
Two to three years	**-**	-
Three to four years	**-**	-
Four to five years	**-**	-
More than 5 years	**-**	-
Total capital commitments	**36,617**	19,015

	2025 $'000	2024 $'000
Note 4C: Other non-financial assets		
Prepayments	**107,530**	123,462
Sublease incentives provided	**746**	1,172
Total other non-financial assets	**108,276**	124,634

Australian Taxation Office
Notes to and forming part of the financial statements

5: Payables

	2025 $'000	2024 $'000
Note 5A: Employees		
Salaries and wages	**70,825**	60,099
Superannuation	**10,933**	9,361
Separations and redundancies	**235**	-
Total employees	**81,993**	69,460
Note 5B: Suppliers		
Trade creditors and accruals	**208,192**	188,381
Total suppliers	**208,192**	188,381
Note 5C: Other payables		
Unearned income	**2,215**	3,397
Other	**3,301**	2,845
Total other payables	**5,516**	6,242

6: Interest bearing liabilities

	2025 $'000	2024 $'000
Leases		
Lease liabilities		
Buildings	**871,958**	1,045,436
Plant and equipment	**71,747**	85,155
Total leases	**943,705**	1,130,591
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**244,601**	244,900
Between 1 to 5 years	**614,656**	728,778
More than 5 years	**163,229**	255,515
Total leases	**1,022,486**	1,229,193

Total cash outflow for leases for the year ended 30 June 2025 was $246 million (2024: $258 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 ten 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 2025, the lease liabilities above do not include undiscounted potential future cash outflows of $970 million (2024: $1,109 million) because it is not reasonably certain that the associated leases will be extended and $285 million (undiscounted) for leases committed to but not yet commenced.

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.

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

	2025	2024
	$'000	$'000
Note 7A: Employee provisions		
Leave	**889,913**	827,371
Performance bonus payments	**201**	132
Other	**263**	235
Total employee provisions	**890,377**	827,738

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 (PPS), 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 2025.

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Note 7B: Other provisions

	Legal costs and indemnities	Restoration obligations	Total
	$'000	$'000	$'000
As at 1 July 2024	**24,489**	**20,912**	**45,401**
Additional provisions made	**15,956**	**-**	**15,956**
Amounts used	**(4,530)**	**(1,009)**	**(5,539)**
Amounts reversed	**(10,699)**	**(2,757)**	**(13,456)**
Unwinding of discount or change in discount rate	**-**	**575**	**575**
Total as at 30 June 2025	**25,216**	**17,721**	**42,937**

There are no expected reimbursements of these amounts.

Accounting policy

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.

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8: Financial instruments

Note 8A: Categories of financial instruments

	2025 $'000	2024 $'000
Financial assets at amortised cost		
Cash	**38,036**	39,407
Service receivables	**20,041**	13,448
Other receivables	**13,104**	11,165
Total financial assets at amortised cost	**71,181**	64,020
Financial liabilities measured at amortised cost		
Supplier payables	**208,192**	188,381
Total financial liabilities measured at amortised cost	**208,192**	188,381

Accounting policy

Financial assets

The ATO classifies its departmental financial assets depending on their 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).

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	2025 $'000	2024 $'000
Note 8B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment gains/(losses)	**(4,303)**	(3,423)
Net gains/(losses) on financial assets at amortised cost	**(4,303)**	(3,423)
Note 8C: Net gains or losses on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense on financial liabilities measured at amortised cost	**728**	723
Net losses on financial liabilities measured at amortised cost	**728**	723

9: Contingent assets and liabilities

	Indemnities		Claims for compensation/ damages or costs		Total	
	2025 $'000	2024 $'000	**2025 $'000**	2024 $'000	**2025 $'000**	2024 $'000
Contingent liabilities						
Balance from previous period	**33,648**	22,477	**1,844**	999	**35,492**	23,476
New contingent liabilities recognised	**15,081**	12,431	**3,937**	1,488	**19,018**	13,919
Re-measurement	**-**	-	**43**	(267)	**43**	(267)
Liabilities realised	**-**	(400)	**(188)**	(149)	**(188)**	(549)
Obligations expired	**(767)**	(860)	**(563)**	(227)	**(1,330)**	(1,087)
Total contingent liabilities	**47,962**	33,648	**5,073**	1,844	**53,035**	35,492

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.

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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.

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 year.

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 2024-25 year, the ATO had determined the key management personnel to be the Commissioner and members of the ATO Executive.

	2025	2024
	$'000	$'000
Short-term employee benefits	**3,068**	3,275
Post-employment benefits	**363**	312
Other long-term employee benefits	**141**	181
Total key management personnel remuneration expenses[1]	**3,572**	3,768

The total number of key management personnel included in the above table is 7 (2024: 9).

[1]The 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.

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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, it has been determined that there are no related party transactions to be separately disclosed.

12: Current/non-current distinction for assets and liabilities

	2025 $'000	2024 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**38,036**	39,407
Trade and other receivables	**921,433**	591,934
Other non-financial assets	**98,654**	105,338
Total no more than 12 months	**1,058,123**	736,679
More than 12 months		
Other receivables	**721**	2,234
Buildings	**767,268**	930,954
Buildings – leasehold improvements	**221,224**	200,103
Plant and equipment	**174,998**	175,291
Intangibles - computer software	**303,215**	349,298
Other non-financial assets	**9,622**	19,296
Total more than 12 months	**1,477,048**	1,677,176
Total assets	**2,535,171**	2,413,855
Liabilities expected to be settled in:		
No more than 12 months		
Employees	**81,993**	69,460
Suppliers	**208,164**	188,353
Other payables	**5,516**	6,242
Leases	**222,346**	219,850
Employee provisions	**235,271**	224,195
Other provisions	**25,808**	28,846
Total no more than 12 months	**779,098**	736,946
More than 12 months		
Suppliers	**28**	28
Leases	**721,359**	910,741
Employee provisions	**655,106**	603,543
Other provisions	**17,129**	16,555
Total more than 12 months	**1,393,622**	1,530,867
Total liabilities	**2,172,720**	2,267,813

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13: Administered - expenses

	2025 $'m	2024 $'m
Note 13A: Subsidies		
Subsidies in connection with		
Fuel tax credits scheme	**9,813**	9,840
Research and development tax incentive	**4,072**	4,437
Australian screen and digital games production incentive	**1,105**	725
National rental affordability scheme	**33**	90
Product stewardship for oil	**91**	92
Other	**6**	15
Total subsidies	**15,120**	15,199

	2025 $'m	2024 $'m
Note 13B: Personal benefits		
Direct		
Low income superannuation tax offset	**529**	614
Private health insurance rebate	**282**	232
Superannuation co-contribution scheme	**99**	90
Total personal benefits	**910**	936

	2025 $'m	2024 $'m
Note 13C: Impairment of receivables		
Movement in impairment allowance	**6,582**	3,324
Write-offs	**4,978**	6,980
Re-raises	**(639)**	(323)
Total impairment of receivables	**10,921**	9,981

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 year end accrual estimates for material subsidies, personal benefits, superannuation guarantee charge and unclaimed superannuation monies interest.

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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. The Commissioner has deferred recovery action (place on hold) debts deemed not economical to pursue prior to 1 January 2017, pending enactment of an announced legislative change. This has resulted in $81 million of written off taxpayer debts not being offset against available tax credits or refunds in the 2024-25 reporting period (2023-24: $68 million).

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 year-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 year 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 year 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 year end of claims not yet received by comparing all certified productions for the year and respective tax offset amounts already claimed. The estimate assumes the offset amount claimed in the current year 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 year 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 year 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 year 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 year 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 year end for entitlements arising during the reporting period against such contributions. The key assumption of this estimate is that the

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Administered expense	Nature of expense
	characteristics of eligible recipients in the prior processing year will be reflective of the eligible recipients for the current year. During the 2024-25 financial year, the ATO revised the methodology for estimating accrued LISTO expense by incorporating additional experience to better model current year eligibility and entitlements. The effect of this change in accounting estimate at 30 June 2025 is a decrease of $26 million.
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 year 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 year 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 year 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 year 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.

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14: Administered - income

	Primary revenue		Penalties		Interest		Total Revenue	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$'m	$'m	**$'m**	$'m	**$'m**	$'m	**$'m**	$'m
Note 14A: Income tax								
Individuals and other withholding taxes	**341,098**	333,267	**830**	1,066	**4,470**	4,520	**346,398**	338,853
Companies	**138,008**	139,145	**2,682**	369	**1,021**	2,424	**141,711**	141,938
Superannuation funds	**25,819**	12,588	**17**	14	**219**	66	**26,055**	12,668
Fringe benefits tax	**5,150**	4,825	**8**	4	**36**	27	**5,194**	4,856
Petroleum resource rent tax	**1,465**	1,246	**-**	-	**18**	30	**1,483**	1,276
Total income tax	**511,540**	491,071	**3,537**	1,453	**5,764**	7,067	**520,841**	499,591
Note 14B: Indirect tax								
Goods and services tax	**93,691**	88,033	**832**	525	**2,020**	1,771	**96,543**	90,329
Excise duty	**30,856**	29,898	**-**	-	**-**	-	**30,856**	29,898
Wine equalisation tax	**1,130**	1,097	**-**	-	**5**	5	**1,135**	1,102
Luxury car tax	**1,082**	1,228	**1**	-	**5**	2	**1,088**	1,230
Total indirect tax	**126,759**	120,256	**833**	525	**2,030**	1,778	**129,622**	122,559
Note 14C: Other taxes								
Major bank levy	**1,807**	1,655	**-**	-	**2**	1	**1,809**	1,656
Superannuation guarantee charge	**1,344**	1,438	**209**	297	**172**	177	**1,725**	1,912
Offshore petroleum levy	**360**	381	**-**	-	**-**	-	**360**	381
Foreign investment fees	**239**	254	**-**	-	**-**	-	**239**	254
Self managed superannuation fund levy	**165**	145	**-**	-	**-**	-	**165**	145
Other	**16**	13	**19**	11	**-**	-	**35**	24
Total other taxes	**3,931**	3,886	**228**	308	**174**	178	**4,333**	4,372
Note 14D: Non-taxation revenue								
Unclaimed superannuation monies[1]	**249**	(84)	**-**	-	**1**	-	**250**	(84)
Fines	**-**	-	**40**	4	**53**	79	**93**	83
Other	**2**	16	**5**	1	**11**	12	**18**	29
Total non-taxation revenue	**251**	(68)	**45**	5	**65**	91	**361**	28

[1] The credit in prior year was due to outflows of unclaimed superannuation monies exceeding inflows. Refer to the accounting policy below.

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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, hence 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. Further, revenue is recognised when there is sufficient information 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 year 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 year end will be similar to historical observations.
Petroleum resource rent tax (PRRT)	PRRT is recognised based on actual taxable profits for the year in respect of offshore petroleum projects. An estimate is made at year end for assessable dealings which occurred during the reporting period. This is based on actual lodgement and payment information received after year 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 year is consistent with historical patterns. During the 2024-25 financial year, the ATO revised the methodology for estimating accrued GST revenue by incorporating actual lodgment information received after year end, along with an estimate being produced for the remaining expected lodgments. The effect of this change in accounting estimate at 30 June 2025 is an increase of $422 million.

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Administered revenue	Nature of revenue
Excise duty	Excise duty is recognised when certain commodities (excisable goods) are distributed for home consumption. At year 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 year end estimate is based on actual lodgment information received after year 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 year end for amounts outstanding that relate to transactions which occurred during the reporting period. The key assumption of the year end estimate is that the proportion of amounts processed in the following year 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 year 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 year is consistent with historical patterns. During the 2024-25 financial year, the ATO revised the methodology for estimating accrued LCT revenue by incorporating actual lodgment information received after year end, reducing the reliance on extrapolation to a small proportion of the population. The effect of this change in accounting estimate at 30 June 2025 is a decrease of $33 million.
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 year 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 year 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. From 28 May 2025, revenue attributable to non-residential fees in relation to commercial property has been recognised by the Treasury. 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 year 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 year end for SMSF levies incurred during the reporting period but have not yet been lodged. The key assumptions of the estimate are lodgment rates

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Administered revenue	Nature of revenue
	of registered SMSFs and a consistent lodgment timing pattern between years.
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 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 year 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 year 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 years. The estimate for USM outflows assumes claims will reflect observed prior year processing patterns.

Administered revenue recognised on a TLM basis

Administered revenue	Nature of revenue
Income tax - individuals	Individuals income tax includes income tax withholding, income tax instalments, income tax payments, Medicare levy, and income tax refunds. Income tax withholding represents amounts withheld from remuneration paid during the year. Other individuals includes income tax instalments for the year and prior year final tax returns received by the ATO during the year. Income tax refunds are made where tax credits exceed the final liability on assessment. Refunds include prior year refunds made or assessed during the year. Individuals income tax does not include estimates of revenue or refunds related to the current taxation year that will be recognised in tax returns lodged after the end of the current financial year.
Income tax - companies	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. It does not include estimates of revenue related to the current taxation year that will be recognised in tax returns lodged after the end of the current financial year.

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Administered revenue recognised on a TLM basis

Administered revenue	**Nature of revenue**
Income tax - superannuation funds	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. It does not include estimates of revenue related to the current taxation year that will be recognised in tax returns lodged after the end of the current financial year.
Superannuation guarantee charge	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.

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 emerging 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 financial year 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

	2025 $'m	2024 $'m
Note 15A: Receivables		
Direct tax		
Individuals	**50,855**	45,555
Company	**19,209**	17,000
Superannuation	**1,176**	745
Petroleum resource rent tax	**231**	238
Fringe benefits tax	**216**	192
Total direct tax	**71,687**	63,730
Indirect tax		
Goods and services tax	**21,869**	19,357
Excise duty	**179**	282
Wine equalisation tax	**126**	125
Luxury car tax	**50**	31
Total indirect tax	**22,224**	19,795
Other tax		
Superannuation guarantee charge	**3,952**	3,697
Self managed superannuation fund levy	**106**	97
Foreign investment fees	**13**	13
Other	**30**	35
Total other tax	**4,101**	3,842
Non-taxation		
Fines	**375**	307
JobKeeper receivables[1]	**37**	47
Unclaimed superannuation monies	**10**	8
Foreign investment review board infringements	**2**	1
Total non-taxation	**424**	363
Total receivables (gross)	**98,436**	87,730
Less: Impairment allowance	**(49,818)**	(43,236)
Allowance for credit amendments	**(6,820)**	(6,100)
Total receivables (net)	**41,798**	38,394

[1] JobKeeper receivables relate to overpaid JobKeeper payments yet to be recovered.

Australian Taxation Office
Notes to and forming part of the financial statements

	2025	2024
	$'m	$'m
Note 15B: Accrued revenue		
Direct tax		
Fringe benefits tax	**1,310**	1,096
Petroleum resource rent tax	**258**	283
Total direct tax	**1,568**	1,379
Indirect tax		
Goods and services tax	**18,220**	15,905
Excise duty	**240**	579
Wine equalisation tax	**117**	120
Luxury car tax	**109**	130
Total indirect tax	**18,686**	16,734
Other revenue		
Major bank levy	**467**	426
Unclaimed superannuation monies	**188**	178
Offshore petroleum levy	**355**	368
Self managed superannuation fund levy	**57**	43
Total other revenue	**1,067**	1,015
Total accrued revenue	**21,321**	19,128

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.

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.

Australian Taxation Office
Notes to and forming part of the financial statements

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	Superannuation guarantee payments	Unclaimed superannuation payments	Unclaimed superannuation monies interest	Interest on overpayment of taxes	Other refunds	Total
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
As at 1 July 2024	6,145	1,202	2,213	6	577	688	72	138	14	**11,055**
Additional provisions made	6,093	1,006	1,752	27	1,414	352	13	70	16	**10,743**
Amounts used	(5,805)	(985)	(1,954)	(6)	(1,100)	(376)	(64)	(41)	(14)	**(10,345)**
Amounts reversed or remeasured	(143)	(103)	(194)	-	(311)	(26)	35	(4)	-	**(746)**
Total as at 30 June 2025	**6,290**	**1,120**	**1,817**	**27**	**580**	**638**	**56**	**163**	**16**	**10,707**

Australian Taxation Office
Notes to and forming part of the financial statements

17: Administered - contingent liabilities

	Tax in dispute	
	2025	2024
	$'m	$'m
Contingent liabilities		
Balance from previous period	**11,742**	10,110
New contingent liabilities recognised	**5,485**	3,727
Re-measurement	**949**	(267)
Obligations expired	**(3,381)**	(1,828)
Total contingent liabilities	**14,795**	11,742

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

	2025	2024
	$'m	$'m
Assets expected to be recovered in:		
No more than 12 months		
Cash	**674**	649
Receivables	**26,625**	21,596
Accrued revenue	**19,387**	17,608
Total no more than 12 months	**46,686**	39,853
More than 12 months		
Receivables	**15,173**	16,798
Accrued revenue	**1,934**	1,520
Total more than 12 months	**17,107**	18,318
Total assets	**63,793**	58,171
Liabilities expected to be settled in:		
No more than 12 months		
Payables		
Subsidies	**40**	74
Personal benefits	**17**	14
Superannuation guarantee charge	**117**	106
Taxation refunds due	**2,463**	2,175
Superannuation holding account	**22**	22
Other payables	**1**	3
Provisions		
Subsidies	**6,084**	5,979
Personal benefits	**1,008**	1,046
Income taxation refunds	**1,817**	2,213
Indirect taxation refunds	**27**	6
Superannuation guarantee payments	**580**	577
Unclaimed superannuation payments	**386**	403
Unclaimed superannuation monies interest	**25**	33
Interest on overpayment of taxes	**163**	138
Other refunds	**16**	14
Total no more than 12 months	**12,766**	12,803
More than 12 months		
Payables		
Superannuation holding account	**71**	64
Provisions		
Subsidies	**206**	166
Personal benefits	**112**	156
Unclaimed superannuation payments	**252**	285
Unclaimed superannuation monies interest	**31**	39
Total more than 12 months	**672**	710
Total liabilities	**13,438**	13,513

Australian Taxation Office
Notes to and forming part of the financial statements

19: Appropriations

Note 19A: Annual appropriations

Annual appropriations for 2025

	Annual appropriation	Adjustments to appropriation[1]	Total appropriation	Appropriation applied in 2025 (current and prior years)	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 year 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 year of $4,573,692
- less accrued advertising campaign expenses of $259,668 from the prior year drawn down in the current year.

[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 year 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

Annual appropriations for 2024

	Annual appropriation	Adjustments to appropriation[1]	Total appropriation	Appropriation applied in 2024 (current and prior years)	Variance[2]
	$'000	$'000	$'000	$'000	$'000
Departmental					
Ordinary annual services[3]	4,054,629	185,934	4,240,563	(4,219,397)	21,166
Capital budget[4]	125,594	-	125,594	(117,627)	7,967
Other services					
Equity[5]	26,174	-	26,174	(8,935)	17,239
Total departmental	4,206,397	185,934	4,392,331	(4,345,959)	46,372
Administered					
Ordinary annual services[2]	6,266	-	6,266	(216)	6,050
Total administered	6,266	-	6,266	(216)	6,050

[1] Adjustments to appropriation includes adjustments to current year 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 exceeding the level of forecast expenditure during the period, and the overall timing of expenses and accruals.

Administered variance is due to unspent annual appropriation as at 30 June 2024 of $6,050,473 ($259,668 was appropriated in the 2024-25 financial year).

[3] Departmental annual appropriation includes $18,478,000 transferred to the ACNC special account, and $1,804,000 withheld from Appropriation Act (No. 1) 2023/24 under section 51 of the PGPA Act.

Administered ordinary annual appropriation includes $5,576,000 withheld from Appropriation Act (No. 1) 2023/24 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 year was $125,594,000 as per the 2023-24 Portfolio Budget Statements.

[5] Equity annual appropriation includes $5,387,000 withheld from Appropriation Act (No. 2) 2023/24 under section 51 of the PGPA Act.

Australian Taxation Office
Notes to and forming part of the financial statements

Note 19B: Unspent annual appropriations

	2025 $'000	2024 $'000
Departmental		
Appropriation Act (No. 1) 2021/22	**-**	12,827
Appropriation Act (No. 1) 2021/22-DCB	**-**	18,100
Appropriation Act (No. 2) 2021/22	**-**	50,294
Appropriation Act (No. 4) 2021/22	**-**	6,296
Supply Act (No. 2) 2022/23[1,3]	**8,973**	8,973
Supply Act (No. 4) 2022/23[2,3]	**12,722**	12,953
Appropriation Act (No. 1) 2022/23[3,4]	**36,352**	36,352
Appropriation Act (No. 2) 2022/23[3]	**125**	125
Appropriation Act (No. 1) 2023/24[5]	**1,804**	403,041
Appropriation Act (No. 1) 2023/24-DCB	**28,162**	107,655
Appropriation Act (No. 2) 2023/24[6]	**23,671**	24,481
Appropriation Act (No. 1) 2024/25-Cash	**23,326**	26,270
Appropriation Act (No. 1) 2024/25	**575,586**	-
Appropriation Act (No. 1) 2024/25-DCB	**122,695**	-
Appropriation Act (No. 2) 2024/25[7]	**20,282**	-
Appropriation Act (No. 3) 2024/25	**79,325**	-
Appropriation Act (No. 4) 2024/25	**13,207**	-
Total unspent departmental appropriations	**946,230**	707,367

Administered	2025 $'000	2024 $'000
Appropriation Act (No.1) 2021-22[8]	**-**	5,361
Appropriation Act (No.3) 2021-22[9]	**-**	2,365
Supply Act (No.3) 2022-23[10 13]	**3,710**	3,710
Appropriation Act (No.1) 2022-23[11 13]	**4,997**	4,997
Appropriation Act (No.1) 2023-24[12]	**5,791**	6,050
Appropriation Act (No.1) 2024-25	**4,574**	-
Total unspent administered appropriations	**19,072**	22,483

1 $8,547,000 has been withheld under section 51 of the PGPA Act.

2 $6,346,000 has been withheld under section 51 of the PGPA Act.

3 Total unspent departmental appropriation of $58,172,495 will lapse on 1 July 2025.

4 $36,352,000 has been withheld under section 51 of the PGPA Act.

5 $1,804,000 has been withheld under section 51 of the PGPA Act.

6 $5,387,000 has been withheld under section 51 of the PGPA Act.

7 $265,000 has been withheld under section 51 of the PGPA Act.

8 $5,360,776 removed through 2021-22 Annual Appropriation Acts repealed at the start of 1 July 2024.

9 $2,364,820 removed through 2021-22 Annual Appropriation Acts repealed at the start of 1 July 2024.

10 $3,709,735 has been withheld under section 51 of the PGPA Act.

11 $4,997,000 has been withheld under section 51 of the PGPA Act.

12 $5,576,000 has been withheld under section 51 of the PGPA Act.

13 $8,706,735 unspent administered appropriation will lapse on 1 July 2025.

The total adjustments made to all prior years unspent departmental and administered annual appropriations under section 74 of the PGPA Act is nil.

The total adjustments made to all prior years unspent departmental and administered annual appropriations under section 75 of the PGPA Act is nil.

Australian Taxation Office
Notes to and forming part of the financial statements

Note 19C: Special appropriations

Authority	Appropriation applied 2025 $'000	Appropriation applied 2024 $'000
Taxation Administration Act 1953 - section 16[1]	**167,918,036**	166,899,124
Product Grants and Benefits Administration Act 2000 - section 55	**90,237**	91,950
Superannuation Guarantee (Administration) Act 1992 - section 71	**1,143,917**	954,536
Small Superannuation Accounts Act 1995 - section 76(9)	**194**	100
Public Governance, Performance and Accountability Act 2013 - section 77	**99,485**	123,966
Total	**169,251,869**	168,069,676

[1] The Department of Home Affairs made payments of $318,721,107 (2024: $279,831,761) from the Consolidated Revenue Fund on behalf of the ATO.

Accounting policy

Appropriations provide a legislative basis to issue refunds. The amounts disclosed above represent the actual refunds paid by appropriation source for the financial year.

Australian Taxation Office
Notes to and forming part of the financial statements

Note 19D: Compliance with statutory conditions for payments from the Consolidated Revenue Fund

Amounts paid out of the Consolidated Revenue Fund under section 83 of the Commonwealth of Australia Constitution Act (section 83), must be supported by an appropriation made by law.

Rarely, contrary to section 83, amounts are paid in the absence of an appropriation. While preventative controls are in place, it is impossible to fully remove the risk of such payments being made, due to the nature of some transactions.

For the period 1 July 2024 to 30 June 2025, the following payments may have occurred contrary to section 83.

Appropriations identified as subject to conditions	Total amount of payments $	Review complete	Breaches identified #	Amount recovered $	Amount to be recovered $	Remedial action taken
Small Business Superannuation Clearing House Special Account	220,588.24	Yes	47	122,256.61	98,331.63	Control

For the period 1 July 2018 to 30 June 2024, the following payments may have occurred contrary to section 83 and have not previously been reported.

Appropriations identified as subject to conditions	Total amount of payments $	Review complete	Breaches identified #	Amount recovered $	Amount to be recovered $	Remedial action taken
Small Business Superannuation Clearing House Special Account	138,763.77	Yes	83	89,451.55	49,312.22	Control

The ATO performs annual risk assessments to proactively manage the risk of making payments contrary to section 83.

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 Practioners Board Special Account[2]		Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office (Comcare receipts)[3]	
	2025	2024	**2025**	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**13,137**	14,644	**-**	-	**-**	-
Increases	**20,511**	18,885	**41,300**	-	**-**	6
Decreases	**(23,563)**	(20,392)	**(36,675)**	-	**-**	(6)
Total balance carried to the next period	**10,085**	13,137	**4,625**	-	**-**	-
Balance represented by:						
Cash held in entity bank accounts	**667**	1,178	**1,093**	-	**-**	-
Cash held in the Official Public Account	**9,418**	11,959	**3,532**	-	**-**	-
Total balance carried to the next period	**10,085**	13,137	**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.

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.

Australian Taxation Office
Notes to and forming part of the financial statements

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]	
	2025	2024	**2025**	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**86,148**	81,505	**2,150**	2,165	**242,412**	232,090
Increases	**32,499**	23,131	**1,141**	5,258	**6,099,354**	5,904,571
Decreases	**(25,189)**	(18,488)	**(3,287)**	(5,273)	**(6,100,964)**	(5,894,249)
Total balance carried to the next period	**93,458**	86,148	**4**	2,150	**240,802**	242,412
Balance represented by:						
Cash held in entity bank accounts	**10**	3	**-**	-	**58,683**	61,254
Cash held in the Official Public Account	**93,448**	86,145	**4**	2,150	**182,119**	181,158
Total balance carried to the next period	**93,458**	86,148	**4**	2,150	**240,802**	242,412

[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.

$2,150,119 of unidentified receipts and unclaimed monies were transferred from the SOETM Special Account to the Consolidated Revenue Fund in 2024-25.

The full closing balance of the Special Account is held on trust for both the current and comparative financial years.

[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 financial years.

Australian Taxation Office
Notes to and forming part of the financial statements

21: Regulatory charging summary

Receipts subject to cost recovery policy	2025 $m	2024 $m
Amounts applied		
Departmental		
Annual appropriations	**50**	58
Total amounts applied	**50**	58
Expenses		
Departmental	**50**	58
Total expenses	**50**	58
Revenue		
Administered	**-**	12
Departmental	**5**	-
Total revenue	**5**	12

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 and 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).

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 Cost Recovery Implementation Statement for TPB application fees is available on the Tax Practitioners Board website.

Australian Taxation Office
Notes to and forming part of the financial statements

22: Restructuring

The cessation of the Modernising Business Registers (MBR) Program saw the responsibility for registry services (including company and business name registrations) move from the ATO to ASIC in two stages. Employees (and associated employee provisions) were transferred on 10 April 2025, following the initial transfer of assets and liabilities in 2023-24.

Departmental restructuring	**2025 Modernising Business Registers Australian Securities and Investments Commission $'000**	2024 Modernising Business Registers Australian Securities and Investments Commission $'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Buildings	**-**	4,440
Buildings - leasehold improvements	**-**	2,070
Plant and equipment	**-**	242
Total assets relinquished	**-**	6,752
Liabilities relinquished		
Employee provisions	**5,028**	-
Leases	**-**	4,636
Other provisions	**-**	531
Total liabilities relinquished	**5,028**	5,167
Net assets/(liabilities) relinquished	**(5,028)**	1,585

7 Appendices

List of Appendices

Appendix 1: Laws conferring powers on the Commissioner

The Commissioner of Taxation has responsibilities under a wide range of laws[13]. The main tax and superannuation laws conferring powers or functions on the Commissioner in 2024–25 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*
- *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020*
- *Business Names Registration Act 2011*
- *Commonwealth Places Windfall Tax (Collection) Act 1998*
- *Coronavirus Economic Response Package (Payments and Benefits) Act 2020*
- *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*
- *Register of Foreign Ownership of Water or Agricultural Land Act 2015*
- *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.*

13 The annual reporting 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 our service. 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 client experience survey results. The survey uses a 5-point rating scale between 'Strongly disagree' and 'Strongly agree'. The result is a calculation of 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, 2024–25

Charter element	Relevant client experience survey question	2024–25 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?	
	• The ATO was fair in how it administers the tax, superannuation and registry systems.	51%
	• The ATO treated me with respect.	73%
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?	
	• The ATO provided me with information that was easy to understand.	59%
	• The ATO was responsive.	59%
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?	
	• The ATO was helpful.	58%
	• The ATO considered my circumstances.	51%
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?	62%
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?	
	• The ATO explained my options.	53%
	• The ATO kept me informed.	49%

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.

Table 7.2 provides a breakdown of complaints received in 2024–25 against its associated ATO Charter commitment.

Table 7.2 Complaints received, by ATO Charter commitment, 2024–25

ATO Charter commitment	Number of complaints received in 2024–25 – associated with the ATO Charter commitment
Fair and reasonable treatment	3,613
Professional service	37,340
Support and assistance	2,778
Security of data and privacy	482
Keep you informed	3,936
Unassigned (no commitment recorded)[(a)]	2,757
Total	**50,906**

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 2024–25, we provided public advice and guidance on a number of priority items, including in relation to:

- new law on thin capitalisation
- the application of the goods and services tax to supplies of prepared meals and sunscreen
- trust integrity rules about trust property not previously taxed in Australia
- the addition of water to beer and perry or cider for excise purposes
- the anti-avoidance rules and personal services businesses
- superannuation and non-arm's length income
- suspected fraud involving unconnected third parties
- the operation of integrity rules in relation to related company loans
- financial advice fees for superannuation funds and individuals
- charging costs for electric vehicles
- new law on an integrity measure in relation to franked distributions
- changes to the promoter penalty laws.

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.

The following tables provide details of the public advice and guidance we have published to assist people to understand their tax and superannuation obligations.

The ATO provides advice in public rulings and a range of other product types, including those shown in Table 7.3. Timeliness of our public rulings is presented in Table 7.4.

Table 7.3 Key public advice and guidance products, 2022–23 to 2024–25

Product	2022–23	2023–24	2024–25
Public rulings (including significant addenda)[a]	31	32	35
Class rulings	87	74	84
Product rulings	15	27	18
Practical compliance guidelines (including significant updates)[b]	14	9	11
Taxpayer alerts	3	3	3
Decision impact statements	8	13	11
Synthesised texts of the Multilateral Instrument and Australian tax treaties	1	4	4
Total	**159**	**162**	**166**

Notes

(a) Includes both draft and final rulings, excludes class and product rulings.

(b) Includes both draft and final guidelines.

Table 7.4 Timeliness[(a)] of draft public rulings finalised, 2024–25

Product	Number	0–6 months	7–12 months	Over 12 months
Taxation rulings and determinations[(b)]	11	5	3	3
Annual rulings	4	All published within tax time requirements	n/a	n/a

Notes
(a) Timeliness refers to the time taken to finalise following the end of the public consultation period.
(b) Excludes class and product rulings.

Appendix 4: Dispute management

In 2024–25, we resolved over 25,000 objections. There were 509 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 decisions made either in relation to these applications or applications made in earlier years.

Table 7.5 presents information on the numbers and types of our dispute cases.

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	380
• 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	509
Part IVC cases resolved prior to court hearing	169	250	249
Part IVC cases proceeded to decision	107	194	131
New Part IVC matters in proportion to objections	14.9 per thousand	12.5 per thousand	16.3 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.

Settlement cases reviewed under our Independent Assurance of Settlements Program for 2024–25 are shown in Table 7.6. 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 7.6 Settlement cases reviewed by our Independent Assurance of Settlements program during 2024–25[a]

Settlement cases	ATO position $m	Settled position $m	Variance $m	Variance %
17[b]	2,166.8	1,487.8	679.0	31.3

Notes
(a) Totals may differ from the sum of components due to rounding.
(b) Of the 17 cases, 16 were found to be a fair and reasonable outcome for the Australian community. One settlement did not meet the documentation standards required to support the settlement decision, and was therefore found not to be fair and reasonable. We have made process improvements to address learnings from that finding.

The ATO will settle a disputed tax liability where we consider it consistent with good management of the tax systems. 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 7.7 and 7.8 provide more detail on settlements that occurred during 2024–25.

Table 7.7 Stage at which settlement occurred, 2024–25[a][b]

Stage	Settlement cases	% of total settlements	ATO position $m	Settled position $m	Variance $m	Variance %
Pre-audit	25	9.5	56.8	38.8	18.1	31.8
Audit	137	52.3	1,382.5	1,029.7	352.8	25.5
Objection	33	12.6	155.2	94.7	60.5	39.0
Administrative Review Tribunal	54	20.6	33.0	17.4	15.6	47.2
Federal Court	13	5.0	170.8	74.8	96.0	56.2
Total	**262**	**100**	**1,798.3**	**1,255.4**	**543.0**	**30.2**

Notes
(a) Variance calculations are based on exact figures.
(b) Totals may differ from the sum of components due to rounding.

Table 7.8 Settlements by group, 2024–25[a][b]

Group	Settlement cases	% of total settlements	ATO position $m	Settled position $m	Variance $m	Variance %
Individuals[c]	3	1.1	0.1	0.0	0.1	95.6
Small business	15	5.7	16.9	10.3	6.6	39.0
Privately owned and wealthy groups	193	73.7	324.3	256.3	68.0	21.0
Public and multinational businesses	33	12.6	1,264.0	811.4	452.6	35.8
APRA-regulated superannuation funds	1	0.4	186.8	173.3	13.5	7.2
Self-managed superannuation funds	16	6.1	6.0	4.0	2.0	33.5
Not-for-profit: Charities	1	0.4	0.2	0.1	0.1	42.0
Total	**262**	**100**	**1,798.3**	**1,255.4**	**543.0**	**30.2**

Notes
(a) Variance calculations are based on exact figures.
(b) Totals may differ from the sum of components due to rounding.
(c) The Individuals group does not include those who are in business – for example, sole traders.

Appendix 5: Legal services expenditure

In 2024–25, our total legal expenditure decreased by $1.3 million (1.2%) when compared to the previous year.

Our internal legal services costs were $1.2 million (2.6%) higher than 2023–24 due to increases in staff costs and salaries ($1.8 million), offset by a reduction in total overhead costs ($0.6 million).

External expenditure decreased by around $2.5 million (3.6%). While external supplier spends relating to debt litigation and tax technical legal matters were consistent with the prior financial year, a lower spend on commercial and general law expenses offset the increased internal legal cost.

Table 7.9 Legal services expenditure, 2024–25[(a)(b)]

Type of expenditure	$
Total costs recovered	**9,720,754**
Briefs to counsel	18,123,176
Disbursements (excluding counsel)	21,933,437
Professional fees paid	26,660,287
External legal services expenditure[(c)]	**66,716,900**
Internal legal services expenditure[(d)]	**45,892,449**
Total (external and internal expenditure)	**112,609,349**

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 $719,036. Total internal legal services expenditure for the TPB was $3,488,237. Total ACNC external legal services expenditure was $119,085. Total internal legal services expenditure for the ACNC was $1,167,461.

(b) External expenditure in this table excludes GST.

(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 7.10 Number and value of briefs to counsel, 2024–25[(a)(b)]

Type of brief	New briefs	Total briefs	Value $
Briefs to senior counsel			
Direct briefs to male senior counsel	65	97	1,727,463
Direct briefs to female senior counsel	47	84	1,089,649
Indirect briefs to male senior counsel	101	209	6,134,030
Indirect briefs to female senior counsel	83	183	4,467,881
Total senior	**296**	**573**	**13,419,023**
Briefs to junior counsel			
Direct briefs to male junior counsel	58	95	1,042,494
Direct briefs to female junior counsel	48	64	648,406
Indirect briefs to male junior counsel	69	132	2,044,353
Indirect briefs to female junior counsel	30	63	968,900
Total junior	**205**	**354**	**4,704,153**
Total	**501**	**927**	**18,123,176**

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 2024–25, 79% 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% 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*.

Table 7.11 lists strategic cases decided by the courts, the former Administrative Appeals Tribunal and the Administrative Review Tribunal in 2024–25 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 2025.

Those marked with an asterisk (*) were funded by the ATO under the Test Case Litigation Program 2024–25. 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 7.11 Strategic cases, 2024–25

Matter	Issue	Outcome
Fringe benefits tax cases		
**Commissioner of Taxation v SEPL Pty Ltd as trustee of the SFT Trust* [2025] FCA 581	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 Federal Court allowed the Commissioner's appeal. The taxpayer has appealed to the Full Federal Court.
Toowoomba Regional Council v Commissioner of Taxation [2025] FCA 161	Whether the shopping centre's car parking facility is a 'commercial parking station' for the purposes of the *Fringe Benefits Tax Assessment Act 1986*.	The Federal Court allowed the taxpayer's appeal. The Commissioner has appealed to the Full Federal Court. *The appeal is test case funded.
Goods and services tax cases		
SFQV and Commissioner of Taxation [2024] ARTA 9	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.	The Administrative Review Tribunal dismissed the taxpayer's appeal. The taxpayer has appealed to the Federal Court. The matter has been referred to the Full Federal Court.
Income tax cases – trusts		
Collie v Commissioner of Taxation [2024] FCAFC 172; *Grant v Commissioner of Taxation* [2024] FCAFC 173	Whether trust income was assessable income of the taxpayer. Whether the arrangement for appointment of the trust income to a company with losses gave rise to a tax benefit under the general anti-avoidance rule.	The Full Federal Court allowed the taxpayer's appeal. The Full Federal Court has remitted the matter back to the Administrative Review Tribunal to be reheard.
**Commissioner of Taxation v Bendel* [2025] HCADisp 124; [2025] FCAFC 15	Whether a corporate beneficiary with an unpaid present entitlement has made a loan or provided financial accommodation to the trustee.	The Full Federal Court allowed the taxpayer's appeal. The High Court of Australia granted the Commissioner's application for special leave to appeal. *The appeal is test case funded.

Table 7.11 Strategic cases, 2024–25 *continued*

Matter	Issue	Outcome
Commissioner of Taxation v Liang [2025] HCADisp 117; [2025] FCAFC 4	Whether the Tribunal misapplied the onus of proof provision in circumstances where deposits into a trustee's bank account were not explained.	The Full Federal Court dismissed the taxpayer's appeal. The High Court of Australia refused the taxpayer's application for special leave to appeal.
Michael John Hayes Trading Pty Ltd as trustee of the MJH Trading Trust & Ors v Commissioner of Taxation [2024] HCASL 268	Whether a scheme was by way of, or in the nature of, a dividend stripping operation.	The High Court of Australia refused the taxpayer's application for special leave. The matter has been remitted back to the Administrative Review Tribunal for reconsideration.
Robson as trustee for the bankrupt estate of Lanning v Commissioner of Taxation [2024] FCA 720	Whether a trustee in bankruptcy was liable to tax on the disposal of capital gains tax assets, being real property owned by the bankrupt.	The Federal Court dismissed the taxpayer's appeal.
Income tax cases – other		
Aitken v Commissioner of Taxation [2025] FCA 372	Whether capital gains tax arises from the exercise of a Put Option and execution of novation deed in relation to forestry interest held by the taxpayer.	The Federal Court dismissed the taxpayer's appeal. The taxpayer has appealed to the Full Federal Court.
Alcoa of Australia and Commissioner of Taxation [2025] ARTA 482	Whether the taxpayer received less than arm's length consideration in relation to supplies of alumina to an offshore smelter through intermediaries under the former transfer pricing provisions.	The Administrative Review Tribunal allowed the taxpayer's appeal.
Ausnet Services Limited v Commissioner of Taxation [2025] FCAFC 21	Whether a valid rollover election was made with respect to a restructure involving a stapled group.	The Full Federal Court dismissed the taxpayer's appeal. The taxpayer has applied for special leave to appeal to the High Court of Australia.
BSKF and Commissioner of Taxation [2024] AATA 3377	Whether the general anti-avoidance rule applies to deny franking credits on distributions.	The Administrative Review Tribunal found that the general anti-avoidance rule applied, but allowed the taxpayer's review in part, correcting the calculation of the taxpayer's taxable income. The taxpayer has appealed to the Federal Court.
Buzadzic v Commissioner of Taxation [2024] HCASL 244	Whether the Tribunal misapplied the onus of proof and misconstrued 'ordinary income'.	The High Court of Australia refused the taxpayer's special leave application.
CBRX and Commissioner of Taxation [2025] ARTA 768	Whether an offshore worker is entitled to claim deductions for work-related travel expenses due to quarantining requirements in Western Australia during the pandemic.	The Administrative Review Tribunal found that the taxpayer was not entitled to the travel expenses, but allowed the taxpayer's review in part, accepting the taxpayer was entitled to deductions for home office expenses.
**Charles Apartments Pty Limited v Commissioner of Taxation* [2025] FCA 461	Whether the Tribunal had correctly applied the 'nexus' in determining whether the taxpayer was entitled to interest expenses.	The Federal Court dismissed the taxpayer's appeal and allowed the Commissioner's cross-appeal. The taxpayer has appealed to the Full Federal Court.
Cheung v Commissioner of Taxation [2024] FCA 1370	Whether deposits made over an 11-year period from an overseas business owned by a relative were income under ordinary concepts.	The Federal Court allowed the taxpayer's appeal. The Commissioner has appealed to the Full Federal Court.

Table 7.11 Strategic cases, 2024–25 *continued*

Matter	Issue	Outcome
**Hall and Commissioner of Taxation* [2025] ARTA 600	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 Administrative Review Tribunal allowed the taxpayer's review. The Commissioner has appealed to the Federal Court. The matter has been referred to the Full Federal Court. *The appeal is test case funded.
Merchant v Commissioner of Taxation [2025] FCAFC 56	Whether the general anti-avoidance rule applies to deny a tax benefit where company profits were reduced through debt forgiveness to another company.	The Full Federal Court allowed the taxpayer's appeal in part. The Commissioner and the taxpayer have both applied for special leave to appeal to the High Court of Australia.
Morton v Commissioner of Taxation [2025] FCA 336	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.	The Federal Court allowed the taxpayer's appeal. The Commissioner has appealed to the Full Federal Court.
Shaw and Commissioner of Taxation [2025] ARTA 224	Whether the taxpayer was entitled to deductions for meal expenses. Whether an exception to the requirement to substantiate the meal expenses applied.	The Administrative Review Tribunal allowed the taxpayer's review. The Commissioner has appealed to the Federal Court. *The appeal is test case funded.
Singapore Telecom Australia Investments Pty Ltd v Commissioner of Taxation [2024] HCAtrans 74	Whether the lending arrangements between the taxpayer and an offshore related entity gave rise to a transfer pricing benefit.	The High Court of Australia refused the taxpayer's application for special leave.
Sladden v Commissioner of Taxation [2024] FCAFC 122	Whether a lump sum settlement payment made by an insurer under a deed of release is assessable income.	The Full Federal Court dismissed the taxpayer's appeal.
Tabcorp Maxgaming Holding Limited v Commissioner of Taxation [2025] FCA 115	Whether the taxpayer is entitled to a deduction for a financial arrangement balancing adjustment loss for part or all payments made under Victoria gambling legislation.	The Federal Court dismissed the taxpayer's appeal. The taxpayer has appealed to the Full Federal Court.
Luxury car tax cases		
Automotive Invest Pty Limited v Commissioner of Taxation [2024] HCA 36	Whether motor vehicles displayed in a museum and available for sale were held as trading stock and for no other purpose.	The High Court of Australia allowed the taxpayer's appeal.
**Commissioner of Taxation v Patrix Prestige Pty Ltd* [2024] FCAFC 148	Whether the taxpayer is entitled to a decreasing luxury car tax adjustment with respect to new and used cars sold under 'quote'. Whether the GST general anti-avoidance rule applies to disallow the decreasing adjustment.	The Full Federal Court allowed the Commissioner's appeal and the taxpayer's cross-appeal. The Full Federal Court has remitted the matter back to the Administrative Review Tribunal to be reheard.
Petroleum resource rent tax cases		
Esso Australia Resources Pty Ltd v Commissioner of Taxation [2024] FCAFC 151	Whether monthly reservation fees or a settlement sum were assessable tolling receipts or assessable property receipts for the purposes of petroleum resource rent tax.	The Full Federal Court allowed the Commissioner's appeal.

Table 7.11 Strategic cases, 2024–25 *continued*

Matter	Issue	Outcome
Superannuation cases		
****Commissioner of Taxation v Hatfield Plumbing Pty Ltd (Trustee)*** [2025] FCA 182; ***The Trustee for the Peter Hatfield Trust and Commissioner of Taxation*** [2024] AATA 3428	Whether the taxpayer was an employee under the extended meaning of 'employee' under the *Superannuation Guarantee (Administration) Act 1992*.	The Administrative Review Tribunal allowed the taxpayer's review. The Federal Court dismissed the Commissioner's appeal. The Commissioner has appealed to the Full Federal Court. *The appeal is test case funded.
XGDM and Commissioner of Taxation [2025] ARTA 57	Whether the taxpayer's interest in the Commonwealth Superannuation Scheme exceeded the general transfer balance cap, such that the taxpayer's non-concessional contributions attracted excess non-concessional contributions tax.	The Administrative Review Tribunal dismissed the taxpayer's review.
Taxation administration cases		
Oracle Corporation Australia Pty Ltd v Commissioner of Taxation (Stay Application) [2024] FCA 1262	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 Federal Court dismissed the taxpayer's interlocutory application. The taxpayer has appealed to the Full Federal Court.
Withholding tax cases		
Commissioner of Taxation v PepsiCo, Inc [2024] HCASL 298; [2024] HCASL 300-301	Whether the taxpayer received a royalty from an Australian entity for the use of the taxpayer's intellectual property.	The High Court of Australia granted the Commissioner's application for special leave to appeal.
Commissioner of Taxation v Stokely-Van Camp, Inc [2024] HCASL 299, 302-303	Whether the taxpayer received a diverted profits tax benefit in the form of not being subject to royalty withholding tax.	*The Commissioner's appeal is test case funded.

Appendix 7: Debt management

Tables 7.12 and 7.13 show statistics on debt holdings, followed by a breakdown of outstanding collectable taxpayer debts in Tables 7.14 and 7.15. Statistics on debt not pursued are provided in Table 7.16.

The value of debt holdings increased in 2024–25, and this increase was more prevalent across those taxpayer groups most impacted by ongoing cashflow management issues in a challenging economic environment.

Small businesses continue to account for the majority of collectable debt and remain a key focus of our payment strategies.

Table 7.12 Value of debt holdings by group, 2022–23 to 2024–25[(a)(b)]

Activity	2022–23 $b	2023–24 $b	2024–25 $b
Individuals			
• collectable debt	5.1	4.7	5.3
• debt subject to objection or appeal	0.6	0.5	0.3
• insolvency debt	0.6	0.6	0.8
• non-pursued uneconomical	n/a	n/a	1.4
Small business			
• collectable debt	33.4	35.2	35.9
• debt subject to objection or appeal	1.2	1.3	1.7
• insolvency debt	6.4	8.7	10.8
• non-pursued uneconomical	n/a	n/a	4.5
Privately owned and wealthy groups			
• collectable debt	9.8	10.3	11.2
• debt subject to objection or appeal	6.5	7.8	8.5
• insolvency debt	3.8	4.3	6.2
• non-pursued uneconomical	n/a	n/a	0.2
Public and multinational businesses			
• collectable debt	1.2	2.0	1.2
• debt subject to objection or appeal	7.7	8.6	10.5
• insolvency debt	0.5	0.5	0.5
• non-pursued uneconomical	n/a	n/a	0.0
Not-for-profit organisations			
• collectable debt	0.2	0.3	0.3
• debt subject to objection or appeal	0.0	0.5	1.1
• insolvency debt	0.0	0.0	0.1
• non-pursued uneconomical	n/a	n/a	0.0
Self-managed superannuation funds			
• collectable debt	0.4	0.4	0.4
• debt subject to objection or appeal	0.1	0.1	0.1
• insolvency debt	0.0	0.0	0.0
• non-pursued uneconomical	n/a	n/a	0.1

Table 7.12 Value of debt holdings by group, 2022–23 to 2024–25[a][b] *continued*

Activity	2022–23 $b	2023–24 $b	2024–25 $b
Superannuation funds			
• collectable debt	0.0	0.0	0.0
• debt subject to objection or appeal	0.0	0.1	0.3
• insolvency debt	0.0	0.0	0.0
• non-pursued uneconomical	n/a	n/a	0.0

Notes

(a) 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 7.13 as it includes main revenue types only.

(b) Only non-pursued uneconomical debts included in taxpayer account balances are reported. As debts on hold are progressively added to accounts throughout 2025–26, reported values will increase in future years.

As a proportion of total debt, the representation of activity statement debt, income tax debt and superannuation guarantee charge debt has remained reasonably consistent over time.

Table 7.13 Value of debt holdings by main revenue type, 2022–23 to 2024–25[a][b]

Activity	2022–23 $b	2023–24 $b	2024–25 $b
Activity statement			
• collectable debt	31.9	33.5	34.7
• debt subject to objection or appeal	0.8	1.3	1.5
• insolvency debt	7.6	9.7	13.1
• non-pursued uneconomical	n/a	n/a	4.0
Income tax			
• collectable debt	15.6	16.7	16.9
• debt subject to objection or appeal	14.7	16.9	20.5
• insolvency debt	2.2	2.7	3.2
• non-pursued uneconomical	n/a	n/a	2.2
Superannuation guarantee charge			
• collectable debt	2.0	2.1	2.1
• debt subject to objection or appeal	0.0	0.1	0.0
• insolvency debt	1.2	1.4	1.7
• non-pursued uneconomical	n/a	n/a	0.0

Notes

(a) 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 Table 7.12 as only the main revenue types are included here.

(b) Only non-pursued uneconomical debts included in taxpayer account balances are reported. As debts on hold are progressively added to accounts throughout 2025–26, reported values will increase in future years.

Tables 7.14 and 7.15 show a breakdown of outstanding collectable taxpayer debts over $100,000 and older than 90 days, by group and industry division where the taxpayer is not actively engaged with the ATO in respect to their debt. This excludes those taxpayers that have active payment plans or insolvency, liquidation or disputed debt activities.

Table 7.14 Collectable debts by group – disengaged taxpayers, 2024–25[a]

Group	Number of disengaged taxpayers with collectable debt	Value of collectable debt[a] $b
Individuals	5,027	1.3
Not-for-profits: Charities	154	0.1
Privately owned and wealthy groups	3,103	3.1
Public and multinational businesses	215	0.3
Self-managed superannuation funds	171	0.1
Small businesses	39,352	11.3

Note

(a) Value of collectable debt does not equal the total collectable debt for each industry division, as shown in Table 7.12. It also does not include amounts owed by companies no longer registered with the Australian Securities & Investment Commission (ASIC), or director penalty liability amounts which are parallel liabilities.

Table 7.15 Collectable debts by industry division – disengaged taxpayers, 2024–25[a]

Industry division	Number of disengaged taxpayers with collectable debt	Value of collectable debt[b] $b
Accommodation and Food Services	4,195	1.2
Administrative and Support Services	3,290	1.1
Agriculture, Forestry and Fishing	831	0.3
Arts and Recreation Services	785	0.2
Construction	14,674	4.3
Education and Training	459	0.1
Electricity, Gas, Water and Waste Services	196	0.1
Financial and Insurance Services	1,600	0.8
Health Care and Social Assistance	1,964	0.9
Information, Media and Telecommunications	356	0.1
Manufacturing	2,362	0.8
Mining	131	0.1
Other Services	3,681	1.0
Professional, Scientific and Technical Services	4,850	1.9
Public Administration and Safety	307	0.3
Rental, Hiring and Real Estate Services	1,550	0.7
Retail Trade	2,429	0.8
Special ATO Division	379	0.3
Transport, Postal and Warehousing	2,936	0.9
Wholesale Trade	1,047	0.3

Notes

(a) 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.

(b) Value of collectable debt does not equal the total collectable debt for each industry group. It also 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 on the right debts.

More information about our debt-related performance and results are available in Table 3.18 Debt – Ratio of collectable debt to net tax collections, 2022–23 to 2024–25 on page 52 and Table 3.51 Ratio of debt uneconomical to pursue, 2022–23 to 2024–25 on page 94.

Table 7.16 Debt not pursued, 2022–23 to 2024–25[(a)]

Activity	2022–23 $b	2023–24 $b	2024–25 $b
Value of debt not pursued decisions[(b)]			
• uneconomical	1.3	3.7	2.5
• irrecoverable at law	2.2	3.1	2.4

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.

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 claims processed under the scheme in 2024–25.

Compensation claims

In 2024–25, we registered 195 compensation claims and finalised 182 (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 7.17 Completion time frames of compensation claims, 2024–25[a]

Claims	1 month	1–3 months	3–6 months	6–12 months	1 year +
Percentage of claims	11%	46%	30%	10%	2%

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

Compensation payments

The total amount of 32 compensation payments made in 2024–25 was $229,443. The average payment made was $7,170 and the median payment was $2,511.

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 and activities

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.

We met all our targets for service commitments in place at 30 June 2025.

Table 7.18 Commitments to service – Timely, 2023–24 and 2024–25

Service commitment		Target	Achieved 2023–24 Result	Achieved 2023–24 Indicator	Achieved 2024–25 Result	Achieved 2024–25 Indicator
Average wait time for inbound general calls	less than 15 minutes	15 min	12 min 41 sec	✓	09 min 01 sec[a]	✓
Calls answered for inbound tax practitioner calls	answered within 7 minutes	40%	–	–	41%[a]	✓
Electronic taxpayer requests	finalised in 15 business days	90%	94%	✓	97%	✓
Private rulings	finalised in 28 calendar days of receiving all necessary information	80%	89%	✓	90%	✓
Superannuation guarantee employee referrals of unpaid superannuation	prompted the employer within 28 days to self-assess	90%	–	–	100%	✓
Electronic tax returns and activity statements[b]	finalised in 12 business days	94%	99%	✓	99%	✓
Electronic amendments	finalised in 20 business days	90%	97%	✓	97%	✓
Paper tax returns, activity statements and amendments	finalised in 50 business days	80%	96%	✓	90%	✓
Australian residents' ABR registrations	finalised in 20 business days	93%	99%	✓	99%[c]	✓
Electronic Commissioner of Taxation registrations	finalised in 20 business days	93%	99%	✓	98%	✓
Complaints received	resolved in 15 business days or within the date negotiated with the taxpayer	85%	98%[d]	✓	99%[e]	✓

✓ = 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 our performance against this commitment.
(d) 60% of complaints resolved in 15 business days, regardless of additional time negotiated with the taxpayer.
(e) 59% of complaints resolved in 15 business days, regardless of additional time negotiated with the taxpayer.

Table 7.19 Commitments to service – Keep me informed, 2023–24 and 2024–25

Service commitment		Target	Achieved 2023–24 Result	Achieved 2023–24 Indicator	Achieved 2024–25 Result	Achieved 2024–25 Indicator
Private rulings	contact within 14 calendar days if request will take more than 28 calendar days to resolve	80%	88%	✓	89%	✓

✓ = 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.

Table 7.20 Activities and outputs – Information and assistance services, 2022–23 to 2024–25

Activity	2022–23	2023–24	2024–25
Number provided of:			
• interpretative guidance products	41,963	39,535	35,668
• private rulings	3,918	4,219	3,972
Elapsed time in days for private rulings:			
• average	110	101	97
• median	77	70	70
Perceptions that the *process* was fair in:			
• disputes	38%	19%	–[(a)]
– individuals	–[(a)]	24%	–[(a)]
– business	–[(a)]	–[(a)]	–[(a)]
• audits, advice or private rulings	55%	52%	52%
– individuals	56%	54%	48%
– business	52%	50%	55%
Perceptions that the *final decision* was fair in:			
• disputes	38%	20%	–[(a)]
– individuals	–[(a)]	21%	–[(a)]
– business	–[(a)]	–[(a)]	–[(a)]
• audits, advice or private rulings	52%	52%	50%
– individuals	55%	55%	48%
– business	49%	50%	52%

Note
(a) Insufficient sample size to produce a reliable result.

Table 7.21 Activities and outputs – Obligations and entitlements processing, 2022–23 to 2024–25[(a)]

Activity	2022–23	2023–24	2024–25
Number of Commissioner of Taxation registrations processed	2.2m	1.6m	2.1m
Number of Australian Business Register registrations processed	1.5m	1.5m	1.6m
Number of ABNs cancelled – Registrar-initiated under the ABN intent to cancel program	n/a	954,094	1,005,994
Number of director IDs issued	n/a	Over 300,000	234,650
Proportion of directors with director ID	n/a	89%	90%
Number of returns, statements and forms processed	351.4m	353.6m	364.6m
Proportion of:			
• income tax returns lodged	89.2%	89.0%	89.2%
• activity statements lodged	84.9%	86.6%	88.0%
Proportion of tax returns lodged electronically	98.7%	98.7%	98.7%
Number of payments processed	32.1m	36.7m	40.9m

Note
(a) Some items reported for 2024–25 (such as proportion of income tax returns lodged) relate to the 2023–24 tax year.

Table 7.22 Activities and outputs – Revenue assurance, 2022–23 to 2024–25

Activity	2022–23	2023–24	2024–25
Number of refunds issued	15.6m	15.3m	15.6m
Number of compliance activities undertaken	4.4m	5.7m	5.6m
Value of tax collected:			
• gross	$731.0b	$769.7b	$795.8b
• net	$576.2b	$610.6b	$636.3b
Value of refunds paid	$154.8b	$159.1b	$159.6b
Value of compliance liabilities as a result of compliance audits, reviews and other checks:			
• raised	$18.7b	$18.6b	$21.0b
• collected	$12.1b	$13.4b	$13.1b
Value of penalties and interest collected	$3.2b	$3.8b	$6.2b

Table 7.23 Activities and outputs – Securing retirement income, 2022–23 to 2024–25

Activity	2022–23	2023–24	2024–25
Number of lost superannuation accounts	319,863	332,895	338,945
Number of ATO-held superannuation accounts[a]	6.7m	6.8m	7.0m
Proportion of APRA fund annual balance returns lodged on time[b]	95.7%	96.5%	95.6%
Number of excess contributions determinations issued[c]	169,547	158,436	187,005
Number of Division 293 tax assessments issued[d]	408,886	438,696	520,230
Proportion of self-managed superannuation funds (SMSFs) with contraventions reported by approved SMSF auditors compared to the total number of lodging SMSFs	2.7%[e]	2.9%[f]	3.3%[g]
Value of lost superannuation accounts	$10.1b	$11.8b	$12.7b
Value of ATO-held superannuation accounts[a]	$5.9b	$6.0b	$6.2b
Value of excess contributions determinations issued	$2.9b	$2.2b	$2.4b
Value of Division 293 tax assessments issued	$1.4b	$1.5b	$1.8b
Proportion of superannuation guarantee compliance casework consisting of ATO-initiated work	83%	83%	84%

Notes

(a) ATO-held super accounts include unclaimed super 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 2020–21 at June 2023.
(f) Relates to the contraventions reported for 2021–22 at June 2024.
(g) Relates to the contraventions reported for 2022–23 at June 2025.

Table 7.24 Activities and outputs – Administered program outputs, 2022–23 to 2024–25

Activity	2022–23	2023–24	2024–25
Program 1.7 – Fuel Tax Credits Scheme – Number of registered participants	276,570	287,635	280,829
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	$29.2m	$50.7m	$48.8m
Program 1.9 – Product Stewardship for Oil – Number of claims processed	384	398	237
Program 1.9 – Product Stewardship for Oil – Number of participants registered	39	42	42
Program 1.9 – Product Stewardship for Oil – Proportion of payments processed within service standard time frames	84%	97%	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	$2.9b 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	$3.6b tax offset paid or applied	$4.0b tax offset paid or applied	$4.1b 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	1,346	1,404	1,492
Program 1.10 – Research and Development Tax Incentive – Number of claims processed for companies claiming the refundable research and development tax offset	11,761	11,888	12,630
Program 1.11 – Low Income Superannuation Tax Offset – Number of beneficiaries of entitlements determined	2.7m	2.5m	2.4m

Table 7.24 Activities and outputs – Administered program outputs, 2022–23 to 2024–25 *continued*

Activity	2022–23	2023–24	2024–25
Program 1.11 – Low Income Superannuation Tax Offset – Value of entitlements determined	$673.7m	$665.6m	$629.8m
Program 1.12 – Private Health Insurance Rebate – Number of individuals with private health insurance rebate details assessed through the tax system	8.31m	8.59m	8.85m
Program 1.13 – Superannuation Co-contribution Scheme – Number of beneficiaries of entitlements determined	412,563	353,462	330,324
Program 1.13 – Superannuation Co-contribution Scheme – Value of entitlements determined	$130m	$111m	$105m
Program 1.14 – Superannuation Guarantee Scheme – Number of superannuation guarantee complaints leading to:			
• a superannuation liability being raised	9,219	10,326	8,894
• no result	3,415	5,255	5,311
Program 1.14 – Superannuation Guarantee Scheme – Number of employees who have had superannuation guarantee entitlements raised as a result of:			
• ATO compliance activities	211,769	282,300	251,820
• voluntary disclosures	521,332	856,100	603,406
Program 1.14 – Superannuation Guarantee Scheme – Number of:			
• employers whose records are checked	12,020	15,545	13,531
• checks leading to a superannuation liability being raised	9,054	10,764	9,181
Program 1.14 – Superannuation Guarantee Scheme – Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO	0.9%	1.1%	1.0%
Program 1.15 – Interest on unclaimed superannuation accounts paid – Number of interest payments processed	874,515	749,471	738,422
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	581,364	679,245	878,147
Program 1.16 – Interest on Overpayment and Early Payments of Tax – Value of credit interest applied to client accounts	$177m	$349m	$397m

Table 7.25 Activities and outputs – Corporate services, 2022–23 to 2024–25

Activity	2022–23	2023–24	2024–25
Rate of unscheduled absence (days)	13.0	12.5	12.9

Table 7.26 Activities and outputs – Working across government and internationally, 2022–23 to 2024–25

Activity	2022–23	2023–24	2024–25
Number of memoranda of understanding	149	150	158
Number of international information exchanges	404 incoming 114 outgoing	412 incoming 198 outgoing	411 incoming 175 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 2025, total holdings were $7.1 billion, held in 43,626 FMD accounts.

Table 7.27 Activities and outputs – Farm management deposits, 2022–23 to 2024–25(a)

Activity	2022–23	2023–24	2024–25
Number of deductible deposits processed	15,713	13,486	11,212
Value of deductible deposits	$1.79b	$1.65b	$1.45b
Number of early repayments processed due to natural disaster	251	293	265
Value of early repayments due to natural disaster	$25m	$26m	$25m
Number of other repayments processed	12,273	12,529	12,471
Value of other repayments	$1.2b	$1.25b	$1.3b

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 $17.2 billion in administered payments in 2024–25, $0.7 billion higher than 2023–24. The increase was mainly due to higher Australian Screen and Digital Games Production Incentive payments for the producer tax offset and post, digital and visual effects tax offset. Modest growth in Fuel Tax Credit Scheme payments and Research and development refundable tax offsets claims also contributed to the increase. This was partly offset by lower National Rental Affordability Scheme claims, with the scheme winding down as the last of the dwellings under the scheme are set to exit in 2026.

Table 7.28 Administered payments, 2022–23 to 2024–25[a]

Payments	2022–23 $m	2023–24 $m	2024–25 $m
Fuel Tax Credits Scheme	6,986	9,669	9,867
Product Stewardship for Oil	89	91	90
Junior Minerals Exploration Incentive	5	4	5
Private Health Insurance Rebate	250	237	261
National Rental Affordability Scheme[b]	147	127	80
Superannuation Co-contribution Scheme	128	112	105
Research and development refundable tax offsets[c]	3,570	3,971	4,056
Australian Screen and Digital Games Production Incentive[d]	486	597	906
Low Income Superannuation Tax Offset	664	665	622
Interest payments on lost superannuation accounts	25	53	64
Seafarer Tax Offset	9	9	11
Economic response to the Coronavirus – JobKeeper	−11	−7	−5
Economic response to the Coronavirus – Cash Flow Boost[e]	254	30	2
Economic response to the Coronavirus – JobMaker Hiring Credit[f]	2	0	0
Total administered payments	**12,605**	**15,559**	**16,064**
Distribution of super guarantee charge entitlements	684	932	1,100
Total[g]	**13,289**	**16,491**	**17,164**

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 Incentive 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 final due date for claims for the Cash Flow Boost program has passed.
(f) Figures for 2023–24 and 2024–25 are rounded to the nearest million. The results are −$0.02m and −$0.007m, respectively.
(g) The total excludes interest on overpayments of tax ($246 million in 2022–23, $459 million in 2023–24 and $527 million in 2024–25).

Appendix 10: Advertising, direct mail, media placement and market research

Advertising activities

During 2024–25, the ATO conducted the following advertising activities:

- ATO app
- ATO recruitment[a]
- Counter fraud
- GST debt
- HECS/HELP
- Help and support
- myGovID rename to MyID
- Not-for-profit (NFP) income tax reform
- Protecting personal information
- Ready for business
- Tax and super basics
- Tax Time 2025
- Tax Time advertising (new)[b]
- Tax Time advertising (switch)[b]
- Youth tax and super

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 $16,900 (GST inclusive) made to advertising, direct mail, media placement and market research organisations. Amounts paid during 2024–25 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 7.29 Amounts paid to advertising, direct mail, media placement and market research organisations, 2024–25[(a)(b)]

Organisation	Initiative, event or product	Total payments $
Advertising		
Droga 5	myGovID rename advertising	899,511
Total		**899,511**
Media placement		
Cox Inall Ridgeway – First Nations	myGovID rename advertising/first nations	165,049
Embrace Society – CALD	myGovID rename advertising/multicultural	221,102
Horizon Communication Group	myGovID rename advertising/public relations	217,611
Universal McCann	ATO app advertising campaign	273,253
Universal McCann	ATO recruitment[(c)] advertising	384,638
Universal McCann	Counter fraud advertising campaign	55,000
Universal McCann	GST debt advertising campaign	198,589
Universal McCann	HECS/HELP advertising campaign	40,818
Universal McCann	Help and support advertising campaign	164,866
Universal McCann	myGovID rename advertising	4,664,676
Universal McCann	NFP income tax reform advertising campaign	82,457
Universal McCann	Protecting personal information advertising campaign	99,000
Universal McCann	Ready for business advertising campaign	162,918
Universal McCann	Tax and super basics advertising campaign	213,993
Universal McCann	Tax Time advertising campaign	55,000
Universal McCann	Tax Time advertising (New)[(d)]	33,467
Universal McCann	Tax Time advertising (Switch)[(d)]	69,657
Universal McCann	Youth Tax and Super advertising campaign	54,183
Total		**7,156,277**
Market research		
Dynata Global AU Pty Ltd	Community perceptions survey	29,040
Hall & Partners	myGovID rename	124,922
Ipsos Public Affairs	myGovID rename	492,201
JWS Research	Payment strategy message testing	87,010
Total		**733,173**

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 $16,900 (GST inclusive) to direct mail organisations in 2024–25.
(c) Includes Australian Charities and Not-for-profits Commission and Tax Practitioners Board recruitment advertising costs.
(d) Relates to work undertaken on behalf of the Tax Practitioners Board.

Appendix 11: Information gathering powers

Use of formal notice

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 2024–25, there were:

- 18 occasions in which we needed to gather relevant information using our powers to obtain access without notice
- 35,818 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 7.30 Formal access powers used by the Commissioner, 2022–23 to 2024–25[(a)]

Access	2022–23	2023–24	2024–25
With notice	10	7	14
Without notice	42	51	18
Immediate	0	0	0
Total	**52**	**58**	**32**

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.

Table 7.31 Formal information-gathering notices issued by the Commissioner, 2022–23 to 2024–25[(a)]

Information-gathering notices	2022–23	2023–24	2024–25
Information or document	26,455	32,959	35,545
Attend and give evidence	152	185	218
Formal offshore requests	40	40	55
Total	**26,647**	**33,184**	**35,818**

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

Our employees 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 2025, no authorisations were issued for ATO field intelligence staff to hold assumed identities.

Issue of witness protection certificates

The ATO may issue witness protection certificates in the course of 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 2025, no witness 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 7.32 shows requests from agencies and ATO-initiated disclosures in 2024–25, while Table 7.33 shows the general categories of offence in 2024–25.

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2024–25

Agencies	On hand 1 July 2024	New requests: External	New requests: ATO-initiated	New requests: Total new requests	Processed requests: Withdrawn	Processed requests: Rejected	Processed requests: Total requests disclosed	On hand 30 June 2025
Subsection 355-70(1)(item 1) – serious offence								
Australian Commission for Law Enforcement Integrity	0	1	0	1	0	0	1	0
Australian Criminal Intelligence Commission	5	50	5	55	1	0	56	3
Australian Federal Police	23	284	19	303	28	0	269	29
Australian Securities & Investments Commission	1	15	0	15	0	0	15	1
Corruption and Crime Commission – Western Australia	1	24	0	24	0	0	23	2
Crime and Corruption Commission – Queensland	4	56	4	60	1	0	63	0
Independent Broad-based Anti-corruption Commission – Victoria	1	1	0	1	0	0	2	0
Independent Commission Against Corruption – South Australia	0	2	0	2	0	0	2	0
National Anti-Corruption Commission	2	12	1	13	0	0	13	2
New South Wales Crime Commission	7	131	1	132	4	0	122	13
Northern Territory Police Force	1	27	0	27	1	0	26	1
NSW Independent Commission Against Corruption	0	2	0	2	1	0	1	0
NSW Police Force	33	395	13	408	27	0	375	39
NSW Police Integrity Commission	0	1	0	1	0	0	1	0
Queensland Police Service	20	252	5	257	13	0	246	18
South Australia Police	4	96	0	96	4	0	89	7
Tasmania Police	3	22	0	22	3	0	18	4
Victoria Police	18	276	7	283	14	0	266	21
Western Australia Police Force	8	99	2	101	5	0	97	7
Total serious offences	**131**	**1,746**	**57**	**1,803**	**102**	**0**	**1,685**	**147**

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2024–25 *continued*

Agencies	On hand 1 July 2024	New requests: External	New requests: ATO-initiated	New requests: Total new requests	Processed requests: Withdrawn	Processed requests: Rejected	Total requests disclosed	On hand 30 June 2025
Subsection 355-70(1)(item 2) – ASIO								
Australian Security Intelligence Organisation	0	3	0	3	0	0	3	0
Subsection 355-70(1)(item 4) – Criminal Assets Confiscation Taskforce								
Australian Federal Police	13	141	4	145	6	0	145	7
Subsection 355-70(1)(item 4) – Fraud Fusion Taskforce								
Aged Care Quality and Safety Commission	0	1	2	3	0	0	3	0
AUSTRAC	0	1	5	6	0	0	5	1
Australian Charities and Not-for-profits Commission	0	0	1	1	0	0	1	0
Australian Criminal Intelligence Commission	0	3	11	14	1	0	12	1
Australian Federal Police	0	1	3	4	0	0	3	1
Australian Securities & Investments Commission	0	5	7	12	0	0	12	0
Australian Skills Quality Authority	0	5	7	12	0	0	12	0
Department of Education	0	0	6	6	2	0	3	1
Department of Employment and Workplace Relations	0	6	0	6	0	0	6	0
Department of Health, Disability and Ageing	0	1	2	3	0	0	3	0
Department of Veterans' Affairs	0	1	3	4	0	0	4	0
National Disability Insurance Agency	16	84	66	150	10	0	148	8
National Indigenous Australians Agency	0	0	4	4	0	0	4	0
National Disability Insurance Scheme Quality and Safeguards Commission	0	22	24	46	1	0	43	2
Services Australia	1	1	11	12	0	0	10	3
Tax Practitioners Board	0	6	11	17	0	0	17	0
Total Fraud Fusion Taskforce	**17**	**137**	**163**	**300**	**14**	**0**	**286**	**17**
Subsection 355-70(1)(item 4) – Illicit Tobacco Taskforce								
AUSTRAC	0	0	1	1	0	0	1	0
Australian Border Force	2	2	1	3	0	0	5	0
Australian Criminal Intelligence Commission	0	0	1	1	0	0	1	0
Total Illicit Tobacco Taskforce	**2**	**2**	**3**	**5**	**0**	**0**	**7**	**0**
Subsection 355-70(1)(item 4) – Operation Protego Integrity Taskforce								
Australian Communications and Media Authority	0	2	0	2	0	0	2	0
Australian Federal Police	0	51	0	51	0	0	51	0
Australian Government Security Vetting Agency	0	46	0	46	0	0	46	0
Australian Public Service Commission	0	58	11	69	0	0	69	0
Creative Australia	0	1	0	1	0	0	1	0
Department of Agriculture, Fisheries and Forestry	0	2	0	2	0	0	2	0

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2024–25 *continued*

Agencies	On hand 1 July 2024	New requests: External	New requests: ATO-initiated	New requests: Total new requests	Processed requests: Withdrawn	Processed requests: Rejected	Processed requests: Total requests disclosed	On hand 30 June 2025
Department of Defence	0	25	4	29	0	0	29	0
Department of Employment and Workplace Relations	0	0	1	1	0	0	1	0
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts	0	2	0	2	0	0	2	0
Department of Home Affairs	0	0	1	1	0	0	1	0
Federal Court of Australia	0	1	0	1	0	0	1	0
National Disability Insurance Agency	0	2	0	2	0	0	2	0
Services Australia	0	10	1	11	0	0	11	0
Treasury	0	0	10	10	0	0	10	0
Total Operation Protego Integrity Taskforce	**0**	**200**	**28**	**228**	**0**	**0**	**228**	**0**
Subsection 355-70(1)(item 4) – Phoenix Taskforce								
Attorney-General's Department	0	0	5	5	1	0	4	0
AUSTRAC	0	1	15	16	1	0	15	0
Australian Border Force	0	1	16	17	0	0	16	1
Australian Competition & Consumer Commission	0	0	8	8	0	0	8	0
Australian Criminal Intelligence Commission	0	0	5	5	1	0	4	0
Australian Federal Police	0	0	5	5	1	0	4	0
Australian Finance Security Authority	0	0	2	2	1	0	1	0
Australian Securities & Investments Commission	0	1	35	36	2	0	32	2
Department of Climate Change, Energy, the Environment and Water	0	0	2	2	0	0	2	0
Department of Employment and Workplace Relations	0	10	4	14	0	0	11	3
Department of Local Government, Industry Regulation and Safety WA	1	0	0	0	0	0	1	0
Department of Treasury and Finance – South Australia	0	0	6	6	1	0	5	0
Environment Protection Authority Victoria	0	1	1	2	1	0	1	0
Fair Work Ombudsman	0	5	23	28	0	0	27	1
Labour Hire Authority – Victoria	2	59	48	107	3	0	83	23
NSW Environment Protection Authority	0	0	8	8	1	0	7	0
NSW Fair Trading	0	0	1	1	1	0	0	0
NSW Police Force	0	0	17	17	1	0	15	1
Office of Industrial Relations – Queensland	0	4	9	13	1	0	10	2
Queensland Revenue Office	0	0	1	1	1	0	0	0
Return to Work SA	0	0	10	10	1	0	9	0
Revenue New South Wales	0	1	10	11	1	0	9	1

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2024–25 *continued*

Agencies	On hand 1 July 2024	New requests: External	New requests: ATO-initiated	New requests: Total new requests	Processed requests: Withdrawn	Processed requests: Rejected	Processed requests: Total requests disclosed	On hand 30 June 2025
Revenue WA	0	2	14	16	1	0	15	0
State Insurance Regulatory Authority NSW	0	0	2	2	0	0	2	0
State Revenue Office Victoria	0	2	15	17	1	0	15	1
Victoria Police	0	1	12	13	1	0	11	1
Western Australia Police Force	0	3	11	14	1	0	13	0
WorkCover Queensland	0	0	7	7	1	0	5	1
WorkSafe Victoria	0	0	2	2	0	0	2	0
Total Phoenix Taskforce	**3**	**91**	**294**	**385**	**24**	**0**	**327**	**37**
Subsection 355-70(1)(item 4) – Serious Financial Crime Taskforce								
Attorney-General's Department	0	1	25	26	1	0	25	0
AUSTRAC	0	8	70	78	1	0	77	0
Australian Border Force	0	4	53	57	1	0	56	0
Australian Criminal Intelligence Commission	1	3	58	61	3	0	58	1
Australian Federal Police	3	5	82	87	4	0	83	3
Australian Securities & Investments Commission	0	2	46	48	1	0	47	0
Commonwealth Director of Public Prosecutions	0	1	14	15	1	0	14	0
Department of Home Affairs	0	4	73	77	1	0	76	0
Services Australia	0	12	32	44	1	0	43	0
Total Serious Financial Crime Taskforce	**4**	**40**	**453**	**493**	**14**	**0**	**479**	**4**
Subsection 355-70(1)(item 4) – Shadow Economy Taskforce								
AUSTRAC	0	0	15	15	0	0	15	0
Australian Border Force	0	0	45	45	1	0	44	0
Australian Criminal Intelligence Commission	0	0	14	14	0	0	14	0
Australian Federal Police	0	0	27	27	0	0	27	0
Department of Employment and Workplace Relations	0	0	4	4	1	0	3	0
Department of Home Affairs	0	0	68	68	0	0	67	1
Fair Work Ombudsman	0	0	73	73	0	0	73	0
Services Australia	0	0	15	15	0	0	14	1
Total Shadow Economy Taskforce	**0**	**0**	**261**	**261**	**2**	**0**	**257**	**2**
Grand total	**170**	**2,360**	**1,263**	**3,623**	**162**	**0**	**3,417**	**214**

Table 7.33 shows the general categories of offence for disclosures under subsection 355-70(1)(item 1) in 2024–25. 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 7.33 General categories of offence (subsection 355-70(1)(item 1), 2024–25

		New requests			Processed requests			
Categories	On hand 1 July 2024	External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	On hand 30 June 2025
Anti-Money Laundering and Counter Terrorism Financing Act 2006	2	6	0	6	0	0	8	0
Child Protection Acts[a]	0	3	0	3	0	0	2	1
Common Law	3	5	0	5	0	0	8	0
Confiscation Acts[b]	9	240	2	242	8	0	220	23
Corporations Act 2001	1	8	0	8	0	0	9	0
Crimes and Criminal Code Acts (Commonwealth)[c]	30	387	18	405	37	0	366	32
Crimes and Criminal Code Acts (state)[d]	59	683	26	709	44	0	662	62
Criminal Code Compilation Act 1913 (WA)	2	40	2	42	3	0	38	3
Criminal Law Consolidations Act 1935 (SA)	1	27	0	27	1	0	26	1
Customs Act 1901	2	18	1	19	0	0	21	0
Drug Misuse and Trafficking Acts[e]	13	177	0	177	4	0	173	13
Drugs Poisons and Controlled Substances Acts[f]	6	135	1	136	4	0	128	10
Firearms Acts[g]	1	11	0	11	0	0	12	0
Proceeds of Crime Act 2002	0	5	7	12	1	0	10	1
Taxation Administration Act 1953	2	1	0	1	0	0	2	1
Total	**131**	**1,746**	**57**	**1,803**	**102**	**0**	**1,685**	**147**

Notes

(a) Child Protection Acts include *Child Protection (Offender Reporting and Offender Prohibition Order) Act 2004* (Qld) and *Child Protection (Offenders Registration) Act 2000* (NSW).

(b) Confiscation Acts include *Confiscation Act 1997* (Vic), *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* and *Criminal Code Act 1995*.

(d) Crimes and Criminal Code Acts (state) include *Crimes Act 1900* (NSW), *Crimes Act 1958* (Vic), *Crimes (Sexual Offences) Act 1980* (Vic), *Criminal Code 1924* (Tas), *Criminal Code Act 2002* (ACT), *Criminal Code Act 1899* (Qld), and *Criminal Code Act 1983* (NT).

(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), *Firearms Act 1996* (Vic), *Firearms Act 1996* (Tas) and *Weapons Act 1990* (Qld).

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 2024–25 is shown in Table 7.34. In 2024–25, there were 351 taxpayers subject to a fraud or evasion assessment. This represents around 0.19% of taxpayers subject to an audit-related assessment. Of the 351 taxpayers, 326 incurred an additional penalty.

Table 7.34 Fraud or evasion assessments by group, 2024–25

Group	Number of taxpayers subject to an audit-related assessment	Taxpayers subject to a fraud or evasion assessment[(a)]		
		Number	% of taxpayers subject to an audit- related assessment[(b)]	Number with an additional penalty[(c)(d)]
Privately owned and wealthy groups	9,341	77	0.82	60
Small business	59,687	230	0.39	223
Individuals	115,568	42	0.04	42
Public and multinational businesses	736	2	0.27	1
APRA-regulated superannuation funds	13	0	0.00	0
Not-for-profit organisations	289	0	0.00	0
Self-managed superannuation funds	118	0	0.00	0
Total	**185,752**	**351**	**0.19**	**326**

Notes

(a) 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.

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

(c) 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.

(d) A penalty decision is yet to be made for 23 taxpayers. Penalties were not applied for 2 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 2025, there were 136,434 employers registered.

Table 7.35 shows updated figures for tax returns that were lodged by 30 June 2025, where an amount of net income for working holiday makers was declared.

Table 7.35 Working holiday maker tax returns processed, 2022–23 to 2024–25

Results	2022–23 tax returns[a]	2023–24 tax returns[b]	2024–25 tax returns[b]
Number of tax returns lodged by working holiday makers	106,994	165,740	1,544
Average taxable income	$29,981	$33,802	$21,979
Average income tax withheld	$5,791	$6,521	$3,476
Average income tax assessed as payable	$4,867	$5,598	$2,391

Notes
(a) 2022–23 results include processing up to 31 October 2024.
(b) 2023–24 and 2024–25 results include processing up to 30 June 2025, reflecting early lodged tax returns for 2024–25.

Appendix 15: Climate action in government operations

Commonwealth climate disclosure

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.

Under the policy, non-corporate Commonwealth entities are required to complete climate disclosures. As the ATO meets the thresholds of Tranche 1[14] in the CCD policy architecture[15], we are required to include climate disclosures in our annual report, commencing in the 2024–25 financial year.

This climate statement has been prepared in accordance with the Year 1 reporting provisions[16] for Tranche 1 entities.

Climate governance

The ATO's Risk Management Framework supports the assessment and management of risks in line with the Commonwealth Risk Management Policy 2023, and section 16 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Risk Committee has primary responsibility for governing the ATO's systems of risk oversight and management in operation. In conjunction with the Audit and Risk Committee, assurance is provided to the ATO Executive that risk is being effectively identified and appropriately managed throughout the organisation.

Our existing risk management accountabilities, governance, policies, processes and tools support the identification, management and reporting of climate-related risks and opportunities.

For more information about:

- our governance structures, see page 116
- risk management, see page 121
- the Audit and Risk Committee, see pages 122–125.

14 Commencement of climate disclosure by Commonwealth entities and companies is being phased in over a 5-year period. Commonwealth entities and companies are divided into 4 tranches according to entity type, size and profile (Tranches 0, 1, 2, and 3) as part of the phased implementation.

15 https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-policy

16 https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-requirements

Climate risk management

During 2024–25, we undertook our first climate risk and opportunity assessment, in accordance with the Climate Risk Management: The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026[17] requirements, and in line with the Climate Risk and Opportunity Management Program Organisation Application Guide[18].

We implemented the climate risk management practices, strategies and process provided by the Climate Risk and Opportunity Management Program, using its tools, guidance and definitions. As part of this process, we considered past climate impacts of relevance and potential future scenarios (as outlined in climate change assessments and reports), and subsequently identified, documented, assessed and prioritised risks and opportunities relating to climate change.

The high-level steps we undertook in completing this assessment included:

- scoping the assessment and establishing governance
- identifying and reviewing past climate impacts
- reviewing how the climate may change in the future
- identifying the ways climate change could affect our organisation
- assessing and prioritising climate-related risks and opportunities for our organisation
- assessing the controls in place for each identified risk
- incorporating these risks, opportunities and controls into our existing risk management process for ongoing management, planning, monitoring and evaluation.

The scope of the ATO's first-year assessment included our staff health and safety, infrastructure, assets and operations.

Our climate-related risks are currently managed and monitored using our existing governance structures, risk systems and tools, which provide assurance to the Accountable Authority that climate-related risks and opportunities are being effectively managed. For more information on risk management, see page 121.

The ATO is committed to ensuring that our policies, programs and services are resilient and meet the expectations of government and the community. As additional phases are introduced over the coming years, we will continue to refine our processes and further embed climate risk and opportunity management into our business-as-usual practices.

Climate strategy

Through our climate risk and opportunity assessment and in line with the CCD phased implementation schedule, we have identified and prioritised climate-related risks and opportunities relevant to our organisation. Table 7.36 shows information on our categorised risks due to:

- an increase in the frequency and severity of extreme weather events
- longer-term changes (such as a rise in sea levels and average temperatures).

When identifying organisational risks and opportunities, we adopted the Climate Risk and Opportunity Management Program-defined time horizons of short term (2030), medium term (2050) and long term (2090). For more information, see the Climate Risk Management Organisation Application Guide at dcceew.gov.au/climate-change/publications.

17 https://www.dcceew.gov.au/sites/default/files/documents/climate-risk-management.pdf
18 https://www.dcceew.gov.au/sites/default/files/documents/climate-risk-management-organisation-application-guide.pdf

Table 7.36 Categorisation of climate-related risks and opportunities, 2024–25

Risk or opportunity statement	Risk/Opportunity	Risk type
Health and safety of staff in extreme weather events	Risk (short/medium term)	Physical
Access and/or damage to our buildings, assets and physical infrastructure	Risk (short/medium term)	Physical
Disruptions to the power grid and other community infrastructure	Risk (short/medium term)	Physical
Disruptions to mail delivery and field work	Risk (short/medium term)	Physical
Viability of maintaining assets in particular geographic locations	Risk (long term)	Physical
Challenges to effective temperature control of IT equipment	Risk (long term)	Physical
Switching to renewable energy sources	Opportunity	Transition
Establishing a national forum to unify local climate and sustainability initiatives	Opportunity	Transition
Embedding climate thinking across business operations	Opportunity	Transition

The current and anticipated effects of these risks and opportunities on our operational model over the short and medium term include:

- reduced staff productivity and safety risks during extreme weather events
- disruption to business continuity during extreme weather events, potentially impacting both internal operations and our ability to provide services to the community if
  - staff access to key office locations is interrupted
  - power grid issues/outages cause disruptions to the availability of IT equipment
  - damage to infrastructure or road closures impede mail delivery and field work
- opportunities to continue improving energy efficiency and unify climate initiatives nationally.

The ATO has offices in locations across Australia, and we regularly respond to extreme weather events. This includes working to protect our staff and assets while maintaining business operations and providing support to affected parts of the community. Historically, when these weather events occur they have been concentrated around our eastern seaboard offices – particularly extreme rain and flooding in Queensland and New South Wales.

The ATO has mature policies, processes and frameworks in place to manage the effects of extreme weather, including reviews of our response after each extreme weather event and consideration of any change in risk profile. These cover all types of natural disasters and extend to all ATO locations.

We have existing controls in place to protect and where possible mitigate the impacts of climate and weather-related risks, including those identified in the ATO's first-year assessment. These insights are being incorporated into our broader risk and business continuity frameworks, to support long-term resilience and alignment with government expectations.

Emissions reporting

As part of the Net Zero in Government Operations Strategy and the reporting requirements under section 516A of the *Environment Protection and Biodiversity Conversation Act 1999*, the ATO is required to report on its operational greenhouse gas emissions.

The greenhouse gas emissions inventory and electricity greenhouse gas emissions tables present greenhouse gas emissions for 2024–25. The greenhouse gas emissions reported are calculated on the basis of carbon dioxide equivalent (CO_2-e) and in line with the Emissions Reporting Framework. This is consistent with a whole-of-government approach, outlined in the Net Zero in Government Operations Strategy, and CCD requirements.

Emissions data is calculated and determined by the Department of Finance, Climate Action in Government Operations using ATO 2024–25 consumption data.

More information on the Emissions Reporting Framework can be found at finance.gov.au/government/climate-action-government-operations.

The ATO does not receive departmental funding for work that specifically contributes to ecologically sustainable development.

In Tables 7.37 and 7.38:

- Scope 1 = Direct emissions from sources owned or controlled by an entity, including consumption of gas and fleet vehicles
- Scope 2 = Indirect emissions from purchased electricity, heating and cooling for the entity's own use
- Scope 3 = All other indirect emissions produced through government activities including business travel, waste disposal, purchased goods and services.

Table 7.37 Greenhouse gas emissions inventory – location-based method, 2024–25[a][b][c]

Emission source	Scope 1 t CO_2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Electricity (location-based approach)[d]	n/a	11,557.13	1,165.30	**12,722.43**
Natural gas	0.00	n/a	0.00	**0.00**
Solid waste[d]	–	n/a	902.02	**902.02**
Refrigerants[e]	–	n/a	n/a	**–**
Fleet and other vehicles	42.91	n/a	10.91	**53.82**
Domestic commercial flights	n/a	n/a	2,694.14	**2,694.14**
Domestic hire car[f]	n/a	n/a	6.12	**6.12**
Domestic travel accommodation	n/a	n/a	586.59	**586.59**
Other energy	–	n/a	–	**–**
Total	**42.91**	**11,557.13**	**5,365.10**	**16,965.13**

Notes

(a) Emissions related to electricity usage using the location-based accounting method CO_2-e = Carbon Dioxide Equivalent.
(b) Not all data sources were available at the time of publishing and amendments to data may be required in future reports.
(c) Totals may differ from the sum of components due to rounding.
(d) Some natural gas, electricity, and solid waste data could not be sourced and are excluded from this report. The transition of property service providers under the whole-of-government arrangements during 2024–25 has contributed to gaps in property-related data. Incomplete data and associated impacts on emissions calculations will be addressed through an amendments process conducted by the Department of Finance, scheduled for the first half of 2026.
(e) Reporting on refrigerants is being phased in over time as emissions reporting matures, and has not been captured for 2024–25.
(f) Emissions from hire cars for 2024–25 may be incomplete due to a lack of robust data. The quality of whole-of-government data is expected to improve over time as emissions reporting matures.

Table 7.38 Electricity greenhouse gas emissions, 2024–25[a][b][c][d]

Emission source	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Electricity kWh
Electricity (location-based approach)	11,557.13	1,165.30	12,722.43	17,885,598.14
Market-based electricity emissions	9,465.23	1,285.40	10,750.64	11,685,474.05
Total renewable electricity consumed	**n/a**	**n/a**	**n/a**	**6,200,124.09**
• Renewable power percentage[e][i]	n/a	n/a	n/a	3,254,284.58
• Jurisdictional renewable power percentage[f][g][i]	n/a	n/a	n/a	2,945,839.50
• GreenPower[f]	n/a	n/a	n/a	–
• Large-scale generation certificates[f]	n/a	n/a	n/a	–
• Behind the metre solar[g]	n/a	n/a	n/a	–
Total renewable electricity produced	**n/a**	**n/a**	**n/a**	**–**
• Large-scale generation certificates[f]	n/a	n/a	n/a	–
• Behind the metre solar[h]	n/a	n/a	n/a	–

Notes

(a) Emissions related to electricity usage using both the location-based and the market-based accounting methods. CO_2-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).
(b) Not all data sources were available at the time of publishing and amendments to data may be required in future reports.
(c) Some electricity data could not be sourced and are excluded from this report. The transition of property service providers under the whole-of-government arrangements during 2024–25 has contributed to gaps in property-related data. Incomplete data and associated impacts on emissions calculations will be addressed through an amendments process conducted by the Department of Finance, scheduled for the first half of 2026.
(d) Totals may differ from the sum of components due to rounding.
(e) Referred to as mandatory renewables in 2023–24 annual reports. The renewable power percentage accounts for the portion of electricity used, from the grid, that falls within the renewable energy target.
(f) Referred to as voluntary renewables in 2023–24 annual reports.
(g) The Australian Capital Territory is currently the only state/territory with a jurisdictional renewable power percentage.
(h) Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.
(i) Due to the mix of energy consumed, the kWh value reported may not directly align with the Renewable Power Percentage or Jurisdictional Renewable Power Percentage as published by the Clean Energy Regulator. For clarity and consistent with other entities, data is presented as kWh consumed rather than as a percentage.

Progress towards the APS net zero 2030 target

The Net Zero in Government Operations Strategy is the Australian Government's policy for the Australian Public Service (APS) to reduce its emissions to net zero by 2030 and transparently report on its emissions. The ATO continues to work with its partners under whole-of-government arrangements for opportunities to improve energy efficiency in its buildings and reduce its emissions to achieve net zero by 2030.

The ATO published its first Emissions Reduction Plan in January 2025, outlining a commitment to transparency, accountability, and continuous improvement in environmental performance. The ATO's Emissions Reduction Plan outlines 27 actions that cover priority areas including net zero buildings, net zero energy, net zero fleet and future emissions action. More information about the Emissions Reduction Plan can be found at ato.gov.au/emissionsreductionplan.

Appropriations – administered funding

In 2024–25, 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/pso.

Appendix 16: Corrections

The following errors appeared in the *Commissioner of Taxation annual report 2023–24*.

Strategic objective: G1 Government

Targeted approaches to address the growth in collectable debt

The number of director penalty notices and garnishee notices was incorrectly reported.

As printed on page 22:

The ATO's return to business-as-usual debt collection activities in 2023–24 resulted in ~~26,702~~ **35,774** director penalty notices issued ~~for company debts totalling~~ **to individual directors with respect to 26,702 company debts for an original imposed value of** over $4.4 billion – with approximately $879 million collected at 30 June 2024, noting that collection in respect of these director penalty notices is ongoing. We disclosed ~~over 36,000~~ **38,409** business tax debts to credit reporting bureaus, an increase ~~of~~ **from** 867 ~~from~~ **in** the previous year.

Total revenue effects

The amount for audit and preventative actions was incorrectly reported as 1.7m instead of 2.8m in Table 4.8 Total revenue effects, 2021–22 to 2023–24.

As printed on page 130:

Table 4.8 Total revenue effects, 2021–22 to 2023–24(a)

All taxes	2021–22	2022–23	2023–24
Total revenue effects	$14.9b	$20.3b	$18.5b
• Audit actions and incorrect claims stopped(b)	$7.9b	$7.7b	$8.5b
• Prevention and sustained compliance	$1.7b	$6.6b	$3.3b
• Lodgment actions	$4.2b	$4.4b	$4.8b
• Sustained lodgment compliance	$1.1b	$2.2b	$1.9b
• Significant refunds due to objections/litigation(c)	–	−$0.5b	−$0.1b
Liabilities raised(d)	$17.3b	$18.7b	$18.6b
Compliance activities			
• Audit and preventative actions(e)	1.1m	1.3m	~~2.8m~~ **1.7m**
• Lodgment activities	3.7m	3.1m	2.9m

– = Results are not available for the given year.

Notes

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

(b) The 2021–22 and 2022–23 results include outcomes relating to Operation Protego.

(c) A new category was introduced in 2022–23 to reflect significant refunds due to objections or litigation where the refund relates to a previous payment linked to a specific compliance action and reported as an audit action result in a previous year.

(d) Liabilities raised excludes outlier cases. Outlier cases include mistakes or deliberate fraud cases that are of such high value that our automated risk detection processes identify and stop such claims. These figures are excluded to avoid distorting the true impact of ATO discretionary action.

(e) An increasing number of bulk pre-lodgment prompt activities are being included in overall compliance activities (related primarily to scale markets – individuals, small business, and employer obligations). Revenue effects are only attributed where there is a clear causal connection.

Appendix 13: Fraud or evasion exception

The number of taxpayers who had an amended assessment due to the fraud or evasion exception was incorrectly reported.

As printed on page 290:

Information about fraud or evasion assessments conducted in 2023–24 is shown in Table 7.34.
In 2023–24, there were ~~**124**~~ **130** taxpayers subject to a fraud or evasion assessment. This represents around ~~**0.07%**~~ **0.08%** of taxpayers subject to an audit-related assessment. Of the ~~**124**~~ **130** taxpayers, ~~**120**~~ **126** incurred an additional penalty.

Table 7.34 Fraud or evasion assessments by group, 2023–24

Group	Number of taxpayers subject to an audit- related assessment	Taxpayers subject to a fraud or evasion assessment[(a)]		
		Number	% of taxpayers subject to an audit- related assessment[(b)]	Number with an additional penalty[(c)(d)]
...				
Privately owned and wealthy groups	9,265	~~39~~ 42	~~0.42~~ 0.45	~~38~~ 41
Individuals	108,146	~~16~~ 19	~~0.01~~ 0.02	~~16~~ 19
...				
Total	**171,886**	~~124~~ 130	~~0.07~~ 0.08	~~120~~ 126

Notes
(a) 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.
(b) Totals may differ from the sum of components due to rounding.
(c) 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.
(d) A penalty decision is yet to be made for 3 taxpayers. This column includes penalties imposed on a trustee of a 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.

This correction also applied to the results shown on **page 249** of the *Commissioner of Taxation annual report 2022–23*.

Information about fraud or evasion assessments conducted in 2022–23 is shown in Table 7.33. In 2022–23, there were ~~**188**~~ **193** taxpayers subject to a fraud or evasion assessment. This represents around 0.07% of taxpayers subject to an audit-related assessment. Of the ~~**188**~~ **193** taxpayers, ~~**187**~~ **192** incurred an additional penalty and a penalty decision is yet to be made for one taxpayer.

Table 7.33 Fraud or evasion assessments by client experience, 2022–23

Client experience	Number of taxpayers subject to an audit related assessment	Taxpayers subject to a fraud or evasion assessment[a]		
		Number	% of taxpayers subject to an audit related assessment[b]	Number with an additional penalty[c]
…				
Small business	89,743	~~**96**~~ **99**	0.11	~~**96**~~ **99**
Individuals	158,906	~~**28**~~ **30**	0.02	~~**28**~~ **30**
…				
Total	**260,171**	~~**188**~~ **193**	**0.07**	~~**187**~~ **192**

Notes

(a) 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.

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

(c) 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.

This correction also applied to the results shown on **page 230** of the *Commissioner of Taxation annual report 2021–22*.

Information about fraud or evasion assessments conducted in 2021–22 is shown in Table 6.30. In 2021–22, there were ~~**158**~~ **159** taxpayers subject to a fraud or evasion assessment. This represents around 0.08% of taxpayers subject to an audit-related assessment. Of the ~~**158**~~ **159** taxpayers, ~~**157**~~ **158** incurred an additional penalty and for one taxpayer no penalty was applied.

Table 6.30 Fraud or evasion assessments by client experience, 2021–22

Client experience	Number of taxpayers subject to an audit related assessment	Taxpayers subject to a fraud or evasion assessment[a]		
		Number	% of taxpayers subject to an audit related assessment[b]	Number with an additional penalty[c][d]
…				
Small business	76,857	~~**54**~~ **55**	0.07	~~**54**~~ **55**
…				
Total	**200,587**	~~**158**~~ **159**	**0.08**	~~**157**~~ **158**

Notes

(a) 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.

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

(c) 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.

(d) This column includes penalties imposed on a trustee of a 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.

This correction also applied to updated results shown on **page 235** of the *Commissioner of Taxation annual report 2021–22* for errors that appeared in the *Commissioner of Taxation annual report 2020–21*.

Information about fraud or evasion assessments conducted in 2020–21 is shown in Table 6.28. In 2020–21, there were **~~76~~ 77** taxpayers subject to a fraud or evasion assessment. This represents around **~~0.04%~~ 0.05%** of taxpayers subject to an audit related assessment. Of the **~~76~~ 77** taxpayers, **~~72~~ 73** incurred an additional penalty. Penalty decisions are yet to be made for three taxpayers, and for one taxpayer penalties were not applied.

Table 6.28 Fraud or evasion assessments by client experience, 2020–21

Client experience	Number of taxpayers subject to an audit related assessment	Taxpayers subject to a fraud or evasion assessment[a]		
		Number	% of taxpayers subject to an audit related assessment	Number with an additional penalty[b]
...				
Privately owned and wealthy groups	8,920	~~31~~ 32	~~0.35~~ 0.36	~~27~~ 28
...				
Total	**169,309**	~~76~~ 77	~~0.04~~ 0.05	~~72~~ 73

Notes
(a) 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.
(b) 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.

Appendix 14: Working holiday maker framework

The average taxable income figure reported in Table 7.35 for the 2021–22 year was incorrect.

As printed on page 291:

Table 7.35 Working holiday maker tax returns processed, 2021–22 to 2023–24

Results	2021–22 tax returns[a]	2022–23 tax returns[b]	2023–24 tax returns[b]
Number of tax returns lodged by working holiday makers	45,131	101,358	1,208
Average taxable income	**~~$35,525~~ $34,525**	$30,356	$23,655
Average income tax withheld	$6,792	$5,872	$3,939
Average income tax assessed as payable	$5,901	$4,938	$2,985

Notes
(a) 2021–22 results include processing up to 31 October 2023.
(b) 2022–23 and 2023–24 results include processing up to 30 June 2024, reflecting early lodged tax returns for 2023–24.

Appendix 17: List of requirements

In adherence to section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), it is mandatory to provide a list of requirements in the annual report.

PGPA Rule reference	Description	Requirement	Page
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.	Mandatory	VI
17AD(h)	**Aids to access**		
17AJ(a)	Table of contents.	Mandatory	IV–V
17AJ(b)	Alphabetical index.	Mandatory	301
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	296–299
17AJ(d)	List of requirements.	Mandatory	286
17AJ(e)	Details of contact officer.	Mandatory	Inside front cover
17AJ(f)	Entity's website address.	Mandatory	Inside front cover
17AJ(g)	Electronic address of report.	Mandatory	Inside front cover
17AD(a)	**Review by accountable authority**		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	II–III
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	2
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	12
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	4–6
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	31, 38, 58, 64, 66
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	118
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	118
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	118
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	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.	If applicable, Mandatory	4–5, 31–36

PGPA Rule reference	Description	Requirement	Page
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.	Mandatory	30–96
17AD(c)(ii)	**Report on Financial Performance**		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	160–161
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	162–166
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.	If applicable, Mandatory	160
17AD(d)	**Management and Accountability**		
Corporate Governance			
17AG(2)(a)	Information on compliance with section 10 (fraud and corruption systems)	Mandatory	VI, 118–119
17AG(2)(b)(i)	A certification by accountable authority that fraud and corruption risk assessments and fraud and corruption control plans have been prepared.	Mandatory	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.	Mandatory	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.	Mandatory	VI
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	116–134
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.	If applicable, Mandatory	170
Audit Committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	122
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	122–125
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	122–125
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	122–125
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	122–125
External Scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	126–129
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.	If applicable, Mandatory	126–128, 249–252
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.	If applicable, Mandatory	127–129
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	126

PGPA Rule reference	Description	Requirement	Page
Management of Human Resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	135
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including: • full-time employees • part-time employees • gender • staff location.	Mandatory	137–150
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including: • staffing classification level • full-time employees • part-time employees • gender • staff location • employees who identify as Indigenous.	Mandatory	137–150
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 *Public Service Act 1999*.	Mandatory	152
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	152
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	153
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	157
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	154
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	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.	If applicable, Mandatory	167
Purchasing			
17AG(6)	An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory	167
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).	Mandatory	167–168
17AG(7)(b)	A statement that *"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]"*.	Mandatory	168

PGPA Rule reference	Description	Requirement	Page
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.	Mandatory	167
17AG(7)(d)	A statement that *"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."*	Mandatory	168
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).	Mandatory	168–169
17AG(7A)(b)	A statement that *"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."*	Mandatory	169
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	167–169
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.	If applicable, Mandatory	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.	If applicable, Mandatory	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."*	Mandatory	169–170
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	169–170
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."*	If applicable, Mandatory	170
Financial Statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	172–236
Executive Remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	153–156

PGPA Rule reference	Description	Requirement	Page
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."*	If applicable, Mandatory	266
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	n/a
17AH(1)(b)	A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."*	If applicable, Mandatory	170
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	142–143
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	128
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, Mandatory	282–285
17AH(2)	Information required by other legislation	Mandatory	
	• Fringe benefits tax		16, 99–100, 104, 239
	• Risk management		121–125
	• Reporting on tax administration		134
	• Work health and safety		158–159
	• Carer recognition		158
	• Commonwealth climate disclosure		277–279
	• Emissions reporting		280–281
	• Legal services expenditure		247–248
	• Payments for advertising, direct mail, media placement and market research		266–267
	• Information provided to law enforcement agencies		270–274
	• Working holiday maker		276

Appendix 18: Reference material

List of tables

Note
This list excludes tables in Part 6 Financial statements.

List of figures

Glossary

ABN Lookup	The public view of the Australian Business Register (ABR). It provides access to publicly available information supplied by businesses when they register for an Australian business number (ABN).
ABR Explorer	An online reporting and analytical tool that makes using ABR data easy.
ABR Identifier	Formerly called ABR Connect. Provides access to multiple government agency registers via a single business register, the ABR. It reduces the number of registers businesses need to access each time they update information.
ATO online services	A range of tax and superannuation services available from our 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 yield	The additional tax liabilities identified and collected through audit activities. It also includes interest and penalties.
Cash Flow Boost	The temporary Cash Flow Boost scheme was available to eligible small and medium businesses and not-for-profit organisations that employed staff and were affected during the economic downturn associated with COVID-19. Cash flow boosts were delivered as credits in the activity statement system.
collectable debt	Debt that is not subject to objection or appeal some form of insolvency administration, or uneconomical to pursue.
COVID-19	The particular strain of novel coronavirus that led the World Health Organisation to declare a Public Health Emergency of International Concern in early 2020.
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.
JobKeeper	The JobKeeper Payment scheme was a wage subsidy for eligible businesses significantly affected by coronavirus (COVID-19).
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	A secure proof-of-identity app that provides access to government online services for individuals and businesses. It is used in combination with Relationship Authorisation Manager (RAM). Previously known as myGovID.
net tax collections	Total tax collections less refunds paid to taxpayers.
Online services for agents	A secure ATO system 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	The new default online service for businesses, approved self-managed superannuation fund (SMSF) auditors and other organisations to interact with the ATO.
Online services for foreign investors	An ATO service that foreign investors and their representatives use to manage a range of registration obligations and other transactions relating to Australian investments.
phoenix activity	The systematic process of deliberately incorporating and liquidating operating companies with the intent of having the company avoid its obligations to its employees, to its suppliers, and to the tax system.
pre-filling	Automatic population of labels in electronically prepared income tax returns. It includes information from government agencies, financial institutions and employers.
prevention and sustained compliance	An estimate of the additional tax paid voluntarily by the taxpayers we influence either through our preventative actions (prior to lodgment to ensure they lodge correctly) or in the reporting periods following an initial compliance action.
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	We view privately owned and wealthy groups as: • 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	Most of the largest organisations operating in Australia are publicly listed Australian 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.
tax assured	An estimate of the proportion of tax reported that we are highly confident is correct.
tax gap	An estimate of the difference between the amounts the ATO collects and what we would have collected if every taxpayer was fully compliant with tax law.
taxable payments annual report (TPAR)	Some businesses and government entities need to report the total payments they make to contractors each year on a taxable payments annual report (or TPAR).
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 tax revenue collected through the ATO's compliance activities. It is a combination of additional collections from correct reporting and lodgment compliance activities all designed to ensure taxpayers meet their obligations and pay the correct amount of tax and disrupt or prevent evasion and fraud activities.
transfers	Administered expenses incurred by the ATO, including super guarantee, super co-contributions, and personal and business benefits and subsidies.
wider revenue effects	An estimate of the additional tax revenue arising from our broader suite of activities, which we can defensibly measure and that is not already captured by audit yield. This term has been replaced with 'prevention and sustained compliance'.

Abbreviations

AASB	Australian Accounting Standards Board
AAT	Administrative Appeals Tribunal
ABN	Australian business number
ABR	Australian Business Register
ABRS	Australian Business Registry Services
ABS	Australian Bureau of Statistics
ACLEI	Australian Commission for Law Enforcement Integrity
ACNC	Australian Charities and Not-for-profits Commission
AFP	Australian Federal Police
ANAO	Australian National Audit Office
APRA	Australian Prudential Regulation Authority
APS	Australian Public Service
APSC	Australian Public Service Commission
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
AWOTE	average weekly ordinary time earnings
BAS	business activity statement
CALD	culturally and linguistically diverse
CBD	central business district
CDDA	Compensation for Detriment caused by Defective Administration
COO	Chief Operating Officer
COVID-19	coronavirus disease 2019
CPA	Certified Practicing Accountant
director ID	director identification number
EL	executive level
EKM	Essentials to strengthen your small business
FBT	fringe benefits tax
FCA	Federal Court of Australia
FCAFC	Federal Court of Australia Full Court
FOI Act	*Freedom of Information Act 1982*
FTC	fuel tax credits
GST	goods and services tax
HELP	Higher Education Loan Program
HR	human resources
ICT	information and communication technology
IPS	Information Publication Scheme
ITSS	IT Strategic Sourcing Program
J5	Joint Chiefs of Global Tax Enforcement
JITSIC	Joint International Taskforce on Shared Intelligence and Collaboration
LCT	luxury car tax
LGBTI	lesbian, gay, bisexual, transgender and intersex people
LISTO	low income superannuation tax offset
MBR	Modernising Business Registers program
MYEFO	Mid-Year Economic and Fiscal Outlook
NRAS	National Rental Affordability Scheme
NFP	not-for-profit
OAIC	Office of the Australian Information Commissioner
OECD	Organisation for Economic Co-operation and Development
PAYG	pay as you go
PBS	Portfolio Budget Statements
PEO	principal executive office
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	*Public Governance, Performance and Accountability Rule 2014*
PHIR	private health insurance rebate
PID Act	*Public Interest Disclosure Act 2013*
PS Act	*Public Service Act 1999*
PSO	Product Stewardship for Oil
RDTI	Research and Development Tax Incentive
RAP	Reconciliation action plan
SAITE	Self-Assessing Income Tax Exempt
SBR	Standard Business Reporting
SERR	Sharing Economy Reporting Regime
SES	senior executive service
SFSS	Student Financial Supplement Scheme
	Study Group on Asia-Pacific Tax Administration and Research (SGATAR)
SMSF	self-managed superannuation fund
STP	Single Touch Payroll
TAA	*Tax Administration Act 1953*
TASA	*Tax Agent Services Act 2009*
TFN	tax file number
TPAR	taxable payments annual report
TPB	Tax Practitioners Board
	unclaimed superannuation money (USM)
WET	wine equalisation tax
WHS Act	*Work Health and Safety Act 2011*

Key resources

Our key resources for 2024–25 include:

- ABN Lookup
- Australian Taxation Office corporate plan 2025–26
- ATO digital strategy 2022–25
- ATO online services
- Australian Business Register
- Australian Charities Not-for-profits Commission annual report
- Australian tax gaps – overview
- Boosting cash flow for employers
- Business bulletins newsroom
- Commissioner's remedial power
- Dealing with disasters
- Decision impact statements
- Diversity
- 2024 Diversity and inclusion strategy
- eInvoicing
- Essentials for strengthening your small business
- Fuel schemes
- GST administration annual performance report
- Help with paying
- How we use data and analytics
- JobKeeper Payment
- Modernising Business Registers
- 2024 Multicultural access and equity action plan
- myDeductions
- Not-for-profit newsroom
- Our Charter
- Our service commitments
- Reconciliation action plan July 2024 – June 2027
- Self-help services
- Single Touch Payroll
- Small business newsroom
- Small Business Superannuation Clearing House
- Software developers
- Super Fund Lookup
- SuperStream
- Supporting your small business
- Tax assured
- Tax Practitioners Board annual report
- Tax professionals newsroom
- Test Case Litigation
- Total revenue effects
- Use of powers.

For more information on these products, plans, tools and services, visit ato.gov.au.

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