Australian Government

Australian Taxation Office

Commissioner of Taxation annual report 2023–24

Acknowledgement of Country

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

We value the contribution Aboriginal and Torres Strait Islander peoples make to our organisation and the broader tax, superannuation and registry systems. 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 2023–24

Commissioner's review

It is a privilege to be the 13th Commissioner of Taxation and lead the ATO, an institution which has stood for well over a century, securing revenue that supports the economic and social wellbeing of all Australians. As such, I'm pleased to report on the ATO's performance for 2023–24.

Reflecting on the ATO's performance for 2023–24, I would like to acknowledge former Commissioner, Chris Jordan, whose 11-year term ended in February this year. In passing the baton to me, Chris left an effective and high-performing organisation which is committed to delivering for the Australian community, maintaining a well-earned reputation for effective and accessible public services.

A number of achievements stand out when looking back at 2023–24. As the nation's principal tax collector, our role is to collect the right amount of tax, in accordance with the law, in the most efficient way for government and the taxpayer. To that end, this year we collected gross tax of $769.7 billion, with net tax collections of $610.6 billion – up $34.4 billion (6%) over the previous year, and $19.4 billion (3.3%) above the amount expected at the time of the 2023–24 Federal Budget.

We delivered a successful Tax Time 2023, with 20.8 million income tax lodgments finalised and $49.5 billion in refunds issued. We continued to strengthen the integrity of the system and protect revenue by taking firmer action, in particular through our compliance taskforces.

The Tax Avoidance Taskforce secured $5.7 billion in additional tax revenue from Australia's largest public and multinational businesses. Since its inception in 2016, this taskforce has secured $32.4 billion in additional tax revenue, and secured future tax revenue from a range of taxpayers.

Maintaining integrity

A key focus for the ATO is ensuring the integrity of the tax system and a level playing field across all markets.

Paying tax is not optional and unpaid tax and superannuation jeopardises a fair tax system. As a result, we sought to recover high-value and aged debts and enforce timely payment of employer obligations. We adopted a progressively firmer approach towards those not meeting their tax obligations. This includes employers withholding amounts from employees' wages, including entitlements such as superannuation, and businesses collecting amounts from consumers as GST, but not passing this money on to government. However, we continued to consider concessions for taxpayers in genuine hardship and in need of support.

Despite managing to slow the debt growth rate, the total value of collectable debt increased to $52.8 billion at 30 June 2024 (a 5.2% increase from the previous year). We are taking deliberate action to improve the recovery of debt now and into the future.

Safeguarding the system

Protecting the system and taxpayers from fraud, and managing cyberthreats, has remained a critical area of focus for the ATO. We reinforced our taxpayer protections and system-level preventions, evolved our fraud detection and remediation approaches, and made better use of data to deliver high-quality end-to-end digital services. By furthering our engagement with essential partners, we strengthened our ability to govern, protect, detect, and respond to cyberthreats to safeguard our organisation and taxpayer data.

We increased our capability to combat online financial crime by joining the Australian Financial Crimes Exchange. This will significantly enhance our ability to identify emerging risks, combat fraud and disrupt tax crime, particularly around technology enabled crime, identity takeover and refund fraud.

Our focus on enhancing counter fraud measures has also been bolstered through specific government funding for our Counter Fraud Program over the next 4 years.

Open and transparent

Our annual report provides us with a valuable opportunity to report on our performance. In doing so, we acknowledge the importance of our ongoing work to ensure that our performance measures continue to measure what is important – both to us, and to the government and community that we serve. In this context, I would note that the Australian National Audit Office (ANAO) commenced its first year of auditing the Australian Taxation Office 2023–24 annual performance statement. We will continue our work to further mature performance reporting overall, including through ongoing, constructive engagement with the ANAO.

Looking forward

We continue to be focused on collecting the right amount of tax in accordance with the law, in a way that is well-designed, tailored, transparent and, most of all, easy. As we respond to government priorities and changes in our operating environment while delivering on our responsibilities, we will continue to act with fairness and empathy, while also holding ourselves to the highest standards of integrity.

As an organisation, we are well placed to take on future challenges but are also eager to listen to and learn from those who interact with us. I've welcomed the opportunity to engage with many of our partners over the course of this year and I look forward to fostering these important relationships over the coming years.

The shared commitment I have seen across the organisation in delivering effective and accessible taxpayer services keeps me optimistic in our ability to continue to achieve our priorities for the government and Australian community.

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

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COMMISSIONER OF TAXATION

The Hon. Stephen Jones MP
Assistant Treasurer
Minister for Financial Services
Parliament House
CANBERRA ACT 2600

The Hon. Dr Andrew Leigh MP
Assistant Minister for 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 2024 for presentation to Parliament, in compliance with section 46 of the *Public Governance, Performance and Accountability Act 2013*.

The reports follow the guidelines approved by the Joint Committee of Public Accounts and Audit, as well as other legislative reporting requirements as listed in:

- sections 17AA to 17AJ of the *Public Governance, Performance and Accountability Rule 2014*
- 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).

Due to their operational independence and statutory obligations, the TPB and the ACNC have produced their own annual reports.

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

- prepared fraud risk assessments and fraud control plans
- appropriate fraud 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.

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

9 October 2024

Peter de Cure AM
Chair
Tax Practitioners Board

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

01 Overview

About us

Our vision is to be a leading tax, superannuation and registry administration known for our contemporary service, expertise and integrity

The ATO is the Australian Government's principal revenue collection agency, administering legislation governing the tax system, along with aspects of the superannuation and registry systems, and supporting the delivery of government benefits to the community.

In delivering on its day-to-day responsibilities, the core focus for the ATO is to collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer. Our ongoing work to address risks in the tax system maintains community confidence, which in turn supports taxpayers correctly self-assessing and complying with compulsory tax obligations.

The ATO administers 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 future 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.

To support the Commissioner's responsibilities as registrar for the Australian Business Register (ABR), director IDs and Register of Foreign Ownership of Australian Assets, the ATO works to deliver effective and efficient registry services and to strengthen the integrity of registrations.

Commissioner of Taxation's role and responsibilities

The Commissioner of Taxation is responsible for administering Australia's tax system and significant aspects of Australia's superannuation system. In addition to these responsibilities, the Commissioner is the Registrar responsible for the Australian Business Register (ABR), director IDs and the Register of Foreign Ownership of Australian Assets[1].

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[2]. 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.

While the Commissioner of Taxation is the Accountable Authority for the Australian Taxation Office listed entity, the TPB, ACNC and ACNC Advisory Board maintain operational independence in the delivery of their functions. The TPB consists of a Chair and Board members appointed by the Minister. The ACNC is led by the ACNC Commissioner appointed by the Governor-General, supported and advised by the ACNC Advisory Board appointed by the Minister. The staff of the TPB and ACNC are made available by the Commissioner of Taxation.

The TPB and the ACNC share various ATO services and processes, 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 from 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.

Our roles and responsibilities are set out in more detail, by agency program, on pages 3–4.

1 On 1 July 2023, the Register of Foreign Ownership of Australian Assets (the Register), established under the *Foreign Acquisitions and Takeovers Act 1975* (the Act), commenced. The Register expands previous registers of foreign ownership of residential land, agricultural land and water entitlements – to include commercial land, mining tenements and business acquisitions, including acquisitions reviewed under a national security test. In accordance with Division 7A of the Act, a report on the statistical data held in the new register will be released annually. The first annual report will be for the period ending 30 June 2024. For more information, see ato.gov.au/theregister.

2 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. Government entities achieve these outcomes through the delivery of programs.

In 2023–24, the Australian Taxation Office had one outcome to deliver for the Australian community and was funded to deliver this through 4 agency programs and 14 administered programs. All deliverables for administered programs are achieved by making payments to eligible recipients in accordance with relevant laws.

The ATO Budget Statements are set out in the Treasury PBS, and are available at treasury.gov.au/publication/portfolio-budget-statements-2023-24.

ATO 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, managing non-compliance with the law; and in delivering effective and efficient business registry services.

Agency programs

1.1 Australian Taxation Office (ATO)

The ATO will undertake the following core activities to achieve its program objective:

- collecting revenue
- administering the goods and services tax (GST) on behalf of the Australian states and territories
- administering major aspects of Australia's superannuation system.

1.2 Tax Practitioners Board (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 (BAS) agents (collectively referred to as 'tax practitioners').

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.

While the TPB is included in the ATO program structure and under the ATO outcome, it operates independently of the ATO 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.

1.3 Australian Business Registry Services (ABRS)

The ABRS program aims to provide effective and efficient business registration services that ensure integrity and accuracy of information, to maximise the value of our registry data for government, intermediaries, business and the community. It encompasses:

- the register of Australian business numbers (ABNs), a trusted national business dataset and business registry service
- Standard Business Reporting (SBR), which defines a common language for business information and standards for digital information exchange between businesses and government
- the register of director identification numbers (director ID).

The Commissioner of Taxation is the Registrar of the Australian Business Register and Australian Business Registry Services. ABRS was established to assist the Registrar to carry out their function. ABR program performance outcomes are included in this (the Commissioner of Taxation's) annual report.

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

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

The statutory functions and regulatory powers of the ACNC Commissioner are set out in the ACNC Act, the *Charities Act 2013* and accompanying regulations.

Although the ACNC Act refers to 'not-for-profits' and the 'not-for-profit sector', the ACNC only regulates registered charities – organisations that meet the definition of charity as set out in the Charities Act.

The ACNC's activities, as outlined in the ACNC's 2023–24 corporate plan, include:

- maintaining a public register of Australian charities (the Charity Register)
- registering new charities
- revoking the registration of charities that are no longer entitled to registration
- collecting and publishing information about charities annually
- providing advice and guidance to charities and the public
- disseminating resources to build capacity and good governance in the sector
- sharing data with the public, charities and government
- monitoring charities for compliance with legal requirements, and acting on identified concerns
- working across governments to reduce unnecessary regulation.

While the ACNC is included in the ATO program structure and under the ATO outcome, it operates independently of the ATO 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.

1.5 to 1.18 Administered programs

Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the tax and superannuation systems. Our administered programs for 2023–24 were:

1.5 Australian Screen and Digital Game Production Incentive
1.6 Junior Minerals Exploration Incentive
1.7 Fuel Tax Credits Scheme
1.8 National Rental Affordability Scheme
1.9 Product Stewardship for Oil
1.10 Research and Development Tax Incentive
1.11 Low Income Superannuation Tax Offset
1.12 Private Health Insurance Rebate
1.13 Superannuation Co-contribution Scheme
1.14 Superannuation Guarantee Scheme
1.15 Interest on Unclaimed Superannuation Accounts Paid
1.16 Interest on Overpayment and Early Payments of Tax
1.17 Bad and Doubtful Debts and Remissions
1.18 Seafarer Tax Offset.

ATO landscape

The ATO interacts with a vast number of taxpayers, clients and partners in the community – and each group has different requirements and outcomes they seek from the tax, superannuation and registry systems. Figure 1.1 shows who we interact with.

Figure 1.1 ATO landscape, at 30 June 2024

12.2 million
individuals not in business

4.7 million
small businesses
plus an additional 2.5 million individuals linked through their influential role (director, partner, shareholder, beneficiary)

956,600
employers

626,700
super funds
- **625,600** self-managed super funds
- **172** large super funds
- **924** small APRA-regulated super funds

228,700
not-for-profit organisations

284,100
privately owned and wealthy groups linked to 1.3 million entities

44,000
public and multinational business groups linked to 101,000 entities

38,600
tax practitioners
- **27,300** registered and active tax agents
- **11,300** registered and active BAS agents

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

Our ministers

The ministers with responsibility for matters relating to the tax, superannuation and registry systems in 2023–24 were:

- The Hon. Dr Jim Chalmers MP
  - Treasurer
- The Hon. Stephen Jones MP
  - Assistant Treasurer
  - Minister for Financial Services
- The Hon. Julie Collins MP
  - Minister for Housing
  - Minister for Homelessness
  - Minister for Small Business
- The Hon. Dr Andrew Leigh MP
  - Assistant Minister for Competition, Charities and Treasury
  - Assistant Minister for Employment.

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

The ATO Executive

The Commissioner 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.

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.

Commissioner Rob Heferen has over 35 years of diverse experience in the Australian Public Service spanning across policy development and program delivery in varied portfolios. Prior to joining the ATO, Rob held senior positions at the Treasury; Department of Education, Skills and Employment; the Department of the Environment and Energy; and the Department of Families, Housing, Community Services and Indigenous Affairs.

Rob is regarded as one of the nation's most experienced tax experts, and for almost 2 decades his interest and expertise in economics and tax policy has led to senior executive roles at the Australian Taxation Office and Commonwealth Treasury.

Rob has a Bachelor of Arts (Hons) and Bachelor of Laws from the University of Tasmania, and a Graduate Diploma of Economics from the Australian National University.

Note
Chris Jordan AO was appointed as the 12th Commissioner of Taxation on 1 January 2013, with his term ceasing on 29 February 2024.

Executive team responsibilities

David Allen
Acting Second Commissioner, Service Delivery Group

David Allen continued to act in the role of Chief Service Delivery Officer from 1 July 2023 to 30 April 2024, and was then appointed as acting Second Commissioner from 1 May 2024. David had overall responsibility for the Service Delivery Group for the 2023–24 year.

The Service Delivery Group is responsible for a broad range of taxpayer services for all segments of the community. These include telephony services, processing all payments, activity statements, income tax returns, superannuation lodgments and other forms, as well as administering the tax file number register, Australian Business Register and director ID services.

The group is focused on reducing overall debt levels, streamlining and eliminating manual processing where possible, driving the use of digital services, and providing assistance for clients in engaging with the tax, superannuation and registry business. The group aims to provide these services efficiently and to continue to build and support the capability of our staff.

Note
In May 2024, the head of Service Delivery Group position was changed from a Senior Executive Service Band 3 position to a statutory Second Commissioner role.

Jacqui Curtis PSM
Chief Operating Officer, Enterprise Strategy and Corporate Operations Group

Jacqui Curtis PSM 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 culture to deliver on our strategic intent 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 APS Chief Operating Officer (COO) Committee and provides strength and integrity in the ATO's corporate positioning, ensuring the ATO is well aligned with broader APS Reform measures. Jacqui also 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 has been recognised for her outstanding contribution to the public service over many years, receiving a Public Service Medal as part of the 2022 Queen's Birthday honours.

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, including law interpretation, public advice and guidance, independent dispute prevention, litigation and resolution, and our contribution to policy and law design.

The Law Design and Practice Group serves the community, government, and clients by ensuring 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 supporting government outcomes and 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.

Matthew Hay PSM
Acting Chief Information Officer,
Enterprise Solutions and
Technology Group

Matthew Hay PSM acted in the role of Chief Information Officer from 1 May to 30 June 2024, with 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 (IT) 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.

Notes

- In May 2024, the head of the Enterprise Solutions and Technology Group position was changed from a statutory Second Commissioner position to a Senior Executive Service Band 3 role.
- Ramez Katf was the Chief Information Officer and Second Commissioner with overall responsibility for the Enterprise Solutions and Technology Group until his term ended on 30 April 2024.

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 we foster willing participation in Australia's tax and superannuation systems.

Across all client experiences – from individuals and small businesses to the very largest public and multinational businesses – the Client Engagement Group uses insights from client 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.

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 2024

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 Andrew Watson
  - **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 Marek Rucinski
  - **Superannuation and Employer Obligations** – Deputy Commissioner Emma Rosenzweig
- **Service Delivery Group** – Second Commissioner David Allen (acting)
  - **Australian Business Registry Services and Deputy Registrar** – Deputy Commissioner Karen Foat
  - **Client Account Services** – Deputy Commissioner Grant Brodie
  - **Lodge and Pay** – Deputy Commissioner Jill Kitto (acting)
  - **Strategy and Support** – Deputy Commissioner Julian Roberts (acting)
- **Law Design and Practice Group** – Second Commissioner Kirsten Fish
  - **Objections and Review** – Deputy Commissioner Andrew Orme
  - **Office of the Chief Tax Counsel** – Chief Tax Counsel Fiona Dillon
    - 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
  - **ATO Corporate** – Deputy Commissioner Clare Gunning
    - **Independent internal function Fraud Prevention and Internal Investigations** – Assistant Commissioner Janine Clark
  - **ATO Finance** – Chief Finance Officer Janine Bristow
  - **ATO People** – Deputy Commissioner Alison Stott
  - **Enterprise Strategy and Design** – Deputy Commissioner Brad Chapman
    - **Independent internal function Internal Audit** – Chief Internal Auditor, Assistant Commissioner Damien Browne
- **Enterprise Solutions and Technology Group** – Chief Information Officer Matthew Hay PSM (acting)
  - **Cyber Security** – Chief Information Security Officer, Deputy Commissioner Dan Barron (acting)
  - **Data, Integration and Service Management** – Deputy Commissioner Michael Rowell
  - **Digital Delivery** – Chief Digital Officer, Deputy Commissioner Elissa Walker
  - **Strategy and Architecture** – Deputy Commissioner Jimmy Tzimopoulos (acting)
  - **Super, Tax and Registry Services** – Deputy Commissioner Narda Phillips
  - **User and Technology Services** – Chief Technology Officer, Deputy Commissioner Sebastian Hood

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.

02 Year in review

Our progress in 2023–24

The *ATO corporate plan 2023–24* established our intention to achieve our purpose through 8 strategic objectives, 8 key focus areas and an additional 15 core priorities. It highlighted the critical programs of work to deliver, spanning both specific enterprise initiatives and our core business – the ATO's ongoing work.

The following information reflects progress made on the key focus areas in 2023–24, and our achievements against the strategic objectives.

Further information on, and detailed analysis of, the performance of the ATO is provided in Part 3 Annual performance statement on pages 43–118. The Annual performance statement reflects changes made to the Australian Taxation Office's performance framework, including the naming conventions and coverage of our strategic objectives, since the 2023–24 corporate plan was released. An explanation of these changes is provided in the introduction to Part 3.

Key focus areas

The **Improve small business tax performance** key focus area sought to improve small business tax performance by collaborating with small businesses, digital service providers and tax practitioners to build a digital-first tax ecosystem. We continued our focus on better understanding what influences tax performance, real-time or right-time reporting and payment, and the value of embedding guidance into digital solutions that small businesses use. Under this key focus area we are working to:

- minimise errors
- increase small business confidence in the tax system
- promote right-time reporting and payment.

In 2023–24, we concluded several pilots that explored right-time reporting and payment, and the impact on small business tax performance. These pilots demonstrated the potential for an increase in tax performance, as well as wider benefits for taxpayers in more regular reporting and payments of tax, including managing cash flow and alignment with other business processes.

We have also extensively engaged key stakeholders and overseas tax administrations, gathering valuable learnings and insights on the:

- diversity within the small business population and the need to understand its natural segments and tailor future tax experiences and solutions, noting a one-size-fits-all approach is not appropriate
- potential benefits of more frequent reporting and payment of tax obligations for small businesses, including better alignment with their natural processes, improved cashflow management and prevention of tax debts
- access to quality data that small businesses and their tax advisers need to make more informed decisions and improve their tax performance.

Our focus for 2024–25 is the publication of a blueprint for a future tax experience for small businesses, tailoring these future experiences and approaches to the different segments within the small business population.

The **Manage cybersecurity** key focus area underpins our continuing commitment to safeguarding our organisation and taxpayer data by strengthening our ability to govern, protect, detect and respond to cyberthreats.

In 2023–24, the delivery of our cyber program and supporting initiatives further strengthened our cybersecurity capability. Our defence-in-depth approach includes multiple layers of security to fortify our organisation and systems against cyberthreats.

We continued our collaboration with the Department of Home Affairs, the Australian Signals Directorate and other partner agencies as a whole-of-nation endeavour, focusing on further protecting the government's most critical digital systems, data, services and functions and providing better support to individuals, entities and industry.

Enhancing our cybersecurity remains a key focus area in 2024–25. We will continue our extensive work program to strengthen our systems to monitor, detect and respond to cyberthreats, protect our data and continue delivery of the cyber program.

The **Address collectable debt** key focus area supports decisive and timely action being taken against those who choose to not engage with their tax obligations and those who purposefully avoid their payment obligations. Under this key focus area, we sought to recover high-value and aged debts and enforce timely payment of employer obligations that include or could lead to unpaid superannuation.

During 2023–24, we progressively adopted a more regular approach for those not meeting their tax obligations. Notwithstanding this return to normal, we ensured concessions continued to be considered for taxpayers who were in genuine hardship and in need of support.

This shift has resulted in slowing the growth of collectable debt to 5.2%, compared to 12.0% the previous year. Total net collections increased by 6.0%, from $576.2 billion in 2022–23 to $610.6 billion in 2023–24.

In 2023–24, a new analytics approach has enabled us to better understand the drivers of debt and the behaviours of those in a debt position. The strategic insights obtained will allow us to better tailor our engagements with taxpayers, re-prioritise our resourcing investment target with firmer actions for those taxpayers that pose the greatest risk of non payment, and improve payment performance into 2024–25.

Extending our actions to improve the recovery of high-value and aged debts and enforce timely payment of employer obligations will remain a key focus area in 2024–25.

The **Protecting the system and clients against fraud** key focus area is driving the strengthening of system integrity by preventing, detecting and responding to fraud in the tax, superannuation and registry systems.

During 2023–24, the level and sophistication of fraud attacks on Australians continued to have a significant impact on the community. In response, we strengthened taxpayer protections and fraud controls and increased the amount of revenue protected. Through delivery of this key focus area, we:

- introduced ‘online access strength’ – an extra layer of protection for individuals when logging in to ATO Online services with their myID
- engaged in audit and criminal prosecution, including through the Serious Financial Crime Taskforce, Operation Protego, Phoenix Taskforce and Fraud Fusion Taskforce
- worked with the tax profession community to add additional protections into their business practices, such as agent linking for Australian business number (ABN) holders (except sole traders)
- joined the Australian Financial Crime Exchange, improving our ability to work with the banking industry to address fraud
- continued to work closely with our counterparts in the Joint Chiefs of Global Tax Enforcement (J5) to gather information, share intelligence, conduct operations and build the capacity of tax crime enforcement officials across the international landscape.

Broadly, the fraud environment remains dynamic and perpetrator attacks are agile. In the 2024–25 Federal Budget, the government provided the ATO with additional funding to bolster our counter fraud activities and our ability to:

- prevent unauthorised access
- intervene faster on suspected fraud attempts
- improve assistance to individuals harmed by fraud
- ensure there are consequences for fraudsters.

We will continue to develop our counter fraud measures as a key focus area in 2024–25, to further protect revenue and taxpayers from fraud.

The **Multinational tax performance** key focus area progressed our efforts to improve compliance and pursue mitigations for new priority tax risks for multinational enterprises, as well as public and private businesses and groups.

In 2023–24, we continued to meet and exceed commitments to government, and as a result the government announced additional funding to expand the activities of the Tax Avoidance Taskforce. The 2024–25 Federal Budget provided additional funding of $1.2 billion to extend the taskforce for a further 2 years to 30 June 2028.

The following key achievements in 2023–24 reflect the taskforce's significant impact in ensuring multinational profits are appropriately taxed in Australia:

- We capitalised on our earlier litigation success to permanently remove more than $45 billion of past and future interest deductions for related party finance arrangements from the tax system.
- A settlement announcement to the Singapore Exchange resolved our dispute in relation to convertible instruments, with the instruments converted into fully paid ordinary shared, eliminating future interest payments and deductions.
- We commenced activities, including consultation and the development of public advice and guidance materials, in response to recently enacted thin capitalisation amendments which limit the amount of interest deductions certain entities can access.

Continuing to sustain multinational and large taxpayer performance, improve compliance and pursue new priority tax risk areas for multinational enterprises, as well as public and private businesses and groups, will remain a key focus area in 2024–25.

The **Modernising business registry services** key focus area supported the implementation of the government's response to the independent review of the Modernising Business Registers (MBR) program.

A written report from the independent review was provided to the government on 30 June 2023. In response, the Assistant Treasurer and Minister for Financial Services announced the cessation of the MBR program on 28 August 2023.

As part of the closure of the MBR program, the ATO provided significant program documentation to the Australian Securities & Investments Commission (ASIC) relating to the ATO's delivery responsibilities for the program.

The Australian Business Register (ABR) and director ID continue to be administered by the ATO. Further information on these responsibilities is provided at pages 82–86.

The **Superannuation guarantee integrity** key focus area underpinned the continuation of our work to expand the use of data to improve superannuation guarantee compliance.

In 2023–24, we delivered better outcomes for the community's retirement savings by:

- reminding employers to meet their superannuation obligations
- monitoring that employees received correct and timely superannuation entitlements
- taking firm action with employers that failed to meet their superannuation obligations.

We have strengthened the way we use data, to better identify employers that are not complying with their superannuation obligations. This data includes Single Touch Payroll (STP), superannuation fund reporting, government and third-party referrals, as well as employee notifications of unpaid superannuation.

We also continued to build an improved data-matching approach at the employee-employer relationship level. This will be finalised during 2024–25, and progressively implemented to:

- improve our ability to identify a range of behaviours that drive non-compliance
- support us to tailor our interventions for the different behaviours we see, including late payment, underpayment and non-payment of superannuation guarantee
- provide greater visibility of discrepancies to ATO staff and employers.

The **Continue to invest in data and digital** key focus area enhanced our work to drive digitalisation and improve taxpayer and staff experiences through more effective and efficient services.

In 2023–24, we strengthened our systems against fraud, made better use of data and delivered high-quality end-to-end digital services. Our data and digital capabilities contributed to improved tax performance and reduced tax administration costs.

The *ATO digital strategy 2022–25* continued to inform our priorities. In addition to many incremental improvements to our digital service, we delivered new capabilities including:

- the new ato.gov.au website, providing a more contemporary experience for our largest digital channel
- the staff enterprise knowledge management system, helping staff to streamline their interactions with the community
- a new digital function for excise payers, available through our Online services for business, that enables these payers to update details and lodge and amend returns
- Online services for foreign investors, to help them meet their obligations associated with Australian assets ownership.

We improved myID and Relationship Authorisation Manager (RAM) and implemented new ways to use myID to better protect ATO accounts. These changes benefit our tax system partners and the ATO.

We delivered a next-generation analytics platform to better process unstructured data. This allows us to derive insights and identify tax risks, and better govern and scale up the use of artificial intelligence (AI) models. We also added 10 automated software applications that perform repetitive tasks, thereby growing our robotic process automation program.

Building on strong foundations, in 2024–25 we will continue to strengthen and expand the value of our data and digital capability and systems as a key focus area.

Strategic objective: G1 Government

We build community confidence by sustainably reducing the tax gap and providing assurance across the tax, superannuation and registry systems

Summary

The ATO's role is to collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer. We address risks in the system to maintain community confidence, which in turn supports voluntary compliance.

The ATO aims to provide the community with confidence in our administration of the tax system and aspects of the superannuation and registry systems. We focus increasingly on approaches that help taxpayers get things right up front, rather than requiring correction later. We balance this approach by taking firm action against those who deliberately do the wrong thing.

Early and tailored engagement

We aim to make it as easy as possible for people to meet their obligations. We focus on timely and tailored engagement to support them to understand and meet their obligations on time or get them back on track as quickly as possible.

During 2023–24, we:

- used pay as you go (PAYG) withholding data-matching to interact with approximately 1,000 small, medium and large employers – raising more than $821 million in liabilities
- sent approximately 3.02 million SMS nudges to taxpayers, to support on-time lodgment and payment based on our analysis of behaviour
- corrected simple omissions or errors in approximately 580,000 income tax returns before issuing a notice of assessment – to support taxpayers and their advisers and avoid future compliance interactions, debt, interest or penalties
- helped employers meet their super guarantee obligations through our actions including sending over 167,000 prompt letters and reminders – this led to $240 million in super guarantee charge liabilities being raised
- undertook 169 early engagements in the public groups and international market – providing opportunities for taxpayers to discuss the tax outcomes of complex transactions with us before applying for formal advice such as rulings and advanced pricing arrangements
- implemented a new, differentiated treatment approach for the Top 1,000 large public and multinational groups in a combined assurance review program – and provided them with an opportunity to gain greater certainty about their tax outcomes and the effectiveness of their tax governance frameworks
- presented at events with the Big Four accounting firms to discuss aspects of the Top 1,000 combined assurance review programs
- published business bulletin articles, held external presentations and updated web content on the new review approach.

Strengthening system integrity and protecting revenue

We continue to strengthen system integrity and protect revenue by taking firm action on areas of suspected tax fraud, including:

- intentional overclaiming of deductions and incorrect reporting of income
- identity takeover and abuse of relationships.

We use data-driven insights and sophisticated risk modelling with new technology and approaches, to:

- identify and prevent information theft and loss to revenue
- address the risk of digitally-enabled fraud at scale.

Addressing these risks in the system maintains community confidence, which in turn supports voluntary compliance.

In 2023–24, we continued to focus our compliance efforts on individuals and entities that present a risk to Australia's tax and superannuation systems by intentionally doing the wrong thing. For example:

- The ATO-led Serious Financial Crime Taskforce raised $696.9 million in liabilities and $291.8 million in cash collections. Following joint investigations with law enforcement agencies, 20 people were convicted and sentenced. Two individuals identified through Operation Elbrus received sentences of 15 years imprisonment, with a 10-year non-parole period. An additional 12 individuals were convicted and are currently awaiting sentencing. At 30 June 2024, there were 62 people before the courts.
- The Shadow Economy program raised $2.1 billion in liabilities and an estimated $1.4 billion in cash collections. The ATO-led Shadow Economy Taskforce made over 180 intelligence disclosures to member agencies in 2023–24, supporting a whole-of-government response to combat shadow economy behaviours.
- The Phoenix Taskforce raised $313 million in liabilities and $99 million in cash collections. This taskforce is led by the ATO and unites the capabilities of key federal, state and territory agencies to share intelligence, exchange data and combat illegal phoenix activity. The taskforce's activities included letter and communication campaigns and targeted compliance activity, with over 2,650 reviews and audits completed.
- The ATO supports the Fraud Fusion Taskforce (FFT) that was established to prevent fraud against the National Disability Insurance Scheme (NDIS) and other government programs. In 2023–24, during the first full year of operation, we provided advice on the FFT strategic prevention roadmap, with up to 80 disclosures of ATO protected information to FFT member agencies to support their intelligence and operational activities.
- The ATO-led Illicit Tobacco Taskforce seized illicit tobacco with an estimated $45 million in excise forgone. The ATO contributes to the Illicit Tobacco Taskforce through information sharing to identify priority targets/networks and criminal prosecutions, to bring both disruption and consequence to those engaged in the growing and manufacture of domestic illicit tobacco.
- The ATO has joined the Australian Financial Crimes Exchange, to share data and intelligence on fraud with over 35 members across the banking, telecommunications and superannuation sectors, focusing on international and domestic civil and criminal treatments for fraudulent behaviour.
- We continued our strategy to improve tax agent compliance behaviours through active verification of claims, stopping high-risk tax returns in real-time – this raised revenue of $7.4 million from 2,493 tax returns.

We delivered on our commitments to government, including through our taskforces, which enabled us to focus on areas of significant risk and prevent, detect and address tax avoidance and ensure the largest and wealthiest taxpayers are paying the right amount of tax.

During the year, we worked with taxpayers across large public and multinational companies, privately owned and wealthy groups, small businesses, individuals, tax practitioners and superannuation funds, to ensure the integrity of the tax system in areas other than fraud or evasion.

Our achievements in 2023–24 include the following:

- The Tax Avoidance Taskforce continued to meet and exceed commitments to government, and helped to generate an additional $5.7 billion in tax revenue in 2023–24. Our strong performance has continued over the life of the program, totalling $32.4 billion at 30 June 2024 – this resulted in the government extending the taskforce for a further 2 years until 30 June 2028 (announced in the 2024–25 Federal Budget).
- We completed over 375,000 compliance interactions with employers (including over 1,700 audits) – resulting in $827 million of PAYG withholding liabilities raised.
- We continued our strong compliance program on pre-issue verification of GST refunds, with 33,237 GST entitlement checks completed on business taxpayers that had recently registered for GST.
- The justified trust approach continues to positively assure the tax compliance of the Top 100 large public and private corporate groups, by seeking objective evidence that would lead a reasonable person to conclude a particular taxpayer paid the right amount of tax. The approach achieved more than half (59%) of these groups having high assurance, and 82% having high or medium assurance.
- Continued engagements with all of the Top 500 and 1,173 of the Next 5,000 privately owned and wealthy groups, including 171 engagements on international risk matters – to provide assurance around whether they are paying and will continue to pay the right amount of tax. Where tax risks could not be resolved through collaborative compliance, the relevant disputes were managed through our audit program and firmer action taken where necessary to compel compliance.
- We continued to pursue litigation cases (in the courts and the Administrative Review Tribunal) that were considered significant to the integrity of the tax system, including cases involving transfer pricing, the general anti-avoidance rule and diverted profits tax. Recent decisions have clarified the anti-avoidance rules with respect to trust income, diverted profits tax, transfer pricing and dividend stripping.

Director ID

The ATO has continued to drive adoption of director identification numbers through targeted communications to directors. This focus has resulted in over 300,000 director IDs being issued in 2023–24, bringing the total issued since the introduction of the requirement for director IDs to over 2.6 million at 30 June 2024.

We estimate that 89% of directors now have a director ID, having successfully verified their identity. We also partnered with the Australian Securities & Investments Commission (ASIC) – which has responsibility for enforcing director ID compliance – on a compliance program to drive director ID adoption. In May 2024, this resulted in 2 directors being convicted for failing to have director IDs and fined $5,000.

Sharing economy reporting regime

The sharing economy has grown significantly in recent years. To help keep pace with this growth, the ATO has implemented the Sharing Economy Reporting Regime (SERR). Operators of electronic distribution platforms or marketplaces (platforms) are required to report transactional information about sellers using their platform to the ATO, to:

- improve transparency of income earned through platforms
- level the playing field across the sharing economy
- help the ATO to develop strategies to improve voluntary compliance.

Phase 1 of the SERR commenced on 1 July 2023 and included reportable transactions for the supply of taxi travel, ride-sourcing and short-term accommodation services. From 1 July 2024, platforms providing other services will be required to collect data about sellers utilising their platforms and report this bi-annually from 31 January 2025. These services include food delivery, tasking platforms (for example, dog walking or content creation), movable asset hire (for example, hire of formal wear/luxury handbags) and fixed asset hire (for example, domestic swimming pools or spaces for parties).

We are actively working with affected platforms to build a deeper understanding of their operations and ensure we have support in place for them to report appropriately.

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

Counter fraud program

The strengthening of the ATO's fraud prevention detection and response strategies is guided by the ATO external fraud long-term strategic framework. Increasingly, our focus is shifting toward real-time prevention, while maintaining strong detection and response capabilities.

The Counter Fraud Program (CFP) provides the ATO $187 million over 4 years, so we can adopt industry best practices and implement new fraud prevention capabilities that will help us detect, monitor and prevent identity crime-enabled fraud attacks on our systems.

We will also make it easier for taxpayers whose identity has been compromised, by:

- helping them to adopt stronger security
- improving processes for how we address fraudulent activity on their ATO account.

These changes for individuals, sole traders and small business owners will increase protection, reduce red tape and provide better future services.

Superannuation

In 2023–24, the ATO collected $1.09 billion and distributed $932 million of super guarantee entitlements to employee superannuation funds.

The ATO continues to treat non-compliance with super guarantee obligations seriously. Our focused audit program into the non-payment of super guarantee protects workers and their retirement savings. Our approaches range from supporting employers through to taking firmer action for those unwilling to meet their obligations.

In 2023–24, our super guarantee compliance and assurance activities included:

- education and information for employers, employees and the community
- issuing 100,000 payment due date reminders to employers identified as being at risk of late payment
- issuing 67,000 prompts to employers that underpaid or paid super guarantee late
- finalising 6,700 ATO-initiated cases
- finalising 15,500 employee notification cases.

There was an increase in notifications from employees advising their employer may not have met their super guarantee obligations, paid their superannuation late or made payment to an incorrect fund. We received approximately 28,000 notifications, up 21% over the previous year.

Over 2023–24, $1.9 billion in super guarantee charge (SGC) liabilities were raised, comprising $1.4 billion of superannuation guarantee and $474 million in penalties and interest.

At 30 June 2024, super guarantee debt on hand was approximately $3.7 billion, of which $80 million is disputed debt and $1.4 billion is insolvent debt; $2.2 billion of this amount is assessed as being collectable debt owed by approximately 89,300 employers.

In 2023–24, we issued 8,714 director penalty notices to individual directors of 6,493 companies, for an original imposed value of $572.7 million in unpaid super guarantee. Of these, $76.1 million in SGC director penalty notice liabilities has been collected and $483.6 million in unpaid liabilities remains outstanding. We will continue to pursue the directors for these unpaid amounts, using our available recovery options. The balance of liabilities is subject to net reversals, revisions or amendments.

Targeted approaches to address the growth in collectable debt

Over the course of 2023–24, we worked to address community attitudes towards debt obligations that had shifted following the COVID-19 pandemic. We worked with taxpayers to strongly encourage on-time payment, and where taxpayers were unable to pay their obligations on time we worked with them to help them understand that interest applies when debts are left unpaid.

As a direct outcome of returning to business-as-usual debt collection activities and adopting a firmer posture towards debt repayment, the growth of collectable debt has slowed – increasing by approximately 5.2% ($2.6 billion) in 2023–24, compared to approximately 12.0% ($5.4 billion) in 2022–23. Addressing collectable debt, which totalled $52.8 billion at 30 June 2024, remains a key priority in the ATO.

It is important we do our job to protect the Australian community and other creditors and ensure taxpayers do not obtain an unfair advantage over those who do the right thing. The ATO is taking firmer recovery action to ensure that businesses manage their cash flow to pay amounts withheld on behalf of others – GST, PAYG withholding and superannuation for their employees. We also take firmer action where we detect deliberate non-compliance and phoenix activities.

The ATO's return to business-as-usual debt collection activities in 2023–24 resulted in 26,702 director penalty notices issued for company debts totalling 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 business tax debts to credit reporting bureaus, an increase of 867 from the previous year.

While focused on our key role as the nation's principal tax collector, we seek to undertake this role with integrity, fairness and compassion. During 2023–24, we offered support by:

- assigning support teams to assist taxpayers experiencing vulnerability
- offering payment plans to help manage debt
- providing additional time to pay
- providing remission of penalties and interest (where appropriate).

We also recognise that collecting tax when it is due prevents businesses from further increasing their tax debts, which may then be more difficult to address over time.

For more information, see Appendix 7 on page 269.

Strategic objective: G2 Government

We design for better tax, superannuation and registry systems to make it easy to comply and hard not to

Summary

The tax, superannuation and registry systems need to be fit-for-purpose in underpinning Australia's revenue base. Our focus is on ensuring integrity in these systems and making it easy for taxpayers to meet their obligations or claim their entitlements.

This focus is supported by the collaborative working arrangements we have in place with Treasury, with whom we share stewardship of the systems, as outlined in the ATO – Treasury Protocol. We also contribute to improved policy outcomes by sharing technical skills across critical areas informally and formally through our mutually beneficial ATO Treasury secondment program.

Influencing policy and law design

The ATO provides input into policy and law design through analysis of revenue implications and administrative and compliance impacts, including from litigation decisions, to assist in achieving the government's policy intent. We use insights from the data we hold and our understanding of taxpayers to provide advice to Treasury, other agencies and government on how proposed policies will operate in practice.

In 2023–24, we worked closely with Treasury:

- to develop 395 robust costings and provide policy and legislative advice for over 60 proposals
- on quality assurance reviews of 30 legislative changes, to ensure they met policy intent and could be administered according to that intent
- on the consultation supporting the government's response to the PwC matters, and design of related measures
- on the coordination of technical input for policy development and law design for the Global and Domestic Minimum Tax, part of the OECD Two-Pillar Solution
- on law design of the government's excise streamlining package which focused on streamlining the administration of fuel and alcohol excise and excise-equivalent customs goods
- in relation to the not-for–profit sector on the design of new annual reporting requirements for around 155,000 non-charitable not-for-profits which self-assess as income tax exempt.

Implementing and monitoring announced measures

There were 58 measures with impacts on the ATO announced across the December 2023 Mid-Year Economic and Fiscal Outlook (MYEFO) and 2024–25 Federal Budget. We published material on our website to give practical guidance on new legislation when enabling legislation was yet to be enacted.

To help taxpayers meet their tax obligations and reduce their compliance costs, we released 23 legislative instruments that supported lodgment of various returns, specified the withholding rates, reduced fringe benefits tax compliance costs and provided reporting and withholding exemptions.

During 2023–24, we also:

- continued to support the delivery of 82 policy projects relating to previously announced measures
- completed the implementation of 15 policy projects including delivery of Tax Time 2024 critical legislative income tax system changes
- updated and published 27 withholding schedules and tax tables to support employers in meeting their withholding obligations in line with the Stage 3 tax cut changes
- supported the operation of the superannuation system by implementing 28 cyclical rate and threshold changes, including the legislated increase to the super guarantee rate, expanding the performance data for the YourSuper performance comparison tool, and indexation of the concessional and non-concessional contribution caps
- addressed tax risks associated with foreign investment policies, to modernise and expand Australia's tax treaty network
- implemented the Sharing Economy Reporting Regime, to improve transparency of income earned through platforms and level the playing field across the sharing economy
- worked with Treasury to strengthen our approach to monitoring and evaluating policy, with a particular focus on measures with shared responsibility across agencies.

Public advice and guidance

Our public advice and guidance program provides consistent and transparent 'one-to-many' advice and guidance products, to give certainty to taxpayers and help them make informed decisions about how the taxation and superannuation laws apply to their circumstances.

In 2023–24, we published 162 significant public advice and guidance products (including updates to existing products) to assist the community to understand and comply with their tax obligations. This included:

- 32 public rulings to provide certainty to taxpayers on longstanding issues (such as whether a composite item is itself a depreciating asset) and more contemporary issues (for example, the application of the GST to supplies of combination food)
- 9 practical compliance guidelines to provide guidance to taxpayers on new matters (for example, the electric vehicle home charging rate) and updates to existing guidance (such as corporate residency)
- 3 taxpayer alerts, including 2 alerts regarding arrangements of concern for businesses claiming the research and development tax incentive
- 13 decision impact statements providing the Commissioner's view (including any impact to our existing advice and guidance) on significant court decisions handed down in matters concerning the administration of tax and superannuation laws.

Our Taxation Ruling 'who is an employee?' helps employers and their workers understand when a worker is an 'employee' under both tax and superannuation law. The related practical compliance guideline outlines the Commissioner's compliance approach for businesses that engage workers and classify them as either employees or independent contractors.

Additionally, we published website guidance on topics such as:

- the infrastructure privatisation framework
- crypto assets
- undue hardship to corporate trustees.

Our advice under development program addresses key matters on which we are considering providing public advice and guidance. This ensures impacted taxpayers can provide feedback on public advice and guidance that may affect them.

In 2023–24, we used the advice under development program to:

- assist in the delivery of key public advice and guidance products on a broad range of matters, including the deductibility of self-education expenses
- consult with the community on topics for public advice and guidance.

Information on key matters being considered in the advice under development program is available at ato.gov.au/AUDP.

We also consulted extensively on several public advice and guidance products prior to their finalisation, to better understand taxpayers' concerns. During 2023–24, we:

- convened 5 public advice and guidance panels, consulting with external taxation experts on topics of increased complexity or interest to the community (for example, financial advice fees)
- issued 17 public advice and guidance products in draft form, seeking public comment before finalisation
- undertook targeted consultation on several occasions.

Consultation was particularly important in regard to the changes arising from thin capitalisation reform and the subsequent development of public advice and guidance material. Our internal and external communications directed interested parties to the ATO website so they could understand the changes and access information easily.

We also issued a taxation ruling to help employers and their workers understand when a worker is an 'employee' under both tax and superannuation law. The related practical compliance guideline outlines the Commissioner's compliance approach for businesses that engage workers and classify them as either employees or independent contractors.

In 2023–24, we streamlined our processes to address backlogs in our advice and guidance related to superannuation, to ensure we respond in a timelier manner.

Strategic objective: C1 Client

Our client experience and interactions are well designed, tailored, fair and transparent

Summary

We aim to improve the experience of taxpayers by interacting with them at the right time, providing certainty in our communication, and making appropriate adjustments for individual circumstances. We continue to enhance our online services to meet the growing demand for streamlined digital interactions and expand self-serve options that enable members of the community to easily manage their interactions at a time that suits them.

Creating better experiences

We delivered a successful Tax Time 2023, with 20.8 million income tax lodgments finalised and $49.5 billion in refunds issued. Targeted communication campaigns focused on key changes affecting Tax Time 2023, to improve taxpayer compliance. We also enhanced the online experience, to remove the need for taxpayers to call us for lower complexity topics that could be easily addressed online.

Our communications encouraged taxpayers to use our digital services as a more convenient way to lodge, with faster processing of their returns. This resulted in 82% of activity statements being issued via a digital channel – an increase of 7% from the previous year.

In July 2023, we began using Single Touch Payroll (STP) data in ATO online services to pre-fill pay as you go (PAYG) withholding data in activity statement withholding labels for small and medium PAYG withholding taxpayers – to help taxpayers and improve data accuracy. Approximately 50% of small and medium PAYG withholding taxpayers that report via STP lodge using ATO online.

This year, almost 10,000 taxpayers accessed support through our Tax Help program in around 370 community centres throughout Australia. Around 25 of these centres provide direct assistance to Aboriginal and Torres Strait Islander taxpayers, with select Tax Help promotional posters and fact sheets available in 13 Indigenous languages.

We focused on supporting employers by helping to improve their understanding of STP, PAYG withholding, fringe benefits tax (FBT) and super guarantee obligations. We provided this additional support through targeted communications such as webinars, videos and ATO forums, as well as via rulings and guidance.

We launched the ‘super health check’ communications initiative at Tax Time 2023, providing targeted information on key superannuation ‘basics’ to assist superannuation holders to be more aware of and stay in control of their superannuation. There are now plans to expand the super health check to include elements focusing on women and their superannuation and planning for retirement.

In January 2024, as part of our ongoing commitment to improving the experience of small businesses, we launched the ‘Essentials to strengthen your small business’ website. This free training resource has over 30 short courses to help small businesses develop the skills and knowledge they need to get their tax and superannuation obligations right, from the start. The courses cover a range of everyday scenarios and provide practical actions to prevent many of the mistakes we often see small businesses make. Over 50,000 small business owners have accessed the courses since the website was launched.

The ATO Community online service increased in popularity, registering 8.6 million visits in 2023–24, a 111% increase compared to the previous year. The ATO Community online service allows people to ask questions and share information about tax and superannuation issues with other community members, enabling them to find answers to their questions online, at a time that suits them.

In 2023–24, our proactive action on ATO-held superannuation resulted in just under 740,000 superannuation accounts worth more than $1.3 billion being reunited with owners or consolidated. Individuals using ATO online services consolidated 119,000 ATO-held and fund accounts worth just under $1.4 billion.

Lost superannuation accounts are held by superannuation funds where the fund has been unable to contact the member and the member account has been inactive. ATO-held superannuation includes unclaimed superannuation accounts, government superannuation contributions or super guarantee payments that could not be paid to a fund. The ATO protects small superannuation amounts until they can be transferred into a superannuation fund, retirement savings account or be claimed.

We continued to see an increase in the take-up of the First home super saver (FHSS) scheme. The scheme, which began in 2018, allows eligible individuals to make personal voluntary contributions into their superannuation fund to help save for their first home. In 2023–24, we received nearly 16,800 release requests, 27% more than the 13,300 requests in 2022–23.

During 2023–24, we received over 90,700 applications from over 68,900 individuals for early release of their superannuation on compassionate grounds. Nearly 53,100 applications were approved, valued at over $1,040.2 million. The volume of applications increased significantly during 2023–24 (20% from the previous year) and 2022–23 (an increase of 34% from the previous year).

Accessible tax, superannuation and business registry systems for all Australians

The ATO remains committed to ensuring our tax, superannuation and business registry systems are accessible to all Australians.

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

During 2023–24, we developed a suite of 8 in-language videos for CALD audiences, to educate and raise awareness on various topics including lodging a tax return, starting a business, beginning a new job and understanding superannuation.

We continued to engage with a range of CALD organisations and community leaders, Aboriginal and Torres Strait Islander community stakeholders, and organisations that support people with disability. Guided by our Reconciliation Action Plan, we created and implemented a new Indigenous brand, commissioning Indigenous artist Marcus Lee to create an original artwork that visually represents our commitment to cultural diversity and inclusion.

In 2023–24, we supported Aboriginal and Torres Strait Islander corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) to apply for a director ID. This included face-to-face and virtual processing of applications at meetings and events, a dedicated phone line managed by specially trained staff, and targeted radio advertising (in English and Yolngu Matha languages).

We continued to work with the First Nations Foundation by participating in Financial Wellness Week events in August and September 2023, to help improve the financial literacy of Aboriginal and Torres Strait Islander peoples living in remote communities.

Our annual reconciliation events and activities aim to foster understanding, respect and collaboration between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. The opening of the ATO's new Wharf Street building in Brisbane featured a smoking ceremony, Welcome to Country and a traditional dance performance on Turrbal, Jagera, and Yuggara Country.

During National Reconciliation Week and NAIDOC Week, we promoted reconciliation both within the ATO and externally, with videos, social media and web messaging.

For people with disability, we:

- are committed to ensuring that all information on our website meets success criteria from the Web Content Accessibility Guidelines 2.1AA
- provide tailored information to help people understand their tax and superannuation, including in Auslan
- engage with organisations that support people with disability to provide tailored tax and superannuation information
- promote the National Relay Service to people with a hearing or speech impairment and who need to phone the ATO
- ensure 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.

Improved and connected digital services and interactions

The ATO digital strategy continued to guide improvements to our digital services and interactions. We continue to see growth across online services for individuals, businesses, agents and foreign investors, which when combined resulted in 135.4 million user sessions during 2023–24, 12.1 million sessions more than the previous year.

The ATO app continued to provide a secure, personalised taxpayer experience for those who access ATO Online services for individuals from mobile devices. We now have over 2.4 million users of the ATO app, a 14% increase from last year.

In 2023–24, we conducted a pilot to simplify the STP lodgment experience for employers. Randomly selected employers were sent reminders to lodge their activity statements, with the advice that the ATO would assume there were no corrections to report if the employer did not lodge by the due date. The amounts reported via STP would then be automatically accepted into the employer's account. We will assess the results of this pilot in December 2024.

The online lodgment deferral feature in Online services for agents saw increased use; more than 15,400 agents requested over 2.4 million lodgment deferrals – 1.4 million deferrals were granted in real time.

We expanded our online services to include excise payers, who are now able to lodge and amend excise returns through Online services for business. In 2023–24, we received over 12,800 lodgments from excise payers, which is around 53% of all excise client return lodgments.

Foreign investors can now use Online services for foreign investors to register on the Register of Foreign Ownership of Australian Assets and meet their legislative obligations. Over 19,800 users registered for Online services for foreign investors during 2023–24, and we supported over 69,600 user sessions.

At 30 June 2024, our YourSuper comparison tool had over 2.85 million user views. The tool helps Australians compare superannuation funds based on their fees and performance. Over 49% of authenticated users with multiple superannuation accounts consolidated their accounts after using the tool. We processed over 1.2 million requests for superannuation funds to be linked to an individual employee, so it follows them as they change jobs.

Social media continues to be an essential component of our digital services, helping us to educate and engage with taxpayers. Our Facebook, LinkedIn and X profiles increased to 612,000 followers – an increase of 11% from the previous year. In mid-June 2024, we opened @austaxoffice on Instagram and by 30 June 2024 our reels (videos) reached 330,000 people.

In 2023–24, we received 24,000 queries and engaged with 9,400 taxpayers through social media. We published 1,084 posts on a range of topics, with a reach of over 18 million impressions (the number of times our content is displayed in feeds) – an increase of 41% from the previous year.

Promoting transparency, trust and confidence

We continued to promote trust and confidence in the ATO and the tax system through public reporting.

We published reports on our assurance programs, released data in the annual corporate tax transparency report and administered the centralised hosting of published reports for signatories that have adopted the Voluntary Tax Transparency Code, the set of principles and minimum standards to guide medium and large businesses on public disclosure of tax information.

In 2023–24, we released 8 reports that highlighted our key observations for income tax and GST. We expanded our reporting to also provide insights on settlement statistics for public and multinational businesses. The reports include:

- Corporate tax transparency report for the 2021–22 income year
- Top 100 large public and multinational taxpayers' income tax and GST assurance programs (findings report)
- Top 1,000 large multinational and public groups income tax and GST assurance programs (findings report)
- Top 500 private groups tax performance program (findings report)
- Next 5,000 private groups tax performance program (findings report)
- Reportable tax position schedule Category C disclosures (findings report)
- Public and multinational business advice and guidance program (findings report)
- Public and multinational business settlements 2022–23 (findings report).

We also published our super guarantee compliance results and actively promoted the outcomes on our website and through media and public relations channels.

During 2023–24, we resolved over 30,000 objections, which is the highest number of objections resolved in a financial year for more than a decade. We engaged directly with taxpayers and advisers, typically over the phone, to ensure their positions were fully understood, included the supporting evidence needed, and that we explained our decisions.

Our Dispute Assist service continues to help taxpayers experiencing exceptional personal circumstances relating to their health, family or finances. We helped 142 vulnerable individuals and small businesses connect to the right area in the ATO, resolve their dispute and access our services.

Strategic objective: C2 Client

We work with and through others to deliver efficient and effective tax, superannuation and registry systems

Summary

The ATO works to maintain strong relationships with tax practitioners, digital service providers, relevant industries, other government agencies and international partners, recognising their roles in helping us to deliver efficient and effective tax, superannuation and business registry systems for all Australians.

Our approach continues to be one of transparency, ensuring taxpayers are aware of their obligations, the steps they need to take, where they can obtain assistance, and the actions we may progress if they chose not to engage with us. We have worked closely with our taxation stakeholder groups to promote this message and the support available, to ensure they are well informed to meet their and their members' needs. We also co-design policy changes and develop guidance with the Australian Prudential Regulation Authority (APRA) fund industry to ensure the effectiveness of superannuation initiatives.

Engaging with tax professionals through dedicated channels and services

We work closely with professional associations and tax practitioners through our key stewardship and relationship groups, special purpose working groups and bespoke consultation groups. This helps us to better understand the environment in which tax practitioners operate, and the key legislative and administrative changes and environmental factors impacting their work. It also allows us to identify opportunities for practitioners to best support their clients to meet their obligations.

In addition to quarterly meetings of our Tax Practitioner Stewardship Group, we supported 27 bespoke consultation groups with almost 300 practitioner participants and 6 special purpose working groups and stakeholder relationship groups. We continued to provide timely information and education to tax practitioners through our Tax professionals newsroom, as well as webcasts and open forums for over 9,000 viewers.

We convene the National Tax Liaison Group, providing a regular opportunity for strategic discussion with professional associations, in trust and confidence, to develop and significantly improve the administration and operation of the tax and superannuation systems into the future.

Registered tax agents, registered BAS agents and other tax professionals play an important role in helping their clients to get their tax and superannuation right. Those who do not ensure they are meeting tax obligations on behalf of their clients may gain an unfair advantage over others who do the right thing.

While we recognise that most tax practitioners do the right thing, we work closely with the Tax Practitioners Board (TPB) to address the behaviours and performance of tax practitioners. Throughout the year, we referred over 360 individual cases to the TPB and made around 1,260 information exchanges. We work together, sharing relevant information to strengthen the integrity of the system and protect revenue by identifying and actively addressing risks and behaviours of concern. This includes applying promoter penalty laws to registered tax and BAS agents and other tax professionals who promote tax exploitation schemes.

Digital service providers

We continue to foster strong relationships with our digital service provider (DSP) partners, engaging on future opportunities including those that leverage new technologies, secure access to our wholesale developer environment and improve small business tax performance.

Throughout 2023–24, over 100 consultation and engagement activities explored opportunities and co-designed and implemented solutions designed to make it easier for business and tax professionals to meet their tax, superannuation and business registry obligations. Through the DSP Strategic Working Group, co-chaired by the ATO and Digital Service Providers Australia New Zealand (DSPANZ), we take collective action to support the development of solutions that optimise and drive key strategic initiatives.

This year, we provided support to over 500 DSPs that connected to the ATO through our application program interfaces (APIs) and offered software solutions to the community. We also improved our online platforms, content and guidance materials used by DSPs, making it easier for them to interact with us.

Working with Australian businesses to support safe and secure digital platforms

Australia has adopted the international Peppol eInvoicing framework. Peppol has members in over 40 nations including New Zealand, Malaysia, Singapore and Japan, ensuring we are connected globally for international trade.

The Australian Government is facilitating eInvoicing adoption across the economy as a more efficient and secure way for businesses to manage invoicing. By adopting eInvoicing, businesses can improve productivity and enhance security, while also contributing to a more sustainable future. The ATO continues to work with Australian businesses and DSPs to promote and support a reliable, safe and secure eInvoicing network.

In 2023–24, the ATO continued to operate as Australia's Peppol Authority, governing the use of the Peppol eInvoicing framework and supporting stakeholders across the economy to increase uptake. eInvoicing has gained significant momentum, with:

- approximately 100,000 businesses registered, bringing the total to over 132,000
- approximately 700,000 eInvoices transmitted, bringing the total to over 1.1 million and demonstrating the network's reliability
- over 40 eInvoicing-ready software products in the market, with many major small business accounting software products providing eInvoicing access at no additional cost
- Commonwealth Government agencies being enabled, and substantial advancement for several state governments
- international trade agreements, where it is helping to decrease barriers to international trade.

In the May 2024–25 Federal Budget, the government committed $23.3 million over 4 years to support eInvoicing, in recognition of its importance in disrupting payment redirection scams, improving cash flow and boosting productivity for small businesses.

International partnerships

We continue to build strong relationships, collaborate globally, and share knowledge and best practice expertise with international tax administrators.

The ATO continues to support the Organisation for Economic Co-operation and Development (OECD) Tax Administration 3.0 work program, which sets out a vision for the digital transformation of tax administration. The ATO is a member of the strategic working group that is responsible for overseeing the program. We continue to drive the vision for Tax Administration 3.0 within the community and with our international partners, with a view to promoting and accelerating digitalisation of tax administrations.

The ATO remains influential in the OECD Forum on Tax Administration (FTA) through our leadership of various groups, including the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC). The Commissioner of Taxation has global sponsorship of the JITSIC network, which brings together 44 of the world's national tax administrations to identify ways to respond to tax avoidance more effectively. It also provides a platform for FTA members to facilitate information sharing through both formal and informal information exchanges, enabling them to effectively work together to tackle operational risks within tax administrations.

This year, we continued the implementation of global and domestic minimum taxes under the OECD/G20 Pillar Two solution, as announced in the 2024–25 Federal Budget. We worked closely with Treasury in developing the primary law which was recently introduced into Parliament. We also completed early consultation with potentially impacted taxpayers, advisers and industry groups.

The ATO continues to contribute to the work of the large business five (LB5), a group directed by senior leaders of large business tax administration in Australia, Canada, the Netherlands, United Kingdom and the United States. The LB5 has developed a flexible program of engagement under the theme of encouraging voluntary compliance across the large business population. This involves agile projects focused on data use, tax agent behaviours and the ethical use of artificial intelligence (AI).

We aim to deliver world-class capacity building programs to assist other tax administrations, collaborating to share our recognised expertise and best practice. We continue to work with governments and organisations around the world to help build the capacity of their revenue administrations, so they can meet their obligations under the international tax framework, increase their domestic resource mobilisation and promote stronger economic governance.

In partnership with the Department of Foreign Affairs and Trade (DFAT) we implement joint activities using Official Development Assistance funds under the Australian development assistance program, with a focus on supporting our neighbours in the Pacific.

We are recognised as a leading tax administration among our international colleagues. We hold leadership roles within the Study Group on Asia-Pacific Tax Administration and Research (SGATAR), including sitting on the SGATAR Taskforce and being Regional Directors for the Pacific as a part of our commitment to the Commonwealth Association of Tax Administrators.

In March 2024, the ATO hosted the 2024 Multilateral Partners Program Workshop on behalf of the SGATAR Taskforce. Twelve SGATAR member administrations attended, as well as numerous regional partners and representatives from organisations including the OECD, International Monetary Fund (IMF), Asian Development Bank and World Bank, collaborating to tackle tax avoidance effectively and provide world-class contemporary tax administration services across the region – now and into the future.

We continued to support the government's tax treaty negotiation program, which was recently expanded to include New Zealand (re-negotiation), Ukraine, Brazil, South Korea (re-negotiation) and Sweden (re-negotiation). Working closely with Treasury, we were directly involved in negotiations with Colombia, Bulgaria, Croatia and New Zealand in 2023–24.

The ATO is an active member of the OECD Taskforce on Tax Crimes and Other Crimes. This taskforce assists OECD members to identify, discuss and influence relevant tax crime and associated financial crime trends, assisting global governments in the fight against tax and financial crime.

Through the Joint Chiefs of Global Tax Enforcement (J5), we continued to contribute to this global network which collaborates to gather information, share intelligence, conduct operations, deliver disruption and build the capacity of tax crime enforcement officials across the international landscape. We remain committed to addressing fraudulent behaviour through international and domestic civil and criminal measures, and we collaborated extensively with our counterparts in the Serious Financial Crime Taskforce and the J5, intensifying our fight against domestic and transnational tax crimes.

In 2024, the ATO and the Canadian Revenue Authority became co-chairs of the Large Business and International Program (LBIP). We play a leadership role in this network and its advisory group. The LBIP develops frameworks, information and other tools to improve individual and collective capacity to manage international tax risks and compliance more broadly. These efforts continue to provide tools to reduce administrative burdens, enhance efficiency and increase tax certainty for tax administrations and taxpayers. The ATO is supporting several key projects being undertaken within the LBIP.

Strategic objective: W1 Workforce

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

Summary

Our people strategies shape today's workforce and position us for the future by creating a positive and inclusive workplace culture underpinned by integrity and driven by impactful leaders.

We maintained high employee engagement levels of 75% in the Australian Public Service (APS) Employee Census 2024, 1% higher than last year. These results reflect our continued focus on staff engagement and have again outperformed the APS overall (1% higher) and other comparable agencies (3% higher).

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.

Continuing to grow our positive and inclusive culture

In 2023–24, we continued to invest in promoting and building a stronger organisational culture, to ensure the ATO is an inclusive workplace where staff feel safe, valued, engaged and supported.

We continued our commitment to drive progress toward diversity and inclusion goals in our *2024 Diversity and Inclusion Strategy*. Key focuses this year included building Aboriginal and Torres Strait Islander cultural awareness among all staff and strengthening career development opportunities for Indigenous staff and staff with disability. Our initiatives have focused on increasing affirmative measures in recruitment, particularly at leadership levels, and implementing tailored development, secondment and mobility options.

Our employee diversity networks continued to grow, with Gender Equality and Neurodiversity networks added this year. These networks serve to encourage a culture that is respectful, supportive and equitable for all employees. The ATO has an active program of events and initiatives that hold significance in promoting diversity, which is well-supported by staff across the organisation.

In response to the government's positive duty legislative changes introduced into the *Sex Discrimination Act 1984*, the ATO strengthened measures to prevent sexual harassment and discrimination from occurring. We are committed to providing a respectful workplace free from harmful behaviours.

Driving workforce and capability transformation

In 2023–24, we invested significantly in growing our workforce capability, to strengthen the expertise of our workforce and to better serve the community now and into the future. Particular focus was given to building tax technical, digital, cyber, data and analytic capabilities as well as growing the confidence and capability of leaders and managers.

We continued investment in qualifications, including micro-credential short courses to enable staff to gain certification. The ATO's Tuition Assistance Program (TAP) provided financial assistance for staff to complete qualifications aligned with the ATO's capability priorities.

In 2023–24, the ATO continued to nurture future talent pipelines through targeted entry-level programs. This included recruiting 667 graduates through 2 intakes: 78 School Leavers, 84 Evergreen, 28 Opening Doors – Neurodiverse, 9 Opening Doors – Veterans, 56 University Paid Internship Program and 7 Indigenous Apprenticeship Program participants. This includes participation in a number of professional stream career pathway programs such as data, digital, legal and accounting and financial management streams.

We also contributed to cross-agency professional development and capability growth in line with the *APS Workforce Strategy 2025* and initiatives including actively promoting staff participation in the Australian Public Service Commission (APSC) Academy learning offerings – with 3,737 course completions and sharing ATO course content through contributions to the APSC Learning Bank.

In 2023–24, the ATO also invested in initiatives to strengthen senior leadership capability and reinforce APS Reform efforts to refine leadership behaviours. This included:

- a series of masterclasses for senior executive services (SES) to extend and deepen their knowledge, and connect as a cohort to discuss pertinent topics and share experiences
- a pilot and rollout of an SES immersion program, taking SES into the frontline service environment to gain a greater understanding of the services delivered by the ATO, the taxpayer experience and the challenges encountered by frontline staff.

In addition, the ATO delivered bespoke SES and executive level (EL) 2 talent development programs in partnership with the APS Academy to a cross-section of high-performing, high-potential ATO and APS leaders. Delivered in conjunction with external providers, these programs position participants to lead into the future by focusing on next-level leadership content.

In 2023–24, the ATO continued to lead the APS human resources (HR) professional stream and collaborated with the APSC to build capability and nurture future HR talent pipelines across the APS. We facilitated 15 HR professional stream events for approximately 5,200 HR professionals. Additionally, we recruited and managed 57 HR graduates in 24 agencies, and placed 43 HR school leavers across 19 agencies.

Supporting staff to work in agile and adaptive ways

A continued focus for 2023–24 was supporting our workforce to operate in agile, contemporary ways and adapt to changes in our environment.

We also remained committed to staff mental health and wellbeing. In 2023–24, we implemented leader-led solutions including masterclasses and psychosocial risk management toolkits, so our senior leaders can continue to drive and strengthen positive actions for staff mental health and psychological safety. We expanded our staff support tools with our award-winning Thrive@Work learning program, which provides practical and science-backed strategies to help reduce work stress and improve wellbeing.

Providing tools to deliver the best taxpayer and staff experience

The ATO is committed to equipping staff with tools and technology that deliver the best staff experience, which enables them to provide quality services and create the best taxpayer experience.

In 2023–24, we worked to provide staff with access to the tools, training and technology they need to perform their role. Our efforts to improve the reliability and performance of our internal systems are supported by APS Employee Census results, with 67% of staff noting they have the necessary tools and resources to perform effectively, an increase of 3% from last year and outperforming the APS overall (8% higher). This included significant investments in remote access platforms, upgrading equipment and providing contemporary, collaborative technology and workspaces through a major office relocation in Parramatta and refurbishments in the Hobart and Burnie sites.

In 2023–24, we delivered on this commitment by further modernising our technology capabilities and optimising our operations. Initiatives and new technology delivered this year include the following:

- A new Enterprise Knowledge Management (EKM) system for over 16,000 staff. With its modern interface, advanced search functionality and tailored navigation, EKM provides a consistent and contemporary experience, making it easier for staff that directly engage with people to find the information they need.
- Introduction of a softphone application enables our contact centre staff to make and receive calls through the internet. Softphone provides an improved taxpayer and staff experience, with better audio quality and consistency of technology whether staff are working from the office or away from the office.
- A new cloud-based Inbound Outbound Document Library that upgrades how approximately 1.14 billion documents are stored, managed and accessed by internal systems and across our taxpayer-facing services.
- New analytics software for monitoring, reporting and analysing data in our contact centres, to improve contact centre efficiency and performance.

We assisted staff to learn and adopt new ways of working with the new technology through communities of practice, mini digital skill sessions and step-by-step guides.

In 2023–24, we also delivered upgrades to new and refreshed technology for staff, including:

- improved audio-visual equipment for staff working in the office, and improved remote access call quality and performance for staff working away from the office
- over 250 conferencing monitors installed
- laptops rolled out to staff in our Brisbane, Perth and Parramatta sites.

Industry awards and recognition

The ATO received several prestigious awards in recognition of outstanding initiatives and commitment to excellence. ATO staff and teams won or were finalists in various industry awards, including marketing, communications, risk management, customer service, workplace relations, cybersecurity and leadership.

The ‘Thrive@Work’ Pilot won the Best Health and Wellbeing Strategy category at the 2023 Australian Human Resource Institute (AHRI) Awards.

Our inclusive hiring practices were acknowledged at the Australian Disability Network’s 2024 Awards, where we received Disability Confident Recruiter status. This highlighted the ATO as a workplace of choice for people with disabilities.

We achieved Platinum Status for LGBTI+ inclusion in the Australian Workplace Equality Index, as one of 16 organisations nationally and the only APS employer with this status.

The ATO’s Datacentre Transformation Program, known as ‘Project Switch’, was named the Best Federal Government Project for 2024, revolutionising the organisation’s capabilities with modern, resilient infrastructure.

Strategic objective: O1 Operational

We use data, information and insights to deliver value for our clients and inform decision-making across everything we do

Summary

Investment in our data and analytics capability is critical to achieving our aspiration to be data-driven, streamlined and integrated. 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.

We continue to focus on improving the way we collect, manage, use and share data, to maintain confidence and maximise value for the community and the ATO. To do this, we are strengthening our data foundations to ensure the right data is available for our staff and taxpayers, and we have the right tools and capabilities to understand and use the data in innovative ways. We continue to focus on uplifting data literacy of all staff and provided additional training courses to staff including on artificial intelligence (AI).

We also have sound governance to ensure we always use data and analytics ethically.

Data and analytics governance and stewardship

We are custodians of one of the largest and most valuable data stores in Australia, a role we take very seriously. Our 6 data ethics principles continue to underpin how we manage, use and share the data we hold. All our staff undertake annual mandatory training to keep their understanding and application of the principles to their work current. We undertake privacy and ethical impact assessments before starting new significant data and analytics activities, or if these activities are materially changing.

We released a staff policy on use of publicly available generative AI products, with a senior group approving any new products and uses. Our policy aligns to Australian Public Service (APS) guidance.

We are leading the development of a whole-of-government Data Ethics Framework, a deliverable under the Data and Digital Government Strategy. This framework provides guidance on the ethical use of data and analytics in the APS, including where AI is used in analytics.

We are transparent about the data we collect, from whom and how we use that data through publication of information on our data-matching protocols.

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

Using data and analytics to deliver high-quality services

We use data and analytics to better support our regulatory services and help achieve our goal of prevention rather than correction. In 2023–24, we used data and analytics to:

- pre-fill over 111.3 million pieces of data, including salary and wages, interest and dividends, and Australian Government allowances and payments
- provide over 636,000 real-time prompts to taxpayers to check amounts in their 2022–23 income tax returns, resulting in the protection of an estimated $78.9 million of revenue
- send nearly 365,000 informative pre-fill messages to taxpayers to consider the tax consequences of their crypto asset sales when completing their 2022–23 income tax returns
- provide over 514,000 real-time prompts to taxpayers to check amounts in their business activity statements
- prompt nearly 18,000 self-preparing sole traders to check amounts reported in their 2022–23 tax return where the amounts differed to those in similar circumstances – 10% of those prompted made adjustments as a result.

We continue to harness contemporary technology to use our available data, information and insights to prevent, detect and respond to GST compliance risks, including fraud. In 2023–24, we evaluated, refined and enhanced our existing analytical modelling and used machine learning techniques to identify new and emerging high-risk behaviours. We deployed a system change to reduce instances of fraudulent revisions of business activity statements and to provide support for those businesses struggling to get it right.

e-Audit is computer-assisted verification that enables skilled ATO officers to analyse a taxpayer's electronic information more efficiently, accurately and thoroughly than if they had used manual processes. The ATO delivered internal training on the use of an optical character recognition and data analysis tool (Altia) to strengthen foundational data capability.

Modernising Insights and Intelligence program

Since commencing in 2021, the Modernising Insights and Intelligence (MII) program has delivered large-scale data transformation of the ATO's data platforms and capability, to meet our growing data and digital needs. It has enhanced the ATO's data capability, enriched insights and intelligence platforms, increased automation and our ability to undertake AI activities, and delivered data to the right place at the right time.

In 2023–24, we:

- upgraded the advanced analytics platform with improved machine learning, AI and large data processing ability to improve the ATO's fraud and risk detection and management ability
- uplifted our enterprise identity-matching solution, leading to improved processing performance
- piloted the acquisition and assessment of 9 new datasets to enhance our visibility and understanding of taxpayer data and risk behaviours, helping to address key drivers of and reduce the individuals tax gap
- completed a complex migration of critical ATO datasets including Single Touch Payroll and Australian Transaction Report and Analysis Centre (AUSTRAC) data.

We are also looking to enhance the pre-fill process to provide greater assurance on amounts reported in an income tax return where changes are required to pre-filled data for high-risk taxpayers and their intermediaries.

Strategic objective: O2 Operational

Our technology and digital services deliver a reliable and contemporary client experience

Summary

Meeting community expectations that our systems will be secure and available when required is now more important than ever. We continue to invest in secure infrastructure, making more of our services available digitally, and boosting capacity amidst unprecedented and increasing demands.

Delivering resilient systems and future-proofing our IT infrastructure and capabilities

Technology resilience and availability of our systems

In 2023–24, the ATO introduced the Technology Management Methodology (TTM) to inform proactive and holistic management of our IT assets. TTM provides a robust inventory of our infrastructure and applications and the development of our technology health assessment. This has provided us with a consistent framework for assessing and improving the health of our assets, including their currency, stability, reliability and availability.

We measure the availability of our digital systems to ensure the reliability of services for taxpayers interacting digitally.

In 2023–24, our external-facing systems used by taxpayers and partners (community, tax and superannuation professionals, and software developers) were available for 99.94% of optimal capacity. For internal-facing systems used by staff, the average availability was 99.99%.

Updated ATO website

The ato.gov.au website is our largest digital channel, registering approximately 124 million visits in 2023–24. In January, we launched an updated website that was developed through significant consultation with internal and external stakeholders. It incorporates a modern visual design with improved navigation, search functionality and information architecture on a contemporary digital experience platform.

The new platform provides a contemporary publishing experience for over 200 content management staff and improves the way we maintain and update the information we provide to the community.

IT Strategic Sourcing Program

Under the IT Strategic Sourcing (ITSS) program, we are replacing the ATO's largest IT managed services contracts; bringing strategic control functions back into the Australian Public Service (APS) and enabling the ATO to progressively insource further elements and build our people capability over time.

In 2023–24, the new contractual arrangements were in various stages of transfer to new service providers and technology infrastructure. Over the course of the year, we:

- moved the previously outsourced technical help desk into our standard inquiry services, providing centralised technical support, an increased ability to self-serve and improved information accessibility
- began replacing the ATO's critical mainframe infrastructure, to provide essential capacity in readiness for Tax Time 2024
- brought in new providers for both the ATO internal IT service desk and on-site IT support services, and the platforms which support ATO staff with their day-to-day access to workplace technology
- changed our enterprise service management contract to include a service integration and management operating model which supports and strengthens IT governance and assurance and provides effective control and oversight.

Enabling digital identity, security and take-up

As part of the Australian Government's Digital ID program, the ATO administers:

- the myID digital identity app
- Relationship Authorisation Manager (RAM), a secure online system that allows businesses to manage the permissions they give to representatives to act on their behalf when dealing with the ATO.

Together, myID and RAM are used to access over 150 services across 56 government agencies. At 30 June 2024, over 12.7 million verified myIDs were enrolled, up from 8.2 million the previous year.

In 2023–24, we continued to improve the Digital ID program by:

- enhancing the user experience
- improving our fraud detection capability
- implementing privacy audit recommendations to meet new privacy guidelines for obtaining consent regarding the use and disclosure of personal information.

The key measures rolled out during the year include:

- improved accessibility for the community
- improvements to document verification, with an increased success rate
- notifications for activation of myID on a new device, to mitigate fraud
- enhancements and simplifications to the management of employee authorisations when linking businesses in the system
- making it easier for digital service providers to manage their credentials to interact with the ATO
- improved machine learning models that increase fraud mitigation and account protection.

Strategic objective: F1 Financial

We strive for operational excellence to achieve efficiency and quality outcomes

Summary

We continue to drive operational excellence through considered investment decisions and strategies intended to ensure our enterprise systems and practices evolve with technological advancements. By focusing on the ATO's highest priorities, we deliver quality outcomes that meet expectations in a cost-effective way.

For more information, see Part 5 Financial performance and Part 6 for our financial statements.

Responsible financial management

We direct our resources to our highest priorities, to deliver on our committed priorities and strengthen the integrity of the tax, superannuation and registry systems.

During 2023–24, we continued to strengthen our information and communications technology (ICT) ecosystem to safeguard our organisation and our data, and we invested in programs to improve the taxpayer and staff experience.

Throughout the year, the ATO delivered essential services for the government and the Australian community while significantly reducing expenditure on external labour, in line with the government's commitment to rebalance the APS. The ATO's high standard of financial governance ensures that we remain well positioned to support the Australian community into the future.

Strategic procurement and contract management capability

In 2023–24, we continued to invest in our strategic procurement and contract management capability, supporting staff through detailed procurement and contract management guidance, complemented with regular training and assurance activities.

Our investment in this capability covers all aspects of the Commonwealth procurement framework, including a focus on maintaining integrity in our procurement processes and contract management activities and achieving value for money outcomes.

The ATO's contracts are managed by dedicated contract managers in accordance with Commonwealth laws and policies. Over the past 12 months, the ATO has successfully delivered a number of large and complex procurements to support our enterprise initiatives and core business.

03

Annual performance statement

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 statement 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 2023 to 30 June 2024.

In my opinion, and having considered the recommendations from the ATO Audit and Risk Committee, the annual performance statement, which reports the ATO'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 complies with subsection 39(2) of the PGPA Act except for the effect of those matters described below where the entity was unable to obtain sufficient assurance over the reporting processes supporting the result:

- Performance Measure: *Registration*
- Performance Measure: *Digital (Inbound)*
- Performance Measure: *Identity matching*
- Performance Measure: *Payment*
- Performance Measure: *Digital (Outbound)*

The Australian National Audit Office (ANAO) is currently undertaking an audit of the Australian Taxation Office's 2023–24 annual performance statements for the first time. I am aware that the ANAO may also form a view on the extent to which the Australian Taxation Office's annual performance statement meets the requirements of the PGPA Act.

The ATO, TPB and ACNC have reviewed the performance framework for the listed entity, including the performance measures included in the annual performance statement, and 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 performance reporting overall, including through the ongoing consideration of the findings of the ANAO audit.

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 2023–24 annual performance statement outlines our progress towards achieving the purposes of the Australian Taxation Office.

The purposes of the Australian Taxation Office are:

ATO	TPB	ACNC
Contributing to the economic and social wellbeing of Australians by fostering willing participation in the tax, superannuation and registry systems.	Supporting public trust and confidence in the integrity of the tax profession and the tax system and ensuring tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.	Promoting public trust and confidence in Australian charities.

We are focused on maturing our performance reporting through ongoing enhancements to our suite of performance measures to better represent and measure the delivery of our important and diverse range of responsibilities on behalf of the government and the community.

Changes to our performance information

In late 2023, the ANAO commenced its inaugural audit of the Australian Taxation Office listed entity's annual performance statements for 2023–24. This included an examination of the performance measures in the 2023–24 corporate plans and Portfolio Budget Statements (PBS) for the ATO, TPB and ACNC. Alongside this audit, the ATO, TPB and ACNC reviewed the performance framework for the listed entity.

Based on this review, changes were made to the performance framework, including a revision of key activities (naming conventions and content for some activities), the removal of performance measures considered to be not fully compliant with the PGPA Rule or to proportionately reflect the purposes of the Australian Taxation Office and the adjustment of a number of performance measure targets. These changes form part of an ongoing program of work within the ATO, TPB and ACNC to strengthen and mature performance monitoring and reporting arrangements for the Australian Taxation Office.

The Australian Taxation Office's section of the Treasury's PBS 2023–24, and the ATO, TPB and ACNC 2023–24 corporate plans contain the suite of performance measures for the reporting period. In previous years, the TPB and ACNC reported performance measures in their respective annual performance statements. This year, a subset of TPB and ACNC measures have been incorporated into this Australian Taxation Office 2023–24 annual performance statement. This approach provides consolidated performance information and better demonstrates the Commissioner of Taxation's responsibilities as the Accountable Authority for the listed entity.

There were 24 measures in the 2023–24 PBS that have been removed and will not be reported in this annual performance statement. These comprise 4 ATO measures, 13 TPB measures and 7 ACNC measures. Additionally, the targets for 4 measures were removed as it was not considered practical to establish targets for them. An explanation for the change/removal of measures and targets is provided in tables 3.4–3.7.

In this annual performance statement, the 'strategic objectives' in the *ATO corporate plan 2023–24* have been realigned to the 'key activities' in the *Australian Taxation Office corporate plan 2024–25*, which better reflect the ATO's core work to achieve its purpose. This approach also better aligns with the PGPA Rule requirements.

Additionally, the number of key activities in the TPB and ACNC 2023–24 corporate plans have been reduced in the *Australian Taxation Office corporate plan 2024–25* to better reflect, on a proportionate basis, the operations of the Australian Taxation Office.

Tables 3.1, 3.2 and 3.3 show the key activity changes made to the performance framework for the ATO, TPB and ACNC, respectively, since the 2023–24 corporate plans were published.

Table 3.1 Performance framework, ATO key activities changes

ATO corporate plan 2023–24 – strategic objectives		2023–24 Annual performance statement and Australian Taxation Office corporate plan 2024–25 – key activities	
G1	We build community confidence by sustainably reducing the tax gap and providing assurance across the tax, superannuation and registry systems	1	We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer
G2	We design for better tax, superannuation and registry systems 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
C1	Our client experience interactions are well designed, tailored, fair and transparent	3	Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to
C2[a]	We work with and through others to deliver efficient and effective tax, superannuation and registry systems	4	We work with and through others to deliver efficient and effective tax, superannuation and registry systems
O1[a]	We use data, information and insights to deliver value for our clients and inform decision-making across everything we do	5	We use data, information and insights to deliver value for our clients and inform decision-making across everything we do
O2[a]	Our technology and digital services deliver a reliable and contemporary client experience	6	Our technology and digital services deliver a reliable and contemporary client experience
W1	We are a high-performing workforce with a focus on integrity, the right culture, capability and tools to deliver the best client and staff experience	–	Removed as the ATO's workforce capabilities are addressed in the *Australian Taxation Office corporate plan 2024–25* 'Organisational capability' section
F1	We strive for operational excellence to achieve efficiency and quality outcomes	–	Removed as the ATO's financial investment capabilities are addressed in the *Australian Taxation Office corporate plan 2024–25* 'Organisational capability' section

Note
(a) Content remains unchanged, only the numbering has been updated.

Table 3.2 Performance framework, TPB key activities changes[(a)]

TPB corporate plan 2023–24 – key activities		2023–24 Annual performance statement and Australian Taxation Office corporate plan 2024–25 – key activities	
1	Collaborate with our stakeholders to support and shape government reforms	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
2	Streamline registration to support new and existing tax practitioners		
3	Improve tax practitioner standards and integrity with support and guidance		
4	Protect consumers through a risk-based compliance program		
5	Support our people to build organisational capability, culture and leadership		
6	Support and safeguard our performance through a technology work program		
7	Enhance TPB performance through data science and systems		

Note

(a) TPB planning content is included in the Australian Taxation Office (listed entity) corporate plan 2024–25. Consequently, the TPB did not produce a separate corporate plan for 2024–25.

Table 3.3 Performance framework, ACNC key activities changes[(a)]

ACNC corporate plan 2023–24 – key activities		2023–24 Annual performance statement and Australian Taxation Office corporate plan 2024–25 – key activities	
1	Maintaining a public register of Australian charities	1	Maintaining a free and accurate register of Australian charities (the Charity Register)
2	Registering new charities		
3	Revoking the registration of charities that are no longer entitled to registration		
4	Collecting information about charities annually		
5	Providing advice and guidance to charities and the public		
6	Disseminating resources to build capacity and good governance in the sector		
7	Sharing our data with the public, charities and government		
8	Monitoring charities for compliance with legal requirements, and acting on identified concerns		
9	Working across governments to reduce unnecessary regulation		

Note

(a) ACNC planning content is included in the Australian Taxation Office (listed entity) corporate plan 2024–25. Consequently, the ACNC did not produce a separate corporate plan for 2024–25.

Tables 3.4–3.7 outline changes to the reported performance measure information that have occurred since the 2023–24 PBS and ATO, TPB and ACNC corporate plans were published.

Table 3.4 Program 1.1 ATO – changes to 2023–24 performance information

Performance measure	Description of change	Rationale for change
Trust	Performance measure removed	This ATO measure used a community survey which included perceptions of interpersonal trust and trust in the tax system which is heavily influenced by factors outside the ATO's control. See pages 150–151 for information about survey results. This revision was included in the *Australian Taxation Office corporate plan 2024–25*.
Influence	Performance measure removed	This ATO measure does not meet the requirements of 16EA of the PGPA rule. See pages 23–24 for information about our work with Treasury. This revision was included in the *Australian Taxation Office corporate plan 2024–25*.
Culture	Performance measure removed	This ATO measure is not considered a direct measure of the ATO's performance. See page 34 for information about APS Census results. This revision was included in the *Australian Taxation Office corporate plan 2024–25*.
Staff experience	Performance measure removed	This ATO measure is not considered a direct measure of the ATO's performance. See page 34 for information about APS census results. This revision was included in the *Australian Taxation Office corporate plan 2024–25*.
Digital outbound	Change of measure name From: 'Digital – proportion of outbound interactions issued digitally for key services' To: 'Digital – proportion of written outbound interactions issued digitally'	The wording of the measure was adjusted to better explain the coverage of the measure. This revision was included in the 2024–25 PBS.
Working together	Change to target	The target was updated to remove reference to the year against which the target was originally baselined. This revision was included in the 2024–25 PBS.

Table 3.5 Program 1.2 TPB – changes to 2023–24 performance information

Performance measure		Description of change	Rationale for change
1.1	The number and quality of TPB submissions that enhance our regulatory role and government coordination	13 measures removed	The reduction in the number of measures reflects the proportionality of the TPB's operations to the overall performance of the Australian Taxation Office listed entity. This revision was included in both the 2024–25 PBS and Australian Taxation Office corporate plan.
2.1	Our internal service standards results		
2.2	Our quality assurance results		
3.1	The number and quality of guidance products published		
3.2	The number and quality of education opportunities offered		
3.3	Tax practitioner feedback		
4.2	The number and type of completed compliance cases		
4.4	Tax practitioner satisfaction with TPB compliance effectiveness		
5.1	Our staff wellbeing and engagement		
5.2	Staff satisfaction with workplace culture, skills development and TPB leadership		
6.1	Our system availability		
6.2	Our system reliability		
7.1	Improving data analytics capability, including utility of risk and measurement tools		

Table 3.6 Program 1.4 ACNC – changes to 2023–24 performance information

Performance measure	Description of change	Rationale for change
Percentage of Annual Information Statements submitted by the due date	7 measures removed	The reduction in the number of measures reflects the proportionality of the ACNC's operations to the performance of the Australian Taxation Office listed entity. This revision was included in both the 2024–25 PBS and Australian Taxation Office corporate plan.
Percentage of investigations finalised within 90 business days of ACNC receiving all information necessary to make a decision		
When a charity is notified of an investigation, the percentage of investigations that result in regulatory action		
Percentage of DGR endorsed charities reviewed to confirm eligibility of subtype and registration		
Percentage of users that find our guidance useful		
Percentage of calls answered within 4 minutes and percentage of written correspondence responded to within 7 business days of receiving all information necessary to respond		
Percentage of datasets delivered to other regulators (as part of data sharing arrangements) on time		

Table 3.7 Programs 1.5 to 1.16 – changes to 2023–24 performance information

Performance measure	Description of change	Rationale for change
1.5 Australian Screen and Digital Game Production Incentive	Target removed	It is not practical to establish a target for the value of tax offsets processed as the ATO's performance does not materially influence the result. This revision was included in the 2024–25 PBS.
1.8 National Rental Affordability Scheme	Target removed	It is not practical to establish a target for the value of tax offsets processed as the ATO's performance does not materially influence the result. This revision was included in the 2024–25 PBS.
1.12 Private Health Insurance Rebate	Target removed	It is not practical to establish a target for the value of tax offsets processed as the ATO's performance does not materially influence the result. This revision was included in the 2024–25 PBS.
1.14 Super Guarantee Scheme measures	Change of measure name	The word 'charge' has been added to measures with coverage of the Superannuation Guarantee Charge.
1.16 Value of credit interest applied to client accounts	Target removed	It is not practical to establish a target for the value of credit interest applied to client accounts as the ATO's performance does not materially influence the result. This revision was included in the 2024–25 PBS.

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 3.8 demonstrate our performance against the 3 principles of regulator best practice and report our achievement against the principles.

Table 3.8 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 ▪ Tax gap ▪ Payment ▪ Total revenue effects ▪ Debt ▪ Compliance cost ▪ Superannuation Guarantee	▪ Tax practitioner satisfaction ▪ Risk assessments ▪ Sanctions	▪ Registering new charities ▪ Availability: Charity Register; Charity Portal
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	▪ Registration ▪ Digital (inbound and outbound) ▪ Tax returns ▪ Identity matching	▪ Tax practitioner satisfaction ▪ Sanctions	▪ Registering new charities ▪ Availability: Charity Register; Charity Portal
Collaboration and engagement: regulators are transparent and responsive communicators implementing regulations in a modern and collaborative way	▪ Working together	▪ Risk assessments	▪ Registering new charities

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

The ATO's purpose is to contribute to the economic and social wellbeing of Australians by fostering willing participation in the tax, superannuation and registry systems.

Program overview

Program 1.1, as outlined in the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS), aligns with the *ATO corporate plan 2023–24* and presents our performance and achievements in relation to the strategic objectives (now key activities) for 2023–24. As noted, 4 performance measures have been removed, being Trust, Influence, Culture and Staff experience and the coverage of the key activities has been updated.

The ATO is the Australian Government's principal revenue collection agency, administering legislation governing the tax system, along with aspects of the superannuation and registry systems.

Performance summary

The annual performance statement reports on the performance criteria included in the PBS and corporate plan 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 15 measures for Program 1.1 to demonstrate how well we are achieving our purpose. We met the performance targets for 12 of these measures. One measure was rated 'substantially achieved' and 2 measures as 'not achieved'.

In 2024–25, we will continue to focus on being responsive to our environment and delivering 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.

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 3.9. 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 3.9 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Registration – Proportion of companies and individuals registered in the system

Table 3.10 Registration – Proportion of companies and individuals registered in the system, 2021–22 to 2023–24

Performance measure	**Registration – Proportion of companies and individuals registered in the system** ▪ A measure to show the proportion of ATO company and individual registrations against relevant agency datasets and monitor for significant variances. This helps to assess that companies and individuals required to participate in the tax and superannuation systems are registered with the ATO. Companies: This element of the measure compares the number of company registrations on ATO systems to the Australian Securities & Investments Commission (ASIC) registered population. Individuals: This element of the measure compares the number of active individual taxpayers (between 15 and 64 years old) currently registered on ATO systems with the equivalent Australian resident population as determined by the Australian Bureau of Statistics (ABS).			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 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% (companies) and 5% (individuals) from the last reporting period (increase or decrease)			
Companies				
Results	**2023–24**	**66.1%***	●	**Achieved**
	2022–23	66.5%	●	Achieved
	2021–22	66.1%	●	Achieved
Analysis	The result for the proportion of companies registered in the system is 66.07% (this has been rounded to 66.1%) and meets the target. This measure compares the number of companies registered by the ATO to the number of companies registered by ASIC. However, not all companies registered with ASIC have taxation obligations (or other ATO reporting requirements) due to the nature of their corporate structure or not being operational yet. Due to these known differences in data between the ATO and ASIC, the number of companies registered with both the ATO and ASIC is always expected to be well below 100%.			
Type of measure	Effectiveness			
Data sources	ASIC data, ATO systems			

Table 3.10 Registration – Proportion of companies and individuals registered in the system, 2021–22 to 2023–24 *continued*

Methodology	**ASIC registered population** – The number of companies registered with ASIC is sourced from ASIC's Company registration statistics publication, which is available at asic.gov.au. **ATO registered population** – The number of active ASIC registered companies is sourced from the ATO Client Register. The ATO registered population is divided by the ASIC registered population to obtain the result (multiplied by 100 and expressed as a percentage).			
Limitations	* The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. The measure is reliant on availability and accuracy of ASIC data. A larger number of company registrations are on the ASIC register than on the ATO client register, due to the ASIC register encompassing corporate entities that have no taxation obligations.			
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Registration – Proportion of individuals registered in the system' to provide a clearer read of performance.			
Individuals				
Results	**2023–24**	**107.6%^**	●	**Achieved**
	2022–23	107.8%	●	Achieved
	2021–22	105.9%	●	Achieved
Analysis	The result for proportion of individuals registered in the system is 107.62% (this has been rounded to 107.6%) and meets the target. The measure compares active individual clients (between 15 and 64 years old) in the ATO Client Register to the ABS estimated resident population in the same age group. The proportion of individuals registered on ATO systems against the ABS dataset is expected to remain above 100% for the following reasons: ▪ The ATO's definition of a 'resident' captures a greater number of people than the ABS estimated 'resident' population, because the time spent in Australia to be considered a resident by the ATO is shorter than that required for the ABS definition. ▪ The ATO has encountered difficulties in identifying and deactivating tax file numbers (TFNs) for expatriates, resulting in unused TFNs within the system. This is due to the ATO not currently receiving information relating to expatriates exiting the country. As noted above, variations between definitions used by the ATO and the ABS results in a number greater than 100% of the total population.			
Type of measure	Effectiveness			
Data sources	ATO systems, ABS data			
Methodology	**ABS population** – This is sourced from ABS publication 3101.0 *National, state and territory population* – Data downloads – data cubes, National, state and territory population December 2023, Table 7. **ATO population** – This contains individual taxpayers where there are one or more indications that the taxpayer has, or has recently, had a requirement to interact with the ATO; either directly or indirectly (for example, externally – government services/programs). The ATO population is divided by the ABS population to obtain the result (multiplied by 100 and expressed as a percentage).			
Limitations	^ The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. The measure is reliant on availability and accuracy of ABS data. The proportion is always expected to remain above 100% for the following reasons: ▪ The ATO's definition of a 'resident' captures a greater number of people than the ABS estimated 'resident' population. ▪ The ATO has encountered difficulties in identifying and deactivating TFNs for expatriates, resulting in unused TFNs remaining within the system. ▪ There are timing differences relating to the removal of deceased individuals.			
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Registration – Proportion of individuals registered in the system' to provide a clearer read of performance.			

Lodgment – Proportion of activity statements and income tax returns lodged on time

Table 3.11 Lodgment – Proportion of activity statements and income tax returns lodged on time, 2021–22 to 2023–24

Performance measure	**Lodgment – Proportion of activity statements and income tax returns lodged on time** ■ A measure to show the number of (a) activity statements lodged on time as a proportion of the anticipated population with a lodgment obligation; and (b) 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 accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
Activity statements				
2023–24 target	78%			
Results[(a)]	**2023–24**	**75.6%**	◆	**Not achieved**
	2022–23	72.6%	◆	Not achieved
	2021–22	70.5%	◆	Not achieved
Analysis	On-time lodgment performance for 2023–24 activity statements was 75.6%. This is a 3.0 percentage point increase on the 2022–23 result and 2.4 percentage points below the target of 78.0%. The increase in performance is mainly driven by a change to the on-time lodgment methodology. The changed methodology more accurately reflects forms lodged by taxpayers on or before the due date and up to the end of each month, including a 7-day grace period. This year, the number of activity statements due and lodged on time increased by approximately 2 million. During 2023–24, we identified over 66,000 outstanding activity statements had been despatched to entities that were no longer required to report GST and/or PAYG withholding. Cancelling these activity statements better reflects these taxpayers' obligations and impacted the performance of this measure positively, an improvement of 0.4 percentage points. Small businesses account for almost 85% of this population. We are working with the community to ensure those who have a genuine need to be registered lodge on time. We will also educate taxpayers on how 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 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). **Performance rating scale**			

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

Limitations	Activity statement lodgment performance is measured for the relevant lodgment obligations due at 30 June. The activity statement obligations 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 ■ annual lodgers (less than 0.1% of the total number) due at 30 June – most annual activity statement obligations are not included within the on-time lodgment calculation.
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Lodgment – Proportion of income tax returns lodged on time' to provide a clearer read of performance.

Table 3.11 Lodgment – Proportion of activity statements and income tax returns lodged on time, 2021–22 to 2023–24 *continued*

Income tax returns				
2023–24 target	83%			
Results[b]	**2023–24**	**82.4% (2022–23 returns)**	■	**Substantially achieved**
	2022–23	83.3% (2021–22 returns)	●	Achieved
	2021–22	82.0% (2020–21 returns)	■	Substantially achieved
Analysis	On-time lodgment performance for 2022–23 income tax returns was 82.4%. This is 0.6 percentage points below the target of 83.0% and 0.8 percentage points below last year's result. The performance for both individuals and small businesses declined compared to the prior year (down 1.0 and 0.5 percentage points respectively). While the volume of income tax returns lodged on time increased by 3.5% (from 16.3 million in 2021–22 to 16.9 million in 2022–23), the number of lodgments due increased by 4.6%. There may be several reasons for the decrease in lodgment on time performance for income tax returns compared to last year. These include, but are not limited to, entities that became inactive but failed to lodge their final income tax return. Most taxpayers remain engaged and compliant with their income tax lodgment obligations, with the 5-year performance trend showing on-time lodgments are consistently within the range of 82% to 84%.			
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 2023–24 is for 2022–23 income tax returns measured at 30 June 2024. **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 entities 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 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). **Performance rating scale**			

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

Limitations	Known limitations of the income tax return lodgment performance measure include where: ▪ not all of 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. The above limitations are not considered material, as it is anticipated this affects less than 0.5% of the population.
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Lodgment – Proportion of income tax returns lodged on time' to provide a clearer read of performance.

Notes

(a) Activity statements performance measured at 7 July 2024 for 2023–24 activity statements, 2 July 2023 for 2022–23 activity statements and 30 June 2022 for 2021–22 activity statements.

(b) Lodgment performance measured at 7July 2024 for 2022–23 income tax returns, 1 July 2023 for 2021–22 income tax returns, 6 July 2022 for 2020–21 income tax returns.

Tax gap – As a proportion of revenue

Table 3.12 Tax gap – As a proportion of revenue, 2021–22 to 2023–24

Performance measure	**Tax gap – As a proportion of revenue** ▪ A measure estimating the difference between what the ATO collects 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 accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available			
Results	**2023–24**	**7.5% (2021–22)** **See page 122 for detailed information**	●	**Achieved**
	2022–23	See Part 4 Revenue performance in our 2022–23 annual report for detailed information	●	Achieved
	2021–22	See Part 3 Revenue performance in our 2021–22 annual report for detailed information	●	Achieved

Analysis

While quantitative estimates can be provided, the current performance target is difficult to definitively evaluate quantitatively. In the current operating environment, the ATO considers 'as low as practicable' is a sustained reduction in the net tax gap over the medium term. We consider the medium term covers the period 2016–17 to 2021–22 given the lags in estimating the tax gap.

Our latest tax gap estimate shows that for 2021–22, the total theoretical tax liability (the amount of tax we would collect if everyone was fully compliant with tax law) was $590.3 billion and we received $545.8 billion or over 92% of this amount. This means that the overall tax gap for 2021–22 is estimated to be $44.5 billion, or 7.5% of the tax that should have been reported. We collected around 97% of the $545.8 billion of the tax voluntarily, reflecting a system that is operating well, with taxpayers aware of, and meeting, their obligations.

All taxes	Unit	2018–19	2019–20	2020–21	2021–22	2022–23
Tax gap	%	8.1	7.9	7.6	7.5	–
	$m	38,439	38,590	41,222	44,483	–

The latest year estimate suggests that overall tax performance improved in 2021–22. For the 4 largest contributors to the tax gap, we saw a reduction in the net tax gap for individuals and small business income tax (the 2 largest contributors), while we saw an increase in the net tax gap for GST and large corporate groups income tax.

We caution against putting too much emphasis on year-to-year changes in tax gaps. Instead, we prefer to assess the medium to longer-term trend as it better illustrates sustained improvement in tax performance, which is a more meaningful indicator of the overall performance, and therefore health, of the tax and superannuation systems.

Over the publication period, particularly from 2018–19 to 2021–22 the estimates show a gradual improvement, with the estimated net tax gap falling from 8.1% to 7.5%. Over the same period the gross gap has increased. This is reflective of the ATO reducing the net tax gap through its activities, despite a decrease in voluntary compliance following COVID.

The overall decline in the net tax gap for 2021–22 supports an overall rating that the ATO has achieved its goal of reducing the tax gap to a level as low as practicable given the nature and complexity of the law and the resources available, particularly during the COVID affected years where there was significant economic uncertainty and the diverting of ATO resources to support delivering the government's economic stimulus measures.

For more information refer to page 122.

Table 3.12 Tax gap – As a proportion of revenue, 2021–22 to 2023–24 *continued*

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data[(a)]
Methodology	The tax gap estimate covers all transactional-based and 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 an alternative method 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.
Limitations	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 the 2025–26 annual report. 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. The tax gap does not include an estimate of the tax forgone because of policy decisions. 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.
Variation from 2023–24 ATO corporate plan	Nil

Note

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

Total revenue effects – Revenue from all compliance activities

Table 3.13 Total revenue effects – Revenue from all compliance activities, 2021–22 to 2023–24

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 accordance with the law in the most efficient way for government and the taxpayer		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$15.7b[a]		
Results	**2023–24**	**$18.5b**	● **Achieved**
	2022–23	$20.3b	● Achieved
	2021–22	$14.9b	■ Substantially achieved
Analysis	Total revenue effects is a measure of the additional tax revenues collected as a result of ATO compliance action, including preventative compliance activities, that aim to: ▪ positively change the compliance behaviour of taxpayers ▪ address non-compliance ▪ disrupt or prevent evasion and fraud activities. In 2023–24, the estimated revenue effects from all these activities totalled $18.6 billion. We refunded under $100 million in relation to significant objections and litigation. Subtracting this results in total revenue effects of $18.5 billion, against our target of $15.7 billion. For further information on total revenue effects and 2023–24 performance, see Total revenue effects on page 129.		
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 audit and enforcement 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 compliance** – This is an estimate of the additional revenue received from taxpayers we influence. They typically represent improved voluntary compliance. When measuring wider revenue effects, 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.		
Limitations	Audit actions and incorrect payments stopped: A portion of the cash collected is estimated using historical cash rates. 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 2023–24 ATO corporate plan	Nil		

Note

(a) The total revenue effects target for 2023–24 increased to $15.7 billion, up from the $15.0 billion target in 2022–23 and 2021–22.

Payment – Proportion of liabilities paid on time by value

Table 3.14 Payment – Proportion of liabilities paid on time by value, 2021–22 to 2023–24

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 accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	88%			
Results	**2023–24**	**89.6%***	●	**Achieved**
	2022–23	89.9%	●	Achieved
	2021–22	87.8%	■	Substantially achieved
Analysis	At 30 June 2024, the proportion of liabilities paid on time by value was 89.6%. This is a slight decrease on last year's result. However, it indicates the majority of the community who do have capacity to pay continue to meet their payment obligations on time. The ATO continues to shift its approach to restore and maintain Australia's voluntary tax and superannuation payment systems. Timely payment is our priority, with clearly defined consequences for those who don't pay on time.			
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).			
Limitations	* The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. Pre-payment of liabilities may get 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 2023–24 ATO corporate plan	Nil			

Debt – Ratio of collectable debt to net tax collections

Table 3.15 Debt – Ratio of collectable debt to net tax collections, 2021–22 to 2023–24

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 accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	Between 7.5% and 8.0%[(a)]			
Results	**2023–24**	**8.4%**	■	**Substantially achieved**
	2022–23	8.6%	■	Substantially achieved
	2021–22	8.5%	◆	Not achieved
Analysis	In 2023–24, the collectable debt to net tax collections ratio was 8.4% and did not meet the target of between 7.5% and 8.0%. This result is a decrease of 0.2 percentage points from the previous year result of 8.6%, however this year we adopted a revised debt calculation method that more accurately reflects the date we receive payment. This has positively impacted our collectable debt holdings and the collectable debt ratio for 2023–24. Without the effects of these changes, the collectable debt to net tax collections ratio result for 2023–24 would have remained stable at 8.6%. The amount of collectable debt increased to $52.8 billion at 30 June 2024, from $50.2 billion at 30 June 2023; an increase of $2.6 billion or 5%. This is the smallest yearly increase seen since prior to the COVID-19 pandemic, demonstrating that we are slowing the growth in collectable debt. In 2023–24, we directed effort and investment into 5 specific areas aimed at reducing the debt ratio: unpaid super guarantee charges; debt arising from ATO audit adjustments; aged, high-value debts; employers with new self-assessed debts; and addressing refund fraud. To ensure more timely payment, we have applied a range of firmer actions, including garnishee actions, directions to pay, director penalty notices and disclosure of business tax debt actions.			
Type of measure	Effectiveness			
Data sources	ATO systems, ATO financial statements			
Methodology	The rolling 12-month average of collectable debt holdings divided by the 12-month rolling net tax collections. **Collectable debt** – This is the average of 12 consecutive monthly ratios, each consisting of a monthly point-in-time collectable debt figure. **Net tax collections** – This is the sum of net tax collections received and processed in the prior 12-month period. The collectable debt is divided by the net tax collections to calculate the result (multiplied by 100 and expressed as a percentage). 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. Previously, the calculation of this measure used the date a payment was processed. **Performance rating scale**			
Limitations	The ratio is driven by external factors and it can be difficult to isolate singular drivers. This ratio cannot be used in isolation and is best viewed as part of a suite of key performance indicators.			
Variation from 2023–24 ATO corporate plan	Nil			

Performance rating scale

Result	Symbol	Description
Achieved	●	7.5% to 8.0%
Substantially achieved	■	8.1% to less than 8.5%
Not achieved	◆	8.5% and above

Note
(a) The debt target for 2023–24 was decreased to 'between 7.5% and 8.0%'. The target for 2022–23 was 'between 8.0% and 8.5%', and it was 'below 8.0%' in 2021–22.

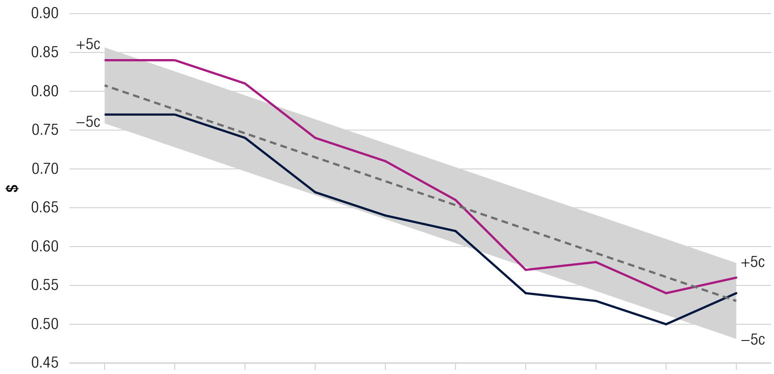
Cost of collection – Cost to collect $100

Table 3.16 Cost of collection – Cost to collect $100, 2021–22 to 2023–24

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 accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	Consistent with pre-pandemic trend[(a)]			
Results	**2023–24**	**$0.56 (incl GST)** **$0.54 (excl GST)**	●	**Achieved**
	2022–23	$0.54 (incl GST) $0.50 (excl GST)	●	Achieved
	2021–22	$0.58 (incl GST) $0.53 (excl GST)	■	Substantially achieved
Analysis	The cost of collection measures the cost of collecting every $100 of tax. The cost to collect $100 increased from $0.54 in 2022–23 to $0.56 in 2023–24 (including GST and its administration costs), and from $0.50 to $0.54 (excluding GST). Costs associated with collecting tax considerably increased in 2023–24 whilst tax collections rose less significantly, resulting in the ratio increase. Costs associated with collecting tax increased by 14%, driven by an increase in budget appropriation to expand tax collection activities. A large proportion of this increase related to addressing tax avoidance in the community. Additionally, we ceased work on the Modernising Business Register program, resulting in resources being reallocated to taxation-focused work to improve tax collection outcomes. Tax collections for 2023–24 have increased by 6%, with most heads of revenue increasing over the year. The biggest contributor to the increase was income taxes, with strength in individuals revenue driven by a stronger than expected labour market and an end to the low and middle income earner tax offset, partly offset by company tax due to lower net-on-assessment collections from the mining sector. GST also contributed to revenue growth. A steady downward trend of the cost of collection ratio is 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 and accompanying data table 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.			

Table 3.16 Cost of collection – Cost to collect $100, 2021–22 to 2023–24 *continued*

Analysis *continued*	The ratio shifted notably with the impacts of the pandemic and a buoyant domestic economy. The ratio trend has since flattened and is now returning to pre-pandemic values, with increased funding on taxation-focused work contributing to the increase in the ratio this year, moving back towards the trend line over time.



GST	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
Including GST	$0.84	$0.84	$0.81	$0.74	$0.71	$0.66	$0.57	$0.58	$0.54	$0.56
Excluding GST	$0.77	$0.77	$0.74	$0.67	$0.64	$0.62	$0.54	$0.53	$0.50	$0.54

Including GST   Excluding GST   Trend

Type of measure	Efficiency and effectiveness
Data sources	ATO systems, models
Methodology	There are 2 results reported for this measure. The first includes GST revenue and the cost to administer GST, and the second excludes GST revenue and the cost to administer GST. The cost of tax administration and net tax collections has exclusions in both results. The cost of tax administration is calculated as total administrative 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. The cost of tax administration is divided by net tax collections to calculate the result, multiplied by 100 and expressed as a dollar value.

Table 3.16 Cost of collection – Cost to collect $100, 2021–22 to 2023–24 *continued*

Limitations	The ratio can be impacted by external and internal factors. **Net tax revenue 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 2023–24 ATO corporate plan	Nil

Note

(a) The cost of collection target for 2022–23 and 2023–24 was 'consistent with pre-pandemic trend', and it was 'consistent with trend' for 2021–22.

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

Table 3.17 Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs, 2021–22 to 2023–24[(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	3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	A decrease, or no more than 2% increase over the prior year figure[(b)]			
Results	**2023–24**	**1.9% increase (2022–23 returns)**	●	**Achieved**
	2022–23	5.5% increase (2021–22 returns)	◆	Not achieved
	2021–22	3.6% decrease (2020–21 returns)	●	Achieved
Analysis	This measure tracks the change, in percentage terms, to the costs incurred by individual taxpayers to manage their tax affairs and adjusts the size of the change by average weekly ordinary time earnings (AWOTE)[(a)] 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 2023–24, relating to amounts paid by individual taxpayers during the 2022–23 income year. The year-on-year comparison shows the adjusted cost of managing tax affairs increased by 1.9% in the year to June 2024 compared to the previous year. Based on this result, the performance target is considered achieved. The 2022–23 result saw a sharp increase over the prior year attributed to COVID-19 concessions decreasing tax return complexity in the prior year. The 2023–24 result sees a stabilisation of this measure with the removal of the one-off reversal of the COVID-19 related behavioural impacts[(c)]. The result measure has been further supported by a notable increase in the deflator (see Methodology below), as individuals saw higher average incomes in the 2022–23 year when compared to the prior year.			
Type of measure	Efficiency			
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 2023–24 ATO corporate plan	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 for 2023–24 was changed to 'a decrease, or no more than 2% increase over the prior year figure'. The target for 2022–23 and 2021–22 was 'remain steady'.

(c) Impacts to the 2021–22 result included widespread behavioural changes, with a flow-on effect to tax affairs (for example, less travel and simplified ways of claiming working from home expenses).

Digital – Proportion of inbound transactions received digitally for key services

Table 3.18 Digital – Proportion of inbound transactions received digitally for key services, 2021–22 to 2023–24

Performance measure	**Digital – Proportion of inbound transactions received digitally for key services** ▪ A measure of the ATO's progress in successfully increasing the take-up of digital channels for inbound transactions by clients		
ATO key activity	3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	95%		
Results	**2023–24**	**95%***	● **Achieved**
	2022–23	95%	● Achieved
	2021–22	95%	● Achieved
Key services			
Income tax returns – results	**2023–24**	**99%**	
	2022–23	99%	
	2021–22	98%	
Activity statements – results	**2023–24**	**95%**	
	2022–23	95%	
	2021–22	94%	
Tax file number (TFN) registrations – results	**2023–24**	**98%**	
	2022–23	98%	
	2021–22	98%	
Payment arrangements – results	**2023–24**	**61%**	
	2022–23	58%	
	2021–22	53%	
ABN registrations – results	**2023–24**	**100%**	
	2022–23	100%	
	2021–22	100%	
Role registrations[a] – results	**2023–24**	**76%**	
	2022–23	78%	
	2021–22	78%	
ABN cancellations – results	**2023–24**	**68%**	
	2022–23	74%	
	2021–22	68%	
Departing Australia superannuation payment (DASP) applications – results	**2023–24**	**100%**	
	2022–23	100%	
	2021–22	100%	
Role cancellations[a] – results	**2023–24**	**79%**	
	2022–23	79%	
	2021–22	74%	

Table 3.18 Digital – Proportion of inbound transactions received digitally for key services, 2021–22 to 2023–24 *continued*

Taxable payments annual report (TPAR) lodgments – results	**2023–24**	**94%**
	2022–23	91%
	2021–22	89%
Client register updates – results	**2023–24**	**93%**
	2022–23	93%
	2021–22	94%
Objections – results	**2023–24**	**69%**
	2022–23	70%
	2021–22	New transaction type from 2022–23, not previously reported
Analysis	In 2023–24, 95% of inbound transactions were received digitally for key services, which meets the target and is unchanged from the previous year. We undertake many initiatives to reduce paper, including: ▪ cheque elimination ▪ improved digital services for TPAR lodgment ▪ a TFN declaration initiative. ABN cancellations had a reduced digital percentage partially due to paper-based cancellation requests. There was a bulk cancellation of around 2,100 ABNs from a large organisation during the year. This large cancellation was a one-off, removing this would put the digital rate at 70% instead of 68%, therefore explaining around one-third of the reduction in the ABN cancellations digital rate.	
Type of measure	Effectiveness	
Data sources	ATO systems	
Methodology	This trend ratio is a measure of the proportion of inbound transactions initiated digitally by our clients. This is reported as a percentage of key transactional services that have reportable data across service clusters related to: ▪ income tax ▪ business activity ▪ account and registration other ▪ superannuation ▪ objections ▪ advice. The total volume of inbound digital transactions is divided by the total inbound transaction volume to obtain the result (multiplied by 100 and expressed as a percentage).	
Limitations	* The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. The scope of the measure is limited to client-initiated transactions. Expansion of the services reported will continue as work progresses on the automated reporting solution.	
Variation from 2023–24 ATO corporate plan	Nil	

Note

(a) Role registrations and cancellations reported in this measure relate to the following revenue types: goods and services tax (GST); luxury car tax (LCT); wine equalisation tax (WET); pay as you go (PAYG) withholding; fuel tax credits (FTC).

Digital – Proportion of written outbound interactions issued digitally

Table 3.19 Digital – Proportion of written outbound interactions issued digitally, 2021–22 to 2023–24

Performance measure	**Digital – Proportion of written outbound interactions issued digitally** ■ A measure of the ATO's progress in successfully increasing the take-up of digital channels for outbound interactions			
ATO key activity	3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	76%			
Results	**2023–24**	**77%***	●	**Achieved**
	2022–23	78%	Results indicator is not applicable – the target is under development	
	2021–22	New measure from 2022–23, not previously reported in the annual report		
Analysis	In 2023–24, the proportion of written outbound interactions issued digitally was 76.7% (this has been rounded to 77%), which exceeds the 76% performance measure target, and is 1.3 percentage points below the 2022–23 result. The 2023–24 results have followed the cycle trends we expected. We see trends of high proportions of digital interactions to individuals during Tax Time followed by a tapering off for the rest of the year. As the financial year progresses, the trend we see is fewer myGov interactions (less individual tax returns) and any digital uptake tends to be linked to tax practitioners using communication preferencing to receive communications via the agent digital channel. This trend was taken into account when setting the target.			
Type of measure	Effectiveness			
Data sources	ATO systems			
Methodology	This trend ratio is a measure of the proportion of written outbound interactions initiated by the ATO. It is reported as a percentage of key transactional services that have reportable data across a number of platforms. The platforms are: ■ Digital Communication Service (DCS) ■ dialogue (DCS Legacy) ■ myDCS campaign portal ■ bulk campaign ■ Swift Digital ■ desktop. The total volume of outbound digital transactions is divided by the total outbound transactions to obtain the result (multiplied by 100 and expressed as a percentage).			
Limitations	* The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. The scope of the measure is limited to ATO-initiated transactions. Expansion of the services reported will continue, as work progresses on the automated reporting solution.			
Variation from 2023–24 ATO corporate plan	Measure name updated from 'Digital – Proportion of outbound interactions issued digitally for key services'.			

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

Table 3.20 Service satisfaction – Client satisfaction with their recent interaction with the ATO, 2021–22 to 2023–24

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	3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	80%		
Results	**2023–24**	**73%** ◆	**Not achieved**
	2022–23	74% ◆	Not achieved
	2021–22	New measure from 2022–23, not previously reported in the annual report	
Analysis	The overall service satisfaction for clients who had a recent interaction with the ATO has declined from 2022–23. The number of responses collected in 2023–24 was 16,748. This represents an increase of 4,278 (34%) responses from the 12,470 responses collected in 2022–23. The groups most likely to respond to voluntary feedback surveys are engaged, satisfied clients and those that are very dissatisfied. The increased response rate and decline in satisfaction in 2023–24 may indicate that client experience is becoming increasingly polarised. Service satisfaction declined in all client segments except the not-for-profit (NFP) segment, which recorded 82% satisfaction in 2023–24. The NFP client segment is relatively small, representing less than 1.5% of survey respondents each year. This increase may reflect the ATO's engagement and advocacy work in this sector, with the introduction of the NFP transparency measures. The top 3 drivers influencing satisfaction are: whether the issue has been resolved; how long it took to reach an outcome; and the process involved. The ATO has an opportunity to increase service satisfaction by streamlining issue processing.		
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 clients 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 clients' 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 clients to provide proof of identity, such as visiting ato.gov.au or calling a call centre for general advice.		
Limitations	There are inherent respondent biases involved in a survey. Two of the 3 response options (Acceptable/Excellent) are considered positive responses.		
Variation from 2023–24 ATO corporate plan	Nil		

Performance rating scale

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

Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems

Table 3.21 Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems, 2021–22 to 2023–24

Performance measure	Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems ▪ A measure of perceptions of how the ATO works effectively with its partners
ATO key activity	4: We work with and through others to deliver efficient and effective tax, superannuation and registry systems
Authority source	2023–24 PBS and ATO corporate plan 2023–24
2023–24 target	64/100
Results	**2023–24 — 64/100 — ● Achieved** 2022–23 — 69/100 — ● Achieved 2021–22 — 68/100 — ● Achieved
Analysis	In 2023–24, the overall result for partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems was 63.5/100 (this has been rounded to 64/100). This is a 5-point decrease on the 2022–23 result and achieves the performance target, which is set at 64/100. The decrease is driven largely by the result for tax professionals. There was also a decrease in the result for digital service providers (DSPs), while the result for APRA-regulated superannuation funds remained steady. **Tax professionals** The yearly average score for tax professionals was 59.19, down from 67.46 in 2022–23. The fourth quarter score was 54, indicating a significant downward trend.  As highlighted in the graph above, tax professional perceptions of the ATO have been in decline since early 2023. The drivers for this trend are multi-faceted, and often environmental (outside the control of the ATO). Major ATO-driven factors in the environment that may have impacted the result include the following: ▪ ATO processing backlogs and thus delays continue to be the subject of issues raised by agents through various channels, impacting their ability to do their work effectively and efficiently for their clients. ▪ Implementation of client-to-agent linking that has changed the process for onboarding business clients to a practice. We have been working in partnership with tax professionals and industry associations to resolve major irritants, improve in-system guidance and reduce errors in the linking process. ▪ ATO digital services and Online services for agents. The recent Tax Professionals Digital Experience Survey April 2024 found that 58% of support officers, 42% of BAS agents, and 38% of tax practitioners believe the ATO's digital services do not meet their expectations. Additionally, 65% of tax practitioners needed help when using Online services for agents. ▪ Practice mail within Online services for agents continues to represent a challenge for tax practitioners. The ATO has increased use of this channel, issuing communications to a whole-of-practice mailbox and not a specific agent or respondent. The function is also limited to 500 pieces of communication, with older messaging overwritten. Chartered Accountants Australia and New Zealand also recently publicly stated substantial improvements should be made to Online services for agents.

Table 3.21 Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems, 2021–22 to 2023–24 *continued*

Analysis *continued*	The reduction in satisfaction with the ATO is notwithstanding some of the highest levels of engagement, communication and consultation with the profession. It is considered necessary to review the effectiveness of our engagement activities and respond as appropriate. More broadly, tax practitioners have seen additional challenges within their operating environment that may be impacting overall sentiment of the profession. These factors are anecdotal only and have not been robustly tested for impact. They include: ■ an increasingly challenging security environment (both cybersecurity and identity fraud) requiring changes to business processes and increased investment in risk mitigation ■ new and emerging challenges for clients arising out of the COVID19 pandemic and the broader economic conditions; for example, cost of living driving increased debt positions, and the additional workloads as a result ■ ongoing tax and superannuation law changes and uncertainty with delayed passage of legislation ■ changes to the regulatory environment for tax practitioners, driven mainly by the PWC confidentiality matter ■ labour market pressures and skills shortages, noting significantly decreased numbers of accounting graduates over the last couple of years as a result of fewer international students studying in Australia during the COVID-19 pandemic. The cumulative effect of these factors, and further changes expected over the next 12 months, magnify the pressures experienced by the tax profession and reduce the likelihood of their satisfaction with the ATO's performance. **Digital service providers** The ATO continues to focus on strengthening the relationship with DSPs, to support the delivery of digital solutions to the community. The slight decline in 2023–24 results is notwithstanding our continued focus on engagement and improving the experience for DSPs. While slight deviations in perceptions can occur annually, the current results may be influenced by: ■ the absence of new services that have a perceived commercial value to the industry ■ delayed delivery of committed service improvements ■ uncertainty in law changes and delayed passage of legislation ■ an increase in respondents who selected a neutral response to the survey. We acknowledge the importance of our partnership with DSPs, and we are committed to early engagement and collaboration on new services and experiences that contribute to the effective administration of tax, superannuation and registry systems. **APRA-regulated superannuation funds** The perceptions about the ATO working effectively with APRA-regulated funds to administer the superannuation system have remained steady. A majority of respondents agreed (that is, strongly agree or agree) with the statement 'The ATO and I are working together effectively to administer the superannuation system'. The value from attending superannuation-related consultation groups and our participation at events, presentations and booths at industry conferences is important and valued. Many respondents considered the value gained from the ATO attending these events included: ■ providing taxpayers notice of ATO priorities and expectations ■ increased engagement with the industry ■ improved understanding of the industry and what impacts it ■ the ATO hearing first-hand concerns from industry. Our existing communication strategy is working well in providing news and information, as: ■ over one-third of respondents strongly agreed or agreed that the information provided on ato.gov.au was easy to find ■ almost half of respondents either strongly agreed or agreed that the information provided on ato.gov.au was tailored to their needs. Topics of interest that funds want to know more about include: ■ superannuation administration and reporting ■ successor fund transfers. ATO support to resolve requests via the Super Enquiry Service (SES) has remained high, with a majority of respondents satisfied (that is, very satisfied or satisfied) with the SES. In addition, levels of dissatisfaction have decreased since 2023.

Table 3.21 Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems, 2021–22 to 2023–24 *continued*

Type of measure	Effectiveness
Data sources	ATO partner surveys
Methodology	The result for this measure is derived from one of 3 surveys: ■ Client experience survey – for tax practitioners ■ APRA experience survey – for APRA-regulated superannuation funds ■ DSP experience survey – for DSPs. The link to the APRA survey is distributed to working groups rather than the APRA funds directly and anyone working in the super industry is able to respond. Each partner group is issued with its relevant survey and asked the following partner-specific question: 'The ATO and I are working effectively together to': ■ administer the tax system (for tax practitioners) ■ administer the superannuation system (for APRA-regulated superannuation funds) ■ deliver digital solutions to the community (for DSPs). The responses are collated using a 5-point scale (Likert), where 1 is strongly disagree and 5 is strongly agree. We convert the results into an index score out of 100. Results for these similarly worded survey questions are then consolidated to form one overall performance measure. A simple weighted average across all partners is used to mitigate any bias caused by the volume of respondents for each partner. The weighting used is: ■ 50% for tax and business activity statement (BAS) agents ■ 50% spread equally across the other 2 partners. After the weighting, the 3 index scores are added together to give the final index result.
Limitations	Utilising an average calculation to determine the overall result may introduce the risk that a particular sector has an extremely small response rate, but provides a significant weighting to the overall outcome.
Variation from 2023–24 ATO corporate plan	Target change from 'Equal to or better than the 2018–19 result (64/100)', to '64/100'.

Tax returns – Proportion of pre-filled items accepted without change

Table 3.22 Tax returns – Proportion of pre-filled items accepted without change, 2021–22 to 2023–24

Performance measure	**Tax returns – Proportion of pre-filled items accepted without change** ■ A measure of the proportion of the value of unchanged pre-filled data items in individual income tax returns, providing assurance of the reliability, accuracy and availability of ATO pre-fill information at the time of lodgment			
ATO key activity	5: We use data, information and insights to deliver value for our clients and inform decision-making across everything we do			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	90%			
Results	**2023–24**	**98.6% (2022–23 tax returns)**	●	**Achieved**
	2022–23	95.6% (2021–22 tax returns)	●	Achieved
	2021–22	95.0% (2020–21 tax returns)	●	Achieved
Analysis	This year's result of 98.6% for pre-filled items accepted without change is an increase of 3 percentage points on the previous year and exceeds the target for 2023–24. The continued improved performance is attributed to the ATO's ongoing focus on maintaining strong relationships with third-party data reporters, which supports data quality and earlier availability of the data. This measure is solely focused on individuals who are not in business. It reflects the proportion of their total income where our pre-filling matches the final income tax label result, within a tolerance range. It is based on specific income tax return labels and where the pre-fill data is available at the time the tax return is lodged. This measure uses a dollar-based tax system assurance approach, where pre-filling makes it easier for our clients to meet their obligations and increases trust and confidence in the accuracy of final tax outcomes.			
Type of measure	Output			
Data sources	ATO tax return data, models and third-party data			
Methodology	This measure is solely focused on individual taxpayers who are not in business. This includes individual taxpayers who: ■ belong only to the ATO's internal individuals taxpayer group population ■ have no business income, including personal services income ■ have no links to an active micro-segment entity, excluding a link as a member of a self-managed superannuation fund (SMSF). A number of items are pre-filled from third-party data on an individual's tax return. The current pre-fill data used for this measure is: ■ interest and dividends ■ employee share scheme (ESS) ■ salary and wages ■ welfare ■ unit trust distributions ■ attribution managed investment trust distributions. The measure is calculated using the sum of the values where the original pre-fill amounts matches the lodged income tax return amounts (within a specified tolerance of ±$5), divided by the total income value for individual tax returns. The result is expressed as a percentage.			
Limitations	The scope of this measure is solely focused on individual taxpayers not in business. This measure does not indicate behavioural shifts caused by pre-filling of income tax returns. The ATO does not collect the data necessary to undertake analysis to identify taxpayer behavioural patterns caused by pre-filling.			
Variation from 2023–24 ATO corporate plan	Nil			

Identity matching – Proportion of data items matched to client identifiers

Table 3.23 Identity matching – Proportion of data items matched to client identifiers, 2021–22 to 2023–24

Performance measure	**Identity matching – Proportion of data items matched to client identifiers** ▪ A measure of the proportion of third-party data that is able to be identity matched to the ATO client register, with a high confidence level		
ATO key activity	5: We use data, information and insights to deliver value for our clients and inform decision-making across everything we do		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	95%		
Results	**2023–24**	**95.8%***	● **Achieved**
	2022–23	95.7%	Results indicator is not applicable – the target was under development
	2021–22	New measure from 2022–23, not previously reported in the annual report	
Analysis	In 2023–24, 95.8% of third-party data was identity matched to the ATO client register, with a high confidence level as a proportion of the overall data received. This is comparable to last year's result. We engage with third-party data reporters to mutually review and explore opportunities to increase the quality and integrity of data reported. This measure provides assurance the ATO uses data appropriately to administer the tax and superannuation systems and maintains trust and confidence. This includes optimising our use of available external data sources through high-quality identity matching to: ▪ better support and engage with taxpayers, helping them to get things right ▪ identify those who are not doing the right thing, enabling us to better manage tax and superannuation risks.		
Type of measure	Output		
Data sources	ATO systems, third-party data		
Methodology	This measure applies a percentage result based on the number of data items in the third-party data that can be identity matched to the ATO client register, with a high confidence level – against the total number of records reported by third-party providers. The datasets used are: ▪ annual investment income report data ▪ employee share schemes ▪ employment (Single Touch Payroll and payment summary annual reports) ▪ early-stage innovation company offset ▪ personal superannuation contribution deductions ▪ private health insurance ▪ welfare ▪ dividend and interest data ▪ business transactions through payment systems ▪ taxable payments annual reports ▪ property. **Total high-confidence identity matched records** – This is the count of all records with a high confidence match or equivalent high confidence score, where our matching algorithms indicate a high chance of a correct match with a low chance of being a mismatch in all third-party datasets used. **Total number of records** – This is the count of all records in the reported third-party datasets used for identity matching. Total high-confidence identity matched records is divided by the total number of records to calculate the result (multiplied by 100 and expressed as a percentage).		
Limitations	* The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. Capacity and capability constraints in undertaking engagement with third-party data reporters. System limitations, including with legacy technology, mean any changes for bulk data is complex to implement. Manual versus automated solutions impediments, and associated costs with third-party data related issues. Not all prefill datasets are used. The data sets used for this measure are external data sources and have established maturity in how they are on-boarded, stored and organised, as well as being key for use in external client interactions.		
Variation from 2023–24 ATO corporate plan	Nil		

Availability – Key digital systems availability

Table 3.24 Availability – Key digital systems availability, 2021–22 to 2023–24

Performance measure	**Availability – Key digital systems availability** ▪ A measure of the availability of the ATO's digital systems, to understand the reliability of services for clients interacting digitally		
ATO key activity	6: Our technology and digital services deliver a reliable and contemporary client experience		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	99.5% (excluding planned outages)		
Results	**2023–24**	**100.0%**	**Achieved**
	2022–23	100.0%	Achieved
	2021–22	99.5%	Achieved
Analysis	Measuring our digital systems ensures we understand the availability of services for clients interacting digitally. In 2023–24, the overall result was 99.95% (this has been rounded to 100%), which is a 0.01 percentage point decrease from the previous year's figure of 99.96%. For external-facing systems used by our clients and partners (community, tax and superannuation professionals, and software developers), the average availability was 99.94%. For internal-facing systems used by staff, the average availability was 99.99%.		
Type of measure	Output		
Data sources	ATO systems, ServiceNow		
Methodology	The methodology for this measure comprises the availability of 8 external-facing and 2 internal-facing key IT systems. Availability is a comparison between the planned and the actual availability of a system for the intended users. In keeping with accepted industry standards, calculation of systems availability excludes planned maintenance outages and when systems are taken offline to perform necessary maintenance. These planned maintenance hours are communicated and advised in advance. Monthly availability for each system is calculated as follows: ▪ **Planned maintenance hours** – This is the number of hours within the Business Service Availability targets where the system is offline due to planned maintenance. ▪ **Planned available hours** – This is the total available hours minus the planned maintenance hours. This figure represents the number of hours the systems should be available to users in that period. ▪ **Total system issue hours** – This is the number of hours within the Business Service Availability targets where the system is offline due to unplanned incidents. ▪ **Actual available hours** – This is the planned available hours minus the total system issue hours. Actual available hours is divided by the planned available hours to calculate the result (multiplied by 100 and expressed as a percentage).		
Limitations	Limitations for this measure: ▪ It does not include availability for individual services that are provided within each of these systems. ▪ It is highly reliant on outage information being manually recorded (accurately) in ServiceNow. ▪ Individual system planned outages for the top 10 digital systems need to be manually recorded (accurately) in ServiceNow.		
Variation from 2023–24 ATO corporate plan	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 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.

While the TPB is included in the ATO program structure and under the ATO outcome, it operates independently of the ATO – 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 statement in the Commissioner of Taxation's annual report, as outlined below.

Purpose

The purpose of the TPB is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct[3].

Program overview

This overview of TPB performance aligns with the *TPB corporate plan 2023–24* and presents the 2023–24 performance against the purpose of the program.

Performance summary

In 2023–24, 2 of the TPB's performance measures were achieved and one substantially achieved. Detailed analysis of the TPB's performance is included below.

3 The TPB's purpose has been updated in the *Australian Taxation Office corporate plan 2024–25*.

Performance results and analysis

The 3 performance measures for TPB are set out in the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS), and in the *TPB corporate plan 2023–24*, which includes additional performance measures monitored by the TPB.

The achievement of outcomes for each performance target is assessed against a 4-tier rating scale, as described in Table 3.25.

Table 3.25 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 with reduction in red tape

Table 3.26 Tax practitioner satisfaction with reduction in red tape, 2021–22 to 2023–24[(a)]

Performance measure	**Tax practitioner satisfaction with reduction in red tape** ▪ 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	2023–24 PBS and TPB corporate plan 2023–24			
2023–24 target	71% of tax practitioners are satisfied			
Results	**2023–24**	**73%**	●	**Achieved**
	2022–23	72%	●	Achieved
	2021–22	New measure from 2022–23, not previously reported in the TPB annual report		
Analysis	We achieved this performance measure during 2023–24. 73% of respondents to our Tax Practitioner Biannual Survey indicated that they were satisfied with reduction in red tape. We used tax practitioner feedback to enhance our online forms, website content and IT systems. We improved the online renewal process to make it simpler and more convenient for tax practitioners to submit their renewal application. We are committed to maximising tax practitioner satisfaction with a reduction in red tape when they interact with us. For example, tax practitioners will often contact us via phone with questions regarding online renewal form completion. Based on this information, we considered the feedback and improved the informative text in our online renewal forms to make it simpler and more convenient for all tax practitioners to submit their renewal applications. Our commitment to reduce red tape and deliver outstanding registration services for tax practitioners has improved as demonstrated in the survey results for 2023–24 compared with the previous year, as shown in the table below.			

Tax practitioner satisfaction with reduction in red tape

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
% of tax practitioners responding we have been very effective or moderately effective	70%	72%	75%	73%

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. Sample size will change through the survey; for example, people might drop out part way through. When reading the percentages, they are calculated based on the number of people that responded to that question specifically.
Variation from 2023–24 TPB corporate plan	New measure for Australian Taxation Office annual performance statement – was previously a TPB measure reported in its annual report.

Note
(a) Tax practitioner satisfaction was a new measure introduced in 2022–23 and reported in the TPB 2022–23 annual report. From 2023–24, this key strategic performance measure is also included in the Australian Taxation Office annual performance statement.

Number of completed risk assessments

Table 3.27 Number of completed risk assessments, 2021–22 to 2023–24[(a)]

Performance measure	**Number of completed risk assessments** ■ The number of risk assessments we have completed on the complaints and case leads we have received. 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	2023–24 PBS and TPB corporate plan 2023–24		
2023–24 target	>2,700 completed complaints and case leads		
Results	**2023–24**	**2,283**	**Substantially achieved**
	2022–23	New measure from 2023–24, not previously reported in the TPB annual report	
	2021–22		
Analysis	We substantially achieved this performance measure during 2023–24, having completed 2,283 risk assessments overall which was 85% of target. This included 918 complaints and 1,365 case leads. Our compliance approach is driven by complaints, case leads (also known as referrals) and intelligence from the public and from our state and Commonwealth partner agencies (for example, ATO, ASIC, AUSTRAC). We use this data and intelligence systems to identity risks and target specific behaviours. We prioritise strategic and higher risks for compliance treatment. During 2023–24, we instituted ambitious reform to our risk and intelligence capability, seeking to increase resourcing and improve capability by onboarding additional key and specific skillsets. However, this was delayed due to budgetary constraints and onboarding delays which in turn impacted us reaching our target. We continue to work with our IT area to adapt and improve our 'Workbench' Dynamics 365 platform to automate and streamline the incorporation of third-party data and readily identify and categorise emerging behavioural and conduct issues. Streamlining and automating these processes allows us to devote attention to more proactive risk assessments of complex and high-risk behaviours. We are focusing more on intelligence and data-driven decision-making which going forward will be better enabled by law reforms such as mandatory breach reporting and the extension of whistleblower provisions. Complaints drive a significant amount of our compliance work, with just under half of the inbound work resulting from the review of a complaint. Complaints predominately come from public sources and allow us to work with direct intelligence about behaviours and risk in the industry which impact on clients and the broader community. We use these insights to shape our compliance approach and data gathering. Our increased focus on collaboration opportunities with co-regulators and law enforcement to analyse data and profiling has resulted in an end-to-end assessment process where appropriate cases are escalated to investigation.		

Table 3.27 Number of completed risk assessments, 2021–22 to 2023–24[(a)] *continued*

Type of measure	Output
Data sources	Data is extracted from Workbench in line with compliance performance measure (PM) data collection procedures
Methodology	Target = Complaints + case leads = >2700 completed complaints and case leads 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 'Closing Date' between 1 July 2023 and 30 June 2024. b. Case leads = Number of case leads with 'Closing Date' between 1 July 2023 and 30 June 2024. Complaint data extracted and finalised in line with compliance process documentation.
Limitations	Officers may backdate 'Complaint Finalised Date'. Power BI updates itself daily and does not keep a record of previous reports and datasets. Manual intervention required – extracting raw data from Workbench, cleaning and processing data in MS Excel.
Variation from 2023–24 TPB corporate plan	New measure for Australian Taxation Office annual performance statement – was previously a TPB measure reported in its annual report

Note
(a) From 2023–24, this key strategic performance measure is also included in the Australian Taxation Office annual performance statement.

Sanctions are appropriate

Table 3.28 Sanctions are appropriate, 2021–22 to 2023–24[a]

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	2023–24 PBS and TPB corporate plan 2023–24			
2023–24 target	The TPB is committed to pursuing positive court and tribunal outcomes			
Results	**2023–24**	**100%**	●	**Achieved**
	2022–23	100%	●	Achieved
	2021–22	Not previously reported in the ATO or TPB annual report		

Analysis

We achieved this performance measure during 2023–24, with 100% of our Federal Court and Administrative Review Tribunal (ART) outcomes considered positive.

In particular:

- The ART published 6 final decisions in which the TPB decisions reviewed were all affirmed. This included decisions to terminate registration and one decision to reject an application for registration. These decisions addressed conduct including failing to comply with personal tax obligations and related orders imposed by the TPB, failing to act with honesty and integrity, failing to provide competent tax agent services, and failing to meet registration requirements. They also support the TPB's strong compliance approach and its objectives of ensuring public protection and public trust in the integrity of the tax profession.
- The TPB also obtained strong interlocutory application results, with the ART refusing all 8 stay applications opposed by the TPB. Favourable stay decisions that noted the limited prospects of success at final hearing of varying or setting aside the TPB's original decision also resulted in a significant number of ART appeals withdrawn. Twenty-two appeals were finalised following applicant withdrawals, 10 of which were withdrawn following an ART decision to refuse their stay application.
- The Federal Court handed down a favourable civil penalty decision in the matter of Jessa Van Stroe, ordering her to pay a pecuniary penalty of $230,000 and the TPB's costs. This outcome protects consumers and achieves specific and meaningful general deterrence of such conduct.
- The Federal Court also dismissed an appeal of an ART decision to affirm the TPB's decision in the Jennifer Clifford matter to terminate her tax agent registration and a judicial review application made by Gerardo Incollingo. Both appeals were dismissed with costs awarded to the TPB. Both decisions provided valuable commentary regarding the TASA and support the TPB's existing approach to compliance.

Federal Court and ART outcomes

Jurisdiction	Total finalised matters	Matters resolved without proceeding to a substantive hearing[a]	Matters resulting in a published decision	Published final decisions resulting in a TPB-favourable outcome
Administrative Review Tribunal (ART)	35[b]	27[c]	17[d]	6[e]
Federal Court (appeals against ART decisions)	1	0	1	1
Federal Court (cross-claim)	1	0	1	1
Federal Court (judicial review)	2	1	1	1
Federal Court (civil penalty)	1	0	1	1

Notes

(a) Includes matters resolved by agreement, dismissed by the ART or the Federal Court, or withdrawn by the applicant.

(b) Includes applications for merits review made in 2023–24 and previous financial years.

(c) Includes 22 matters withdrawn by the applicant, 2 dismissed by the ART and 3 resolved by agreement.

(d) A total of 11 decisions were published by the ART, including 6 final decisions (covering 8 matters), 4 stay decisions (covering 8 matters) and one dismissal decision.

(e) A total of 6 favourable final decisions were published by the ART.

Table 3.28 Sanctions are appropriate, 2021–22 to 2023–24[(a)] *continued*

Type of measure	Effectiveness
Data sources	Litigation outcomes spreadsheet: includes number of litigation cases, outcomes, jurisdiction, 'positive' rating Federal Court and Administrative Review Tribunal – case decisions
Methodology	Calculation process: 1. Litigation results are recorded in the decisions handed down by the Federal Court and ART. 2. Legal Unit will: — record results in the 'Litigation outcomes spreadsheet' (includes all cases which are litigated). — apply the definition of what is considered a 'positive' outcome. A 'positive' court and tribunal outcome is identified by: ▪ a tribunal decision that substantially affirms the Board's sanction decision, or ▪ a Federal Court decision that determines in favour of the Board in relation to a civil penalty application, or ▪ a Federal Court decision that determines in favour of the Board in relation to a ADJR application, or ▪ 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 ▪ 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 ▪ 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 ▪ a tribunal or Federal Court decision resulting in a matter being dismissed upon application by the Board ▪ an interlocutory tribunal decision that supports the Board's opposition to a stay application or otherwise grants the stay with conditions imposed ▪ a Federal Court review decision of a merits review decision by the ART if it were to find no error of law in the ART decision which substantially affirmed the Board's original decision. Note: Risk of bias when determining 'positive' outcome is controlled by closely following the 'positive' definition above.
Limitations	Manual collection, recording and interpretation of results in terms of 'positive' outcomes.
Variation from 2023–24 TPB corporate plan	New measure for Australian Taxation Office annual performance statement – was previously a TPB measure reported in its annual report

Note

(a) Sanctions are appropriate was a new measure introduced in 2022–23 and reported in the TPB annual report 2022–23. From 2023–24, this key strategic performance measure is also included in the Australian Taxation Office annual performance statement.

Program 1.3 Australian Business Registry Services

ABRS

Australian Business Registry Services (ABRS) is focused on ensuring the integrity of our registers, balanced with making it as easy as possible for the business community to comply. ABRS was established to assist the Registrar to carry out their functions including responsibilities for the Australian Business Register (ABR), administering director identification numbers (director ID), and assisting the Australian Securities & Investments Commission (ASIC) to manage its registry functions.

With the government's August 2023 announcement to cease the Modernising Business Registers program which was intended to consolidate a number of business registers, administration of the company and business name registers returned to ASIC as part of a machinery of government change. The ATO retained responsibility for the ABR and director ID.

The ATO continues to assist ASIC to perform its registry functions until the machinery of government change fully takes effect.

The Commissioner of Taxation is also the Registrar under the:

- *Business Names Registration Act 2011*
- *Commonwealth Registers Act 2020*
- *Corporations Act 2001*
- *National Consumer Credit Protection Act 2009.*

In partnership with ASIC, we continue to administer director identification numbers with ASIC responsible for enforcing director ID offences.

Purpose

ABRS provides business registry services, specifically Australian business numbers (ABNs) and director ID. Until their return to ASIC in May 2024, ABRS also provided company and business name registrations on behalf of ASIC. The purpose of ABRS is to provide:

- effective and efficient business registry services that reduce the regulatory burden for business
- robust identity verification and over-time relationship traceability for company directors through director ID – a critical tool for improving the integrity of director appointments and revealing potential involvement in unlawful activity, including illegal phoenix activity
- a unified and trusted source of business data that supports the activities of businesses, government and the community
- support to the ATO and ASIC in their early identification and disruption of attempted misuse of corporate vehicles through the implementation of director ID.

Program overview

This overview of ABRS performance aligns with the *ATO corporate plan 2023–24* and presents our 2023–24 performance against the purpose of the program.

The ABR program, which forms part of ABRS, works with government, digital service providers, the business community and other key stakeholders to support a fairer business environment that fosters greater economic growth and job creation. This will be achieved through increased use of a trusted national business dataset and consistent information exchange standards.

Through intuitive and easy-to-use systems and tools, we continue to collaborate across the ATO to strengthen the integrity of the ABR, while supporting eligible ABN holders to meet their tax and superannuation obligations.

During 2024–25, the ATO will continue to assist ASIC to perform its registry functions until the machinery of government change to return company and business name administration fully takes effect.

This program has one performance measure, which was substantially achieved.

Performance summary

In 2023–24, we continued to deliver quality registry services to the business community.

We provided support for the maturing director ID system and processes to improve compliance and the user experience.

During the year, we maintained our extensive director ID adoption program comprising communications and direct contact with directors yet to obtain their director ID. This resulted in over 300,000 director IDs being issued in 2023–24, bringing the total issued (at 30 June 2024) since its introduction to over 2.6 million.

Our predominant focus this year and into next year continues to be supporting and educating directors to meet their obligation to obtain a director ID. It is estimated that around 89% of directors now have a director ID, with most applications being made online and the balance by phone and paper.

The director ID requirement also extends to directors of Aboriginal and Torres Strait Islander corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

ABRS works closely with the Office of the Registrar of Indigenous Corporations (ORIC). Our onboarding approach for CATSI Act directors has been intentionally gradual, tailored for the unique challenges of this cohort including remoteness, access to identity documentation and technology.

Key elements of our strategy to support CATSI directors to apply include:
- face-to-face and virtual processing of applications at meetings and events held by ORIC, Indigenous peak body and CATSI corporations
- a dedicated phone line managed by specially trained staff
- tailored correspondence and calls to CATSI Act corporations and directors.

Work to drive compliance with director ID obligations was also conducted through a program delivered in partnership with ASIC, as the regulator of this requirement. In May 2024, this resulted in 2 directors being convicted for failing to have director identification numbers and fined $5,000.

The ABR program commitments for 2023–24 included maintaining trust and confidence in the ABR. Regular integrity checks ensure the data and information on the register remains current and accurate. ABRS programs removed non-entitled ABNs from the ABR, resulting in an active ABN population of just over 8.9 million ABNs at 30 June 2024.

Approaches used by ABRS to support our engagement with ABN holders who appeared to no longer be in business included:

- notifying them of the intent to cancel their ABN
- providing them with an opportunity to retain their ABN via a simple interactive voice recognition (IVR) option.

The Registrar initiated contact with 1,049,606 clients to assist them to cancel their ABN, with 954,094 ABNs cancelled; 1,638 clients self-initiated their ABN cancellations after initial contact.

ABR data is used across all levels of government, for activities such as disaster response and recovery, compliance, servicing the community, economic development and procurement.

During times of natural disaster, the data enables the identification of impacted and vulnerable businesses pre and post these events.

ABRS continues to work with partners across the tax and superannuation systems to provide and improve intelligence at the point of ABN registration.

Performance results and analysis

Our performance criteria for ABRS is set out in the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS), and in the *ATO corporate plan 2023–24*.

The achievement of the performance result against the target is assessed against a 3-tier rating scale, as described in Table 3.29.

Table 3.29 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Increased use of the ABR as the national business dataset

Table 3.30 Increased use of the ABR as the national business dataset, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
Government agencies				
ABR Explorer				
2023–24 target	535 agencies using ABR Explorer[(a)]			
Results	**2023–24**	**537**	●	**Achieved**
	2022–23	543	●	Achieved
	2021–22	500	●	Achieved
ABR Identifier				
2023–24 target	22 agencies using ABR Identifier[(b)]			
Results	**2023–24**	**21**	■	**Substantially achieved**
	2022–23	23	●	Achieved
	2021–22	22	●	Achieved
Community				
ABN Lookup				
2023–24 target	2.3b ABN Lookup searches[(c)]			
Results	**2023–24**	**2.77b (8% decrease)**	●	**Achieved**
	2022–23	3.00b (31% increase)	●	Achieved
	2021–22	2.07b (13% increase)	●	Achieved
Analysis	Performance targets were substantively met in 2023–24. **ABR Explorer:** At 30 June 2024, 537 agencies were accessing ABR Explorer, achieving the performance measure target of 535. While this is a reduction from the prior financial year figure of 543, it continues to represent an increase in agencies accessing ABR explorer when considered as a trend over time. This result also reflects strengthened data governance, which saw the removal of access to ABR Explorer of 186 agencies that were no longer using it, and a concerted program to educate agencies as to the potential use of the national business dataset and re-onboard agencies with strengthened data governance. This measure, along with ABR Identifier Search, has been reviewed and the target changed for 2024–25 onwards, to better reflect the intent of ABR use as the national business dataset by government agencies, through a range of channels. **ABR Identifier:** By 30 June 2024, 22 agencies had signed up to access ABR Identifier Search, including one agency re-establishing its access. This could not be completed by 30 June 2024, resulting in the final number of agencies with ABR access being 21 at year-end, substantively achieving the target. **ABN Lookup:** Almost 2.8 billion ABN Lookup searches were conducted in 2023–24, significantly exceeding the 2.3 billion performance measure target by 20.4 percentage points, and 7.7 percentage points below the 2022–23 result. 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. ABRS continues to proactively collaborate with federal, state and local government agencies to use ABR data. For example, in 2023–24 we: ▪ assisted 48 agencies with their disaster management roles in relation to 8 declared disaster events ▪ provided customised training and education sessions to data users across 117 government agencies.			

Table 3.30 Increased use of the ABR as the national business dataset, 2021–22 to 2023–24 *continued*

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 Australian business number (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 2023–24 ATO corporate plan	Nil

Notes

(a) The target for government agencies using ABR Explorer in 2023–24 increased to 535. The target for 2022–23 was 500 agencies, and it was 420 agencies in 2021–22.

(b) The target for government agencies using ABR Identifier in 2023–24 increased to 22. The target for 2022–23 was 20 agencies, and it was 18 agencies in 2021–22.

(c) The ABN Lookup target for 2023–24 increased to 2.3 billion. The target for 2022–23 was 2.0 billion and it was 1.8 billion in 2021–22.

Program 1.4 Australian Charities and Not-for-profits Commission

The ACNC

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

The statutory functions and regulatory powers of the ACNC Commissioner are set out in the ACNC Act, the *Charities Act 2013* (the Charities Act) and accompanying regulations.

Although the ACNC Act refers to not-for-profits and the not-for-profit sector, the ACNC only regulates registered charities – organisations that meet the definition of charity as set out in the Charities Act.

Due to its operational independence and statutory obligations, the ACNC produces its own annual report to meet legislative reporting requirements in Division 130 of the ACNC Act. The ACNC annual report includes a broader analysis of its performance and is available at acnc.gov.au.

Purpose

The ACNC's purpose as set out in the ACNC Act is to[4]:

- maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector
- support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector
- promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.

Program overview

This overview aligns with the *ACNC corporate plan 2023–24* and Program 1.4 of the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS).

The ACNC's activities as outlined in the *ACNC corporate plan 2023–24* include:

- maintaining a public register of Australian charities (the Charity Register)
- registering new charities
- revoking the registration of charities that are no longer entitled to registration
- collecting and publishing information about charities annually
- providing advice and guidance to charities and the public
- disseminating resources to build capacity and good governance in the sector
- sharing data with the public, charities and government
- monitoring charities for compliance with legal requirements, and acting on identified concerns
- working across governments to reduce unnecessary regulation.

4 The ACNC's purpose has been updated in the *Australian Taxation Office corporate plan 2024–25*.

Performance summary

The 2023–24 year represented a challenging year for the ACNC and the charity sector.

Charities continue to be impacted by cost-of-living pressures, numerous concurrent government reforms and the tight labour market. At the same time, demand for the services provided by charities continues to increase.

While the ACNC's annual report contains detailed information on its performance in 2023–24, some highlights and challenges included:

- receiving 6,286 registration applications, an increase of 751 (14%) compared to 2022–23 and the highest number received since establishment in 2012
- significant public promotion of the Charity Register (a free online register with key details of registered charities)
- publishing our first compliance and enforcement focus statement
- continuing to support charities through new and updated guidance and initiatives that will reduce administrative burden.

This increase in registration applications was largely due to the impacts of the Self-Assessing Income Tax Exempt (SAITE) reforms, which are being administered by the ATO.

These reforms meant that from 1 July 2024, around 157,000 not-for-profits (NFPs) would be required to submit an annual return to the ATO if they wished to maintain their income tax exemption. An unknown number of these NFPs would be required to obtain ACNC registration to maintain their income tax exemption.

Our data shows that, since April 2024, at least 3% of general enquiries received, and 44% of registration applications submitted to the ACNC, were SAITE-related.

We expect that due to SAITE, the number of enquiries and registration applications we receive will increase for at least the next 2 years.

One of the benefits of ACNC registration is that a charity will appear on the Charity Register, which is the single source of truth when it comes to charities registered by the Commonwealth.

The Charity Register is used by a range of stakeholders – including the public, volunteers, donors, charities, government agencies, the media and researchers. It is our key means of promoting public trust and confidence in Australia's charities, and we are committed to ensuring it is always online and easily accessible (outside of scheduled maintenance periods). In 2023–24, there were over 19 million interactions with the Charity Register.

The *ACNC corporate plan 2023–24* included 18 performance measures. Two of these measures are included in the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS) and the Australian Taxation Office's annual performance statement. Performance against the other 16 measures is included in the ACNC's annual report, which is available at acnc.gov.au.

Performance results and analysis

The following 2 key strategic performance criteria for the ACNC are set out in the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS), and in the *ACNC corporate plan 2023–24*.

The achievement of outcomes for each performance target is assessed against a 3-tier rating scale, as described in Table 3.31.

Table 3.31 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

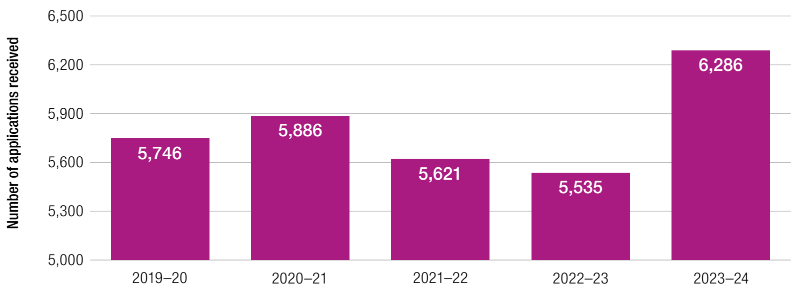
Registering new charities

Table 3.32 Registering new charities, 2021–22 to 2023–24[(a)]

Performance measure	Percentage of new eligible charities registered within 15 business days of the 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 in order 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	2023–24 PBS and ACNC corporate plan 2023–24		
2023–24 target	90%		
Results	**2023–24**	**74%**	**▲ Partially met**
	2022–23	Different metric used	
	2021–22		
Analysis	In 2023–24, the ACNC registered 3,014 new charities. The target was partially met, with 2,243 charities (74%) registered within 15 business days of receiving all information necessary to make a decision. This performance result can be attributed to: ■ a significant increase in the number of registration applications received ■ the time it has taken for new staff to be recruited and trained. The 2022–23 ACNC annual report highlighted an unexpected increase in registration applications received during May and June 2023 (the average application rate for May and June 2023 was 31.5% higher than the average application rate for the 2021–22 year). Many of these applications were unable to be assessed during 2022–23 and were 'carried over' into 2023–24, affecting the ACNC's ability to meet this measure during the first few months of 2023–24. From the early months of 2024, registration applications increased due to the impact of the Self-Assessing Income Tax Exempt (SAITE) reforms introduced in the 2021–22 Federal Budget, which are being administered by the ATO. The data shows that from April to June 2024, at least 44% of applications received were due to SAITE. The ACNC received 931 applications in May 2024, the highest number ever received in a month.		

Table 3.32 Registering new charities, 2021–22 to 2023–24[(a)] *continued*

Analysis *continued*	For the 2023–24 year, the ACNC received 6,286 registration applications, an increase of 751 (14%) compared to 2022–23 and the highest number received since establishment in 2012.



	To help address the significant number of registration applications 'carried over' into 2023–24, and to prepare for the increase in registration applications due to SAITE, the ACNC: ▪ reviewed and refined existing processes to improve efficiency ▪ employed more staff (with extra support from the ATO in May 2024 in order to do so) ▪ met with several NFP peak bodies to ensure new applications were 'grouped' via a bulk registration application process to help streamline their assessment ▪ developed guidance and tools to help NFPs identify if they were charitable. The tight labour market and staff recruitment timeframes impacted the ACNC's ability to quickly employ staff. Staff were progressively brought on board between November 2023 and April 2024. It takes about 6 months for a registration analyst to be fully trained in the complexities of charity law. While the ACNC cannot control the number of applications it receives, it is confident the strategies it has employed will help improve its performance in 2024–25.
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 2023–24 ACNC corporate plan	Nil

Note

(a) From 2023–24, this key strategic performance measure will be included in the Australian Taxation Office's annual performance statement. The ACNC annual report includes a broader analysis of its performance and is available at acnc.gov.au.

Availability of the Charity Register and Charity Portal

Table 3.33 Availability of the Charity Register and Charity Portal, 2021–22 to 2023–24[(a)]

Performance measure	**Percentage of time that the Charity Register and Charity Portal are 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. The Charity Portal is used by charities and authorised representatives to meet legislative obligations.		
ACNC key activity	1: Maintaining a free and accurate register of Australian charities (the Charity Register)		
Authority source	2023–24 PBS and ACNC corporate plan 2023–24		
2023–24 target	95%		
Results	**2023–24**	**99.99%**	● **Met**
	2022–23	New measure introduced from 2023–24	
	2021–22		
Analysis	The Charity Register and Charity Portal were online and available to the public 99.99% of the time during the 2023–24 period. Due to the provision of support services to the ACNC by the ATO, the Charity Register's availability can be affected by both ACNC-specific and ATO-specific issues. In 2023–24, total unexpected downtime was around 56 minutes. This was due to connection timeouts and internal server errors.		
Type of measure	Effectiveness		
Data sources	The ACNC website, Uptime Robot		
Methodology	The number of minutes the Charity Register and Charity Portal are available divided by the total number of minutes in the financial year, less time scheduled for maintenance.		
Limitations	We rely on Uptime Robot to capture relevant data.		
Variation from 2023–24 ACNC corporate plan	Methodology slightly updated to capture total number of minutes instead of total number of hours (this creates a more accurate result).		

Note

(a) From 2023–24, this key strategic performance measure will be included in the ATO annual report. The ACNC annual report includes a broader analysis of its performance and is available at acnc.gov.au.

Administered programs 1.5 to 1.18

Overview

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.

Performance results and analysis

The way the ATO measures the performance of administered programs is set out in the *2023–24 Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS), and in the *ATO corporate plan 2023–24*. The targets for 4 performance measures have been removed as it is not considered practical to establish targets for these measures.

The performance results for all administered programs is assessed against a 3-tier rating scale, as described in Table 3.34. Due to the varied nature of the measures, the respective assessment criteria are defined individually, 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 3.34 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Program 1.5 Australian Screen and Digital Game Production Incentive

Table 3.35 Value of tax offsets processed, 2021–22 to 2023–24[(a)]

Performance measure	**Value of tax offsets processed** ▪ The total value of Australian Screen and Digital Game Production Incentives paid as tax offsets by the ATO, as co-administrators of the program		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Target removed		
Results	**2023–24**	**$597.0m**	**Target removed**
	2022–23	$486.3m	Rating not previously reported in the annual report
	2021–22	$213.0m	
Analysis	The value of tax offsets processed measures the dollar value of film tax offsets and digital games tax offsets paid to claimants for company income tax returns processed by the ATO during the financial year. During this financial year a total of $597.0 million[(b)] comprising $6.9 million in digital games tax offsets and $590.2 million in film tax offsets was paid. (Note: The Digital Games Tax Offset (DGTO) received Royal Assent on 23 June 2023, applying to eligible expenditure from 1 July 2022. No claims for DGTO were included in results of this measure prior to 2023–24). The ATO's role in administering the Australian Screen and Digital Game Production Incentives is to verify the amount of refundable tax offset claimed by a company in its income tax return. The ATO does this by matching the claimed amount to the amount that Screen Australia or Office for the Arts have decided the company can claim. The ATO does not control the value of tax offsets processed in a financial year. This is driven by: ▪ companies' decisions to produce relevant film and screen content and digital games in Australia ▪ decisions of Screen Australia and Office for the Arts about whether to grant a final certificate to an applicant. 2023–24 will be the last year this performance measure is reported as it is not relevant to, or driven by ATO performance. The measure target as published in the *ATO corporate plan 2023–24* has been removed in this annual performance statement as the target does not align with what is being measured. A more meaningful measure and target has been designed and included in the *Australian Taxation Office corporate plan 2024–25,* with performance against the measure to be reported in the 2024–25 annual performance statement.		
Type of measure	Output		
Data sources	ATO systems, third-party data		
Methodology	Allocate the value of refundable tax offsets claimed according to the details of final certificates issued by Screen Australia (SA) and Office for the Arts (OFTA), where the company income tax return is processed during the financial year.		
Limitations	Accuracy and completeness of external administrative data from SA and OFTA.		
Variation from 2023–24 ATO corporate plan	Removed target of 'administer the program in accordance with the law'.		

Notes
(a) Results indicator is not applicable – the target has been removed.
(b) Totals differ from the sum of components due to rounding.

Program 1.6 Junior Minerals Exploration Incentive

Table 3.36 Processing of applications, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	All applicants notified within 28 calendar days of the application period closing		
Results	**2023–24**	**Target met**	● **Achieved**
	2022–23	Target met	Rating not previously reported in the annual report
	2021–22	Target met	
Analysis	The ATO's role in administering the junior minerals exploration incentive (JMEI) is to ensure successful taxpayers are allocated exploration credits in a timely manner. This performance measure sets the processing standard by which the ATO undertakes its 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 3 July to applicants of the JMEI round which opened on 1 June 2023 and closed on 30 June 2023 for the 2023–24 income year.		
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 2023–24 ATO corporate plan	Nil		

Table 3.37 Publication of public reporting data, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Published within 56 calendar days of the application period closing		
Results	**2023–24**	**Target met**	● **Achieved**
	2022–23	Target met	Rating not previously reported in the annual report
	2021–22	Target met	
Analysis	The ATO is required by law to publish certain details of successful JMEI applicants and their JMEI allocation. The ATO ensures that 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 2023 for the JMEI round that closed on 30 June 2023 for the 2023–24 income year.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the calendars days between the between the JMEI application closing date and the date that the successful JMEI applications data is uploaded to data.gov.au.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Nil		

Program 1.7 Fuel Tax Credits Scheme

Table 3.38 Fuel Tax Credits Scheme gap, 2021–22 to 2023–24[(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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available		
Results	**2023–24**	**4.3% or $322m (2022–23)**	● **Achieved**
	2022–23[(b)]	3.6% or $238m (2021–22)	Rating not previously reported in the annual report
	2021–22	New measure from 2022–23, not previously reported in the annual performance statement	
Analysis	The current performance target is difficult to evaluate quantitatively. In the current operating environment, the ATO considers 'as low as practicable' is a sustained maintenance and/or reduction in the net tax gap over the medium term. We consider the medium term generally covers the period 2016–17 to 2022–23, given the lags in estimating the tax gap. Our latest estimates show that for 2022–23, the overall net fuel tax credit (FTC) gap is estimated to be $322.3 million or 4.3%. This means that over 95% of fuel tax credits were claimed correctly, reflecting a system that is operating strongly with taxpayers aware of, and claiming, their correct entitlements. Medium and longer-term trends provide insight into the overall performance of the tax system. Over the publication period, particularly from 2018–19 to 2020–21, the estimates show a sustained low tax gap estimate of between 1% to 3%. As part of our ongoing commitment to providing transparency about our administration of the tax and superannuation systems, we publish 6-year tax gap trends on ato.gov.au and the full history of all tax gap estimates on data.gov.au. Last year we introduced a new methodology for calculating the FTC tax gap. The revisions to previous years using this methodology had the effect of raising the gap for all previous years. It also significantly raised the reliability rating of the gap. The short-term trend for the FTC tax gap is upwards, noting that the estimate for 2022–23 is still considered relatively low at 4.3%. There were 2 contributing factors. Firstly, there was an increase in fraudulent claims following the propensity by some taxpayers to seek refunds by claiming fake credits on BAS labels. Whilst many fake FTC claims were denied, a number were paid. The residual impact should continue to be seen in the following year's gap before reducing, as the impacts of changes in detection and prevention address this component of the gap. The second component was the temporary reduction in the excise rate. This reduced the rate of credit payable to eligible claimants and was the source of many errors. The reduction was temporary, and the impact of the cut is now largely past and should have only a minor impact on future tax gaps. We have assessed the result as 'Achieved' as we believe that the program overwhelmingly delivered the desired support, evidenced by the comparatively low tax gap. The main contributing factors to the increase in the tax gap are considered temporary in nature and should not create a structural increase to the FTC tax gap.		

Table 3.38 Fuel Tax Credits Scheme gap, 2021–22 to 2023–24[a] *continued*

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data
Methodology	The FTC gap arises from taxpayers not claiming their correct credits. The credits system is voluntary and eligible taxpayers might underclaim 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 fuel tax credits 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 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, 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.
Limitations	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 the 2025–26 annual report. 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. The tax gap does not include an estimate of the tax forgone because of policy decisions. 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.
Variation from 2023–24 ATO corporate plan	Nil

Notes

(a) When we estimate tax gaps each year, we revise the estimates for the previous years using the latest information about lodgments and amendments received since the previous estimate was calculated. This ensures our tax gap estimates reflect our best estimation.

(b) The 2022–23 results have been updated.

Program 1.8 National Rental Affordability Scheme

Table 3.39 Value of tax offsets processed, 2021–22 to 2023–24[a]

Performance measure	**Value of tax offsets processed** ▪ The total value of National Rental Affordability Scheme incentives paid as tax offsets by the ATO, as administrators of the program		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Target removed		
Results	**2023–24**	**$127.2m**	**Target removed**
	2022–23	$146.9m	Rating not previously reported in the annual report
	2021–22	$162.3m	
Analysis	In 2023–24, the dollar value of National Rental Affordability Scheme (NRAS) offsets claimed on income tax returns processed by the ATO was $127.2m. The ATO administers the NRAS as part of its broader role in managing non-compliance with the tax laws governing the claiming of tax offsets. The ATO does not control the value of tax offsets claimed on income tax returns processed during the financial year. This is instead driven by factors outside the ATO's control, being decisions made by individuals, companies and superannuation funds on participation in the NRAS during the offered rounds and continuing to maintain a property in accordance with the NRAS requirements. The measure target as published in the *ATO corporate plan 2023–24* has been removed in this annual performance statement as the target does not align with what is being measured. The ATO is considering options to develop and design a more meaningful performance measure and target through to the conclusion of the NRAS in 2026.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the total sum of NRAS claims included on income tax returns processed within the financial year.		
Limitations	Nil		
Variation from 2023–24 ATO corporate plan	Removed target of 'administer the program in accordance with the law'.		

Note
(a) Results indicator is not applicable – the target has been removed.

Program 1.9 Product Stewardship for Oil

Table 3.40 Product Stewardship for Oil gap, 2021–22 to 2023–24[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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available		
Results	**2023–24**	**0.9% or $1.3m (2022–23)**	● **Achieved**
	2022–23[b][c]	0.8% or $1.1m (2021–22)	Rating not previously reported in the annual report
	2021–22	New measure from 2022–23, not previously reported in the annual performance statement	
Analysis	The current performance target is difficult to evaluate quantitatively. The ATO considers 'as low as practicable' is determined by the current operating environment. We consider a gap of under 1% over the medium term is as low as practicable. We consider the medium term covers the period 2017–18 to 2022–23 given the lags in estimating the tax gap. We have assessed the result as 'Achieved', as we are confident that the Product Stewardship for Oil (PSO) program is delivering a credit to the correct recyclers as the policy intention. There is extensive oversight of the very small population, which ensures compliance is high. We are able to cross-reference high-quality data on importation as a check in the process. To maintain the integrity of our ATO systems, we have stringent risk control on the entry point to ensure eligibility of new registrants. All other risk control and assurances processes in place are working appropriately. The tax gap for PSO is steady and low. We can reasonably expect this to continue.		
Type of measure	Effectiveness		
Data sources	ATO systems, models, economic data		
Methodology	The PSO program has 2 sides. These 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 one. 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 on these products that are produced or imported into Australia from the Australian Petroleum Statistics. 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 overclaims and missed claims by taxpayers. Further detail is available at ato.gov.au/PSOgap.		

Table 3.40 Product Stewardship for Oil gap, 2021–22 to 2023–24[(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. 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 the 2025–26 annual report. 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. The tax gap does not include an estimate of the tax forgone because of policy decisions. 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 2023–24 ATO corporate plan	Nil

Notes

(a) When we estimate tax gaps each year, we revise the estimates for the previous years using the latest information about lodgments and amendments received since the previous estimate was calculated. This ensures our tax gap estimates reflect our best estimation.

(b) The 2022–23 results have been updated.

(c) The Product Stewardship for Oil gap performance measure result for 2022–23 was incorrectly reported as $85 million, instead of $0.85 million, in Table 3.28 of the *2022–23 Commissioner of Taxation annual report*. For more information, see Appendix 16 on page 294.

Program 1.10 Research and Development Tax Incentive

Table 3.41 Refundable claims are subject to specific risk detection processes, 2021–22 to 2023–24

Performance measure	**Research and Development Tax Incentives (RDTI) refundable claims are subject to RDTI-specific risk detection processes** ▪ The measure demonstrates we are performing our role of managing non-compliance in relation to claims of refundable RDTI offsets on company income tax returns by operating risk detection process designed to identify erroneous, fraudulent and invalid claims			
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	100%			
Results	**2023–24**	**100%**	●	**Achieved**
	2022–23	New measure from 2023–24, not previously reported in the annual performance statement		
	2021–22			
Analysis	This performance measure provides assurance that the ATO is performing its key role as tax regulator to manage non-compliance with the tax laws governing the claiming of refundable Research and Development Tax Incentive (RDTI) offsets. The measure demonstrates the ATO has processes and controls in place to identify where fraudulent and ineligible claims of refundable RDTI 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. For the next financial year, the target has been changed from a percentage to 'target met' or 'target not met' to make it clear that this performance measure has a binary result.			
Type of measure	Effectiveness			
Data sources	ATO systems			
Methodology	Analysis of ATO documentation and data relating to the operation of the ATO's risk detection processes for refundable RDTI offsets and its design to identify inappropriate claims.			
Limitations	There are no material limitations.			
Variation from 2023–24 ATO corporate plan	Nil			

Table 3.42 Offset claims are amended when the ATO is advised that registration has been revoked, 2021–22 to 2023–24

Performance measure	**Research and Development Tax Incentives (RDTI) offset claims are amended when Industry Innovation and Science Australia advises the ATO that RDTI registration has been revoked** ▪ A measure of the ATOs effectiveness in ensuring that company income tax returns are appropriately amended where the Department of Industry, Science and Resources (DISR) notifies the ATO it has varied a company's R&D registration in a way that impacts their claim for an RDTI offset		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	100%		
Results	**2023–24**	**95%**	◆ **Not achieved**
	2022–23	New measure from 2023–24, not previously reported in the annual performance statement	
	2021–22		
Analysis	The ATO is required to ensure company income tax returns claiming Research and Development Tax Incentive (RDTI) are appropriately amended following decisions by the Department of Industry, Science and Resources (DISR) to make a finding, variation or revocation of and about a claimant's RDTI registration. During 2023–24, a total of 76 company income tax returns were required to be amended by a date falling within the financial year following decisions by DISR. Of these 76, 72 were amended – 3 the ATO had the power to amend but did not do so in time and one the ATO had no power to amend once notified of DISR's decision. 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 by DISR. The ATO is continuing to monitor its performance in this regard.		
Type of measure	Effectiveness		
Data sources	ATO systems, third-party data		
Methodology	Calculate the percentage of company income tax returns that were appropriately amended out of those that were required to be amended by a date falling within the financial year as a result of a decision by the Department of Industry, Science and Resources.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Nil		

Program 1.11 Low Income Superannuation Tax Offset

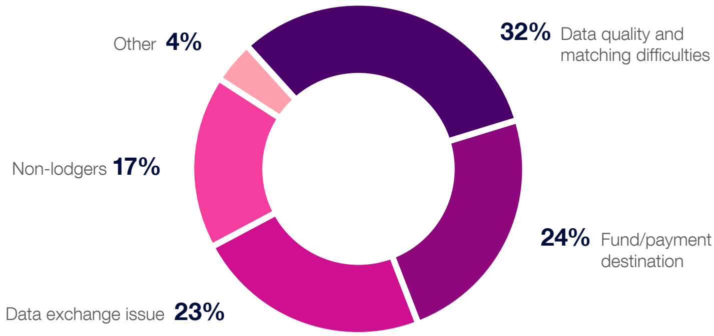
Table 3.43 Proportion of original contributions paid, 2021–22 to 2023–24

Performance measure	**Proportion of original contributions paid within 60 days** ▪ A measure that demonstrates we are making payments to superannuation funds under the LISTO program in a timely manner		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	97%		
Results	**2023–24**	**98.08%**	● **Achieved**
	2022–23[a]	97.29%	Rating not previously reported in the annual report
	2021–22	New measure from 2022–23, not previously reported in the annual performance statement	
Analysis	In 2023–24, the result of the Low Income Superannuation Tax Offset (LISTO) measure was 98.08% and achieved the target of 97%. LISTO is a superannuation entitlement for eligible individuals that is intended to help boost an individual's superannuation balance. The ATO administers LISTO to help individuals receive their full entitlements. LISTO seeks to effectively return the tax paid on concessional contributions by an individual's superannuation fund or retirement savings account provider to the person if the individual is a low-income earner up to a capped amount (currently $500). To establish if an individual is eligible to receive a payment, the ATO analyses a range of information including their income tax return and superannuation contributions. Payment to an eligible individual's superannuation fund should occur within 60 days of the ATO having all relevant information, to assess their eligibility. While the LISTO payment (including any interest) was made to all (100%) of eligible beneficiaries, this performance measure indicates the percentage of LISTO payments to superannuation funds that are made within 60 days. The steady increase in the proportion of LISTO contributions paid within 60 days is an indicator of improved ATO efficiency. Sharp decreases or increases are usually because of previously unknown internal and external factors impacting our ability to establish eligibility and subsequently remit the LISTO payments to the superannuation fund. The ATO monitors program performance and seeks to address factors that cause delays that result in payments being made outside the 60-day timeframe. In 2023–24, this led to changes which improved performance compared to 2022–23. These improvements were partially offset by other factors, described in more detail below. Overall, the increase to 98.08% of eligible individuals having their LISTO remitted within 60 days, from 97.29% in 2022–23, is primarily driven by these 2 factors: ▪ Historically, operational and capacity constraints resulted in the LISTO monthly payment batch process not being run in December. In 2022–23, this accounted for 35,649 (50.6%) of the 70,459 that were paid after 60 days. After identifying this as a key contributor to delaying payments beyond 60 days, we implemented new procedures to prevent this occurring, reducing the 35,649 to zero for 2023–24. ▪ The ATO uses third-party data to confirm eligible individuals. During 2023–24, a data exchange software interface issue was identified and subsequently resolved. This delayed progress for affected client payments and resulted in 11,034 LISTO payments being made after 60 days.		

Table 3.43 Proportion of original contributions paid, 2021–22 to 2023–24 *continued*

Analysis *continued*

In 2023–24, 96% of payments made after 60 days resulted from the following limitations:



- **Data quality and matching difficulties:** Reported data must be matched and linked to an individual to establish entitlements. Data difficulties can arise and cause delays in establishing entitlement. The ATO continuously works with superannuation funds and others to support the quality (including for identity matching) and timeliness of the information reported.
- **Data exchange issue:** (noted above) Used by the ATO to confirm eligible individuals. This limitation has now been resolved.
- **Fund/payment destination:** LISTO entitlements are paid to individuals' superannuation funds. However, in some cases, there are changes to the status of an individual's fund not yet recorded on ATO systems, and our initial payment attempts are unsuccessful due to the account being inactive. Currently, these are only identified after an attempt is made to make the payment. Where this occurs, reasons for failed payments are addressed, and the payment occurs in a subsequent monthly payment batch process. Changes were made to address this issue during 2023–24, reducing the instances of inactive links contributing to not meeting the performance measure.
- **Non lodgers:** If an individual does not lodge an income tax return, the ATO determines their eligibility based on other available information. This process commences 12 months after the end of the relevant income year. The 60-day performance measure begins when the ATO has all the relevant information. However, the current measure assumes the ATO held all relevant data at the end of the financial year, whereas this is not always the case. An internal request to review/correct this has been raised.

Type of measure	Output
Data sources	ATO systems
Methodology	Under the LISTO program, interest is automatically payable if the individual's original contributions are not paid to their superannuation fund within 60 days of determining that the individual has an entitlement. From 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 2023–24 ATO corporate plan	Nil

Note

(a) The Low Income Superannuation Tax Offset performance measure – Proportion of original contributions paid result for 2022–23 was incorrectly reported as 99.97% in Table 3.35 of the *2022–23 Commissioner of Taxation annual report*. For more information, see Appendix 16 on page 294.

Program 1.12 Private Health Insurance Rebate

Table 3.44 Value of rebates processed, 2021–22 to 2023–24[(a)]

Performance measure	**Value of rebates processed** ▪ Value of the difference between private health insurance offsets and liabilities raised on income tax returns processed during the financial year		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Target removed		
Results	**2023–24**	**$237.4m**	**Target removed**
	2022–23	$250.2m	Rating not previously reported in the annual report
	2021–22	$237.0m	
Analysis	The result of $237.4 million shows the net dollar value of private health insurance offsets and liabilities raised on income tax returns processed by the ATO during 2023–24. These offsets and liabilities reflect the difference between the rebates received by individuals through their private health insurer as reduced insurance premiums and the rebate the taxpayer is entitled to. The ATO's role in administering the private health insurance rebate is to ensure the amounts of the rebate claimed by a taxpayer are correct. The ATO does this by using data supplied by private health insurance providers to: ▪ pre-fill income tax returns prior to a taxpayer lodging ▪ identify discrepancies for further action once an income tax return is lodged ▪ assess the correct amount of rebate the taxpayer is entitled to. The ATO does not control the net dollar value of private health insurance offsets and liabilities raised on income tax returns processed in a financial year. This is driven by individuals' decisions about maintaining private health insurance and the level of rebate they have estimated and chosen to claim via their private health insurer as reduced insurance premiums. 2023–24 will be the last year this performance measure is reported, as it is not relevant to, or driven by ATO performance. The measure target as published in the *ATO corporate plan 2023–24* has been removed in this annual report, as the target does not align with what is being measured. A more meaningful measure and target has been designed and included in the *Australian Taxation Office corporate plan 2024–25*, with performance against the measure to be reported in in the 2024–25 annual performance statement.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the total sum of the differences between the private health insurance rebates reported on individual income tax returns obtained as a reduction in premiums and the rebates individuals were entitled to.		
Limitations	Accuracy and completeness of external administrative data from private health insurers.		
Variation from 2023–24 ATO corporate plan	Removed target of 'administer the program in accordance with the law'. Correction of the data source for this measure – updated from ATO financial statements to ATO systems.		

Note

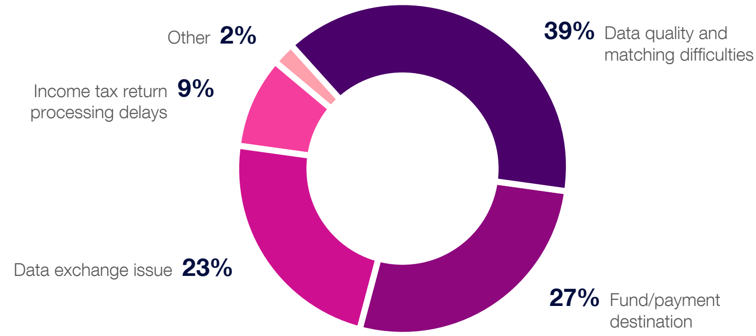
(a) Results indicator is not applicable – the target has been removed.

Program 1.13 Superannuation Co-contribution Scheme

Table 3.45 Proportion of original co-contributions paid, 2021–22 to 2023–24

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 Super Co-contribution Scheme in a timely manner		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	97%		
Results	**2023–24**	**97.4%**	**Achieved**
	2022–23	98.8%	Rating not previously reported in the annual report
	2021–22	New measure from 2022–23, not previously reported in the annual performance statement	
Analysis	The co-contribution measure result of 97.43% (this has been rounded to 97.4%) achieved the target of 97%. The Super Co-contribution Scheme is a superannuation entitlement where the government may make a co-contribution up to $500 to eligible individuals who make personal (after-tax) contributions to their superannuation. The ATO administers the Super Co-contributions Scheme to help individuals receive their full entitlements. To establish if an individual is eligible to receive a payment, we analyse a range of information including their income tax return and superannuation contributions. Payment to an eligible individual's superannuation fund should occur within 60 days of the ATO having all relevant information to assess their eligibility. While the co-contribution payment (including any interest) was made to all (100%) of eligible beneficiaries, this performance measure indicates the percentage of co-contribution payments to superannuation funds that are made within 60 days. In 2023–24, there was a slight decrease in the proportion of co-contributions paid within 60 days. This is attributable to previously unknown internal and external factors impacting our ability to establish eligibility and subsequently remit co-contribution payments to a superannuation fund. The ATO monitors program performance and seeks to address factors that cause delays that result in payments made outside the 60-day timeframe. In 2023–24, this led to changes that we expect will improve future performance and help ensure a return to the previously higher performance levels. Overall, the decrease to 97.43% of eligible individuals having their co-contributions remitted within 60 days, from 98.84% in 2022–23, was primarily driven by these factors: ▪ Co-contribution payments made directly to an individual's superannuation fund account are dependent on the ATO having the relevant fund details. In some cases, changes to the status of an individual's fund are not yet recorded on ATO systems, so our initial payment attempts are unsuccessful due to the account being inactive. Currently this is only identified after trying to make the payment. Where this occurs, reasons for failed payments are addressed, and the payment occurs in a subsequent monthly payment batch process. Changes made to address this issue during 2023–24 should reduce the number of inactive links contributing to not meeting the performance measure. In 2023–24, this issue resulted in 2,363 co-contributions payments being made after 60 days. ▪ The ATO uses third-party data to confirm individuals' eligibility. During the year, a data exchange software interface issue was identified and subsequently fixed. This issue delayed progress for affected client payments and resulted in 2,064 payments being made after the 60 days.		

Table 3.45 Proportion of original co-contributions paid, 2021–22 to 2023–24 *continued*

Analysis *continued*	In 2023–24, 98% of payments made after 60 days resulted from the following limitations:  ■ **Data quality and matching difficulties:** Reported data needs to be matched and linked to an individual to establish entitlements. Data difficulties can arise and cause delays in establishing entitlement. The ATO continuously works with superannuation funds and others to support the quality (including for identity matching) and timeliness of the information reported. ■ **Data exchange issue:** (noted above) Used by the ATO to confirm eligible individuals. This limitation has now been resolved. ■ **Fund/payment destination:** (noted above) A fix has been implemented to reduce instances of this limitation. ■ **Income tax return (ITR) processing:** While the 60-day period starts when the ATO has all relevant information, remittance of the co-contribution entitlement does not occur until the individual's income tax return has been fully processed. If this takes longer than the service standard, it will miss the monthly payment batch process, resulting in payment after 60-days.
Type of measure	Output
Data sources	ATO systems
Methodology	Under the Super Co-contribution Scheme, interest is automatically payable if the individual's original co-contributions are not paid to their superannuation fund within 60 days. From 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 2023–24 ATO corporate plan	Nil

Program 1.14 Superannuation Guarantee Scheme

Performance summary

There are 6 performance measures for this program. 2 measures met target. 2 were substantially achieved, and 2 new measures have a target under development.

Table 3.46 Superannuation guarantee gap, 2021–22 to 2023–24[(a)]

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available		
Results	**2023–24**	**6.3% or $5,157m (2021–22)**	■ **Substantially achieved**
	2022–23[(b)]	6.7% or $4,836m (2020–21)	Rating not previously reported in the annual report
	2021–22[(b)]	6.3% or $4,412m (2019–20)	

Analysis

This year we introduced a new methodology for calculating the Superannuation Guarantee (SG) gap. Volatility in data for 2021–22 meant the reliability rating for the existing top-down method would reduce to below ‘low’, meaning we would not have confidence that published estimates would be meaningful. A new bottom-up method has been developed using random enquiry data that has a Medium reliability.

Applying this method to prior years has had the effect of increasing the estimates for all previous years.

Below are the following net gap results, for the new methodology:

	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Net gap $m	$3,549	$3,685	$3,881	$4,412	$4,836	$5,157
Net gap %	5.9%	5.9%	5.9%	6.3%	6.7%	6.3%

The net SG gap for 2021–22 is estimated to be around $5.1 billion or around 6.3% of theoretical contributions.

The net SG gap has been gradually increasing in dollar terms from $3.5 billion to $5.1 billion across 2016–17 to 2021–22. Relative to theoretical contributions, there has been a general increasing trend in the size of the net gap during COVID (2019–20 and 2020–21), but a reduction in the net gap in the latest year.

The level of amendments due to ATO actions increased in 2020–21 and again in 2021–22, after declining quite sharply in 2019–20 due in part to COVID-19. 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 results show a short-term improvement in the net SG gap (decrease in the current year), but the results are still above the pre-COVID levels so there has been no medium-term improvement in the SG gap. As a result, the measure is rated as substantially achieved.

Table 3.46 Superannuation guarantee gap, 2021–22 to 2023–24 *continued*

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data
Methodology	We use a 3-step method to estimate the superannuation guarantee gap. Step 1: Estimate unreported superannuation guarantee amount Step 2: Estimate for errors not detected Step 3: Calculate the superannuation guarantee 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 nondetection 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 2023–24 ATO corporate plan	Nil

Notes:

(a) When we estimate tax gaps each year, we revise the estimates for the previous years using the latest information about lodgments and amendments received since the previous estimate was calculated. This ensures our tax gap estimates reflect our best estimation. Additionally, this year we introduced a new methodology for calculating results.

(b) The 2022–23 and 2021–22 results have been updated.

Table 3.47 Value of superannuation guarantee charge raised, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$1,017m		
Results	**2023–24**	**$1,912.1m**	● **Achieved**
	2022–23	$1,243.5m	Rating not previously reported in the annual report
	2021–22	$1,059.9m	
Analysis	There was a significant increase in the superannuation guarantee charge raised this year ($1,912.1 million) compared to last year's figure of $1,243.5 million. This is due to an increase in ATO compliance action and 'nudge' messaging, and employers voluntarily lodging super guarantee amounts.		
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 2023–24 ATO corporate plan	This measure has been separated from 'Value of superannuation guarantee charge collected' to provide a clearer read of performance.		

Table 3.48 Value of superannuation guarantee charge collected, 2021–22 to 2023–24

Performance measure	**Value of superannuation guarantee charge collected** ▪ A measure of the value of superannuation guarantee charge collected		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$594m		
Results	**2023–24**	**$1,092.6m**	● **Achieved**
	2022–23	$778.5m	Rating not previously reported in the annual report
	2021–22	$712.7m	
Analysis	There was a significant increase in superannuation guarantee charge collected in 2023–24, with collections of $1,092.6 million compared to the previous year's figure of $778.5 million. This is due to a number of factors including increased recovery actions, increased ATO compliance, 'nudge' messaging and an increase in voluntary disclosures.		
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 2023–24 ATO corporate plan	This measure has been separated from 'Value of superannuation guarantee charge raised (including penalties and interest)' to provide a clearer read of performance.		

Table 3.49 Value of superannuation guarantee charge entitlements distributed, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$536m		
Results	**2023–24**	**$932.5m**	● **Achieved**
	2022–23	$683.9m	Rating not previously reported in the annual report
	2021–22	$645.4m	
Analysis	The increase in the value of superannuation guarantee charge entitlements distributed from $683.9 million in 2022–23 to $932.5 million in 2023–24 is due to a significant increase in the value of superannuation guarantee charge raised and collected. This increase was due to increased ATO recovery action, increased compliance and 'nudge' messaging, as well as an increase in employer voluntary disclosures.		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is extracted from the end-of-year ATO financial statements.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Variation to measure name to include 'charge'.		

Table 3.50 Value of superannuation guarantee charge debt on hand, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$3.7b		
Results	**2023–24**	**$3.7b**	● **Achieved**
	2022–23	$3.3b	Rating not previously reported in the annual report
	2021–22	$3.1b	
Analysis	The value of superannuation guarantee charge debt on hand increased from $3,343 million in 2022–23 to $3,697 million (rounded to $3.7 billion) this year. This result was expected, given the increase in superannuation guarantee charge 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 2023–24 ATO corporate plan	Variation to measure name to include 'charge'. 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.		

Table 3.51 Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$177m		
Results	**2023–24**	**$447.4m**	■ **Substantially achieved**
	2022–23	$214.5m	Rating not previously reported in the annual report
	2021–22	$104.9m	
Analysis	The value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue increased from $214.5 million in 2022–23 to $447.4 million in 2023–24. The return to normal collection activities following the COVID-19 pandemic has resulted in increases in identification of debts that are uneconomical to pursue or irrecoverable at law.		
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. **Performance rating scale** (see below)		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Variation to measure name to include ‘charge’. 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	●	The difference between the target and result is within one standard deviation away from the average of 5 recent years
Substantially achieved	■	Between one and 2 standard deviations away from the average of 5 recent years
Not achieved	◆	More than 2 standard deviations away from the average of 5 recent years

Table 3.52 Superannuation guarantee charge distributed as a proportion of superannuation charge raised, 2021–22 to 2023–24

Performance measure	**Superannuation guarantee charge distributed as a proportion of superannuation guarantee charge raised** ▪ A measure of the value of superannuation guarantee charge which has been collected and distributed to individuals or superannuation funds as a proportion of the value of superannuation guarantee charge raised	
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance	
Authority source	2023–24 PBS and ATO corporate plan 2023–24	
2023–24 target	Under development	
Results	**2023–24**	**New measure under development**
	2022–23	New measure from 2023–24, not previously reported in the annual performance statement
	2021–22	
Analysis	The ATO is progressing work to establish appropriate data sources to effectively report its performance against the new performance measure and to establish a fit-for-purpose target that will support objective assessment of its performance.	
Type of measure	Effectiveness	
Data sources	ATO systems	
Methodology	Under development	
Limitations	Nil	
Variation from 2023–24 ATO corporate plan	Variation to measure name to include ‘charge’.	

Table 3.53 Superannuation guarantee charge raised and distributed within 12 months, 2021–22 to 2023–24

Performance measure	**Superannuation guarantee charge raised and distributed within 12 months** ▪ A measure of the value of superannuation guarantee charge raised which has been collected and distributed to individuals or superannuation funds within 12 months of the liability being raised	
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance	
Authority source	2023–24 PBS and ATO corporate plan 2023–24	
2023–24 target	Under development	
Results	**2023–24**	**New measure under development**
	2022–23	New measure from 2023–24, not previously reported in the annual performance statement
	2021–22	
Analysis	The ATO is progressing work to establish appropriate data sources to effectively report its performance against the new performance measure and to establish a fit-for-purpose target that will support objective assessment of its performance.	
Type of measure	Effectiveness	
Data sources	ATO systems	
Methodology	Under development	
Limitations	Nil	
Variation from 2023–24 ATO corporate plan	Nil	

Program 1.15 Interest on unclaimed superannuation accounts paid

Table 3.54 Proportion of unclaimed superannuation accounts, 2021–22 to 2023–24

Performance measure	**Proportion of unclaimed superannuation accounts where interest is paid compared to total accounts transferred** ▪ A measure that demonstrates the ATO's commitment to deliver on government policy that from 1 July 2013, the ATO will pay interest on any unclaimed superannuation money (USM) account that is either claimed by the account owner or proactively paid by the ATO		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	100%		
Results	**2023–24**	**100%**	● **Achieved**
	2022–23	New measure from 2023–24, not previously reported in the annual performance statement	
	2021–22		
Analysis	When unclaimed super monies (USM) are sent to the ATO and are subsequently eligible to be paid out to the individual or transferred into another fund for an individual, the ATO is required to calculate and apply any interest owing to the individual's USM account and for this to be paid or transferred out with the USM amount. The amount applied to the account is called a credit interest posting. Where the interest owing is zero, a nil amount is applied to the USM account. The intent of this measure is to show whether all payments and transfers of USM have had the interest amount (including nil amounts) applied to all the USM accounts which were paid or transferred. Once a payment or transfer is initiated, USM credit interest 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 CPI interest rate applicable for each financial year. Data was extracted from ATO systems on amounts reunited and interest applied. Our analysis indicated no instances where interest was not considered and applied.		
Type of measure	Effectiveness		
Data sources	ATO systems		
Methodology	The result for this measure is expressed as a percentage and is calculated as the number of USM accounts where interest is paid to the individual's USM account divided by the total number of USM accounts paid and multiplied by 100.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Correction of the data source for this measure – updated from ATO financial statements to ATO systems.		

Program 1.16 Interest on Overpayment and Early Payments of Tax

Table 3.55 Value of credit interest applied, 2021–22 to 2023–24

Performance measure	Value of credit interest applied to client accounts ■ A measure of the value of credit interest applied to client accounts		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Target removed		
Results	**2023–24**	**$349m**	**Target removed**
	2022–23	$176.8m	Rating not previously reported in the annual report
	2021–22	$61.9m	
Analysis	The total amount of interest paid on overpayments was $349 million in 2023–24, compared to $176.8 million in 2022–23. Factors contributing to this year's increase include: ■ a higher rate of interest on taxpayer credits equalling an average of 4.19% per quarter (compared to 2.46% in 2022–23) – this increase of over 70% resulted in more credit amounts generating above the $0.50 cents threshold for payment ■ amendment programs/lodgments and taxpayer behaviour ■ continuation of interest paid to a large group of taxpayers for military superannuation who were previously charged the incorrect tax rate. Interest on early payments of tax is not included in this measure, as it is a statutory amount payable based on taxpayer behaviour (paying early).		
Type of measure	Output		
Data sources	ATO systems		
Methodology	The result for this measure is a data extraction of the value of interest on overpayments made to taxpayers where an entitlement exists due to overpayment resulting from: ■ income tax assessment ■ certain decisions (objections, amendment or appeal) ■ a request to remit general interest charge, shortfall interest charge or a request for refund.		
Limitations	Data extraction: We are unable to determine which credit interest amounts have been applied due to ATO processing delays.		
Variation from 2023–24 ATO corporate plan	Nil		

Program 1.17 Bad and Doubtful Debts and Remissions

Table 3.56 Ratio of debt uneconomical to pursue, 2021–22 to 2023–24

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	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Below 1%		
Results	**2023–24**	**0.6%**	● **Achieved**
	2022–23	0.2%	Rating not previously reported in the annual report
	2021–22	0.2%	
Analysis	At 30 June 2024, the ratio of uneconomical to pursue debts to net cash collections was 0.6%. This is an increase of 0.4 percentage points from last year. The return to normal collection activities following the COVID-19 pandemic has resulted in increases in the identification of debts that are uneconomical or irrecoverable at law.		
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 that 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 2023–24 ATO corporate plan	Nil		

Program 1.18 Seafarer Tax Offset

Table 3.57 Eligible taxpayers are aware of how to claim the offset, 2021–22 to 2023–24

Performance measure	**Eligible taxpayers are aware of how to claim the offset** ▪ A measure of how the ATO ensures all eligible taxpayers understand how to claim the seafarer tax offset, as co-administrators of the program		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	100%		
Results	**2023–24**	**100%**	● **Achieved**
	2022–23	100%	Rating not previously reported in the annual report
	2021–22	100%	
Analysis	This result shows the proportion of eligible certificate holders that have indicated they know how to claim the offset or have been informed how to claim it by the ATO. Information about how to claim the seafarer tax offset is made available on the ATO website. The ATO surveys eligible certificate holders as advised by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA). The ATO sends targeted information to any taxpayers that respond and indicate they are not aware of how to claim. The ATO also includes information on who to contact to answer further questions. The ATO has a limited role in administering the program. There are currently fewer than 5 claimants of the seafarer tax offset, with a total of $9.4m claimed in the 2023–24 income tax year. The ATO is considering how best to report against this performance measure in future annual performance statements.		
Type of measure	Output		
Data sources	ATO client survey		
Methodology	Collect responses to the shipping survey indicating awareness of how to claim the seafarer tax offset, including those informed how to claim by the ATO. Compare the responses to the list of eligible taxpayers supplied by DITRDCA.		
Limitations	Accuracy and completeness of external administrative data from DITRDCA. Interpretation of free text responses requires judgment.		
Variation from 2023–24 ATO corporate plan	Nil		

04 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 2023–24 were $610.6 billion, an increase of $34.4 billion (6.0%) over the previous year. The growth in tax collections was primarily driven by an increase in individual tax collections partly offset by a decline in company tax collections.

Total individuals tax collections were $331.5 billion in 2023–24, an increase of $34.9 billion (11.7%) over the previous year. This was largely driven by an increase in income tax withholding due to strong labour market conditions.

GST collections were $85.0 billion in 2023–24, an increase of $3.6 billion (4.4%) over the previous year. The increase primarily reflects growth in consumption over the year.

Excise collections were $29.8 billion in 2023–24, an increase of $3.7 billion (14.4%) over the previous year. The increase largely reflects the expiry of the temporary measure to halve the excise rate on fuels.

Company tax collections were $140.2 billion in 2023–24, a decrease of $9.9 billion (6.6%) from the previous year. The decrease was driven by a decline in on-assessment collections, particularly from the mining sector.

Table 4.1 ATO net tax cash collections, 2021–22 to 2023–24[(a)]

Tax	2021–22 $m	2022–23 $m	2023–24 $m
Gross PAYG withholding[(b)]	239,669	269,264	294,949
Gross other individuals	57,432	69,407	74,199
Individual refunds	–38,048	–42,014	–37,635
Total individuals	**259,052**	**296,658**	**331,513**
Companies	124,358	150,098	140,170
Superannuation funds[(c)]	26,546	10,406	12,465
Petroleum resource rent tax	1,638	2,287	1,144
Fringe benefits tax[(d)]	3,331	4,009	4,632
Total income tax	**414,925**	**463,458**	**489,924**
Excise	22,539	26,022	29,761
Goods and services tax (GST)[(e)]	73,650	81,414	85,012
Other indirect taxes[(f)]	2,060	2,250	2,344
Total indirect taxes	**98,248**	**109,687**	**117,116**
Major bank levy	1,454	1,525	1,623
Superannuation guarantee charge	713	778	1,093
Foreign investment fees	133	221	246
Self-managed superannuation fund levy	130	139	141
Offshore petroleum levy	–	391	389
Other tax revenue	89	–60	27
Total net tax cash collections	**515,692**	**576,139**	**610,559**
Other non-tax revenue[(g)]	998	336	100
Total net cash collections	**516,690**	**576,475**	**610,659**
HELP/SFSS[(h)]	4,261	4,938	5,103

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 2023–24 these were $5.3 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 2023–24 Federal Budget forecast, ATO net tax collections were $19.4 billion (3.3%) higher than expected. The increase was largely driven by higher-than-expected collections for individual income taxes and company tax, partly offset by lower-than-expected Superannuation fund tax.

Total individual taxes were $12.1 billion above the 2023–24 Federal Budget forecast, reflecting stronger-than-expected labour market conditions, stronger PAYG instalments, as well as a larger than expected number of prior year returns being processed in 2023–24.

Company tax collections were $11.8 billion above the 2023–24 Federal Budget forecast, reflecting stronger-than-expected corporate profitability and higher-than-expected commodity prices flowing through to tax collections.

Superannuation fund tax collections were $4.1 billion below the 2023–24 Federal Budget forecast, largely reflecting lower-than-expected dividends and foreign income as well as higher-than-expected foreign exchange losses for APRA funds.

Table 4.2 Expected revenue – variation between budget forecast and actual net collections in 2023–24[(a)]

Collected from	Collections $m	Budget $m	Variance $m
Total individuals	331,513	319,400	12,113
Companies	140,170	128,373	11,797
GST	85,012	86,010	–998
Superannuation funds	12,465	16,560	–4,095
Other	41,399	40,821	578
Total	**610,559**	**591,164**	**19,395**

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

In 2023–24, we issued income tax refunds with a total value of $62.5 billion. We also issued activity statement refunds with a total value of $96.6 billion. Total refunds were $159.1 billion, up 2.8% from 2022–23.

Table 4.3 Amount refunded, 2021–22 to 2023–24[(a)]

Type of refund	2021–22 $m	2022–23 $m	2023–24 $m
Income tax			
▪ Income tax – Total individuals	38,048	42,014	37,635
▪ Income tax – Companies	10,612	14,914	18,216
▪ Income tax – Superannuation funds[(b)]	2,307	6,951	6,169
▪ Income tax – Petroleum resource rent tax	50	77	187
▪ Income tax – Fringe benefits tax[(c)]	472	292	290
Total income tax	**51,490**	**64,249**	**62,498**
Excise	25	10	28
Activity statements[(d)]	81,429	90,506	96,607
Total	**132,944**	**154,765**	**159,132**

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 primarily relate to the 2021–22 income year.

To ensure tax gap estimates reflect our best current 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 impact 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 2023–24, noting amounts collected in one year often relate to returns for prior income years.

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 collects and the amount that would have been collected if every taxpayer was fully compliant with the law.

The tax gap prior to the impact of our engagement is referred to as the 'gross gap' and the tax gap after our intervention is the 'net gap'. The tax gap estimates shown in the following tables and commentary are net gaps, which represents the amount that remains uncollected after ATO action.

To measure the gap, we use a range of methods that depend on the information available. Statistical methods (known as bottom-up approaches) use data collected through lodgments and amendments as well as through several random enquiry programs where we review the tax affairs of a representative sample of taxpayers. Other methods (known as top-down approaches) rely on aggregated economic data from various sources including the Australian Bureau of Statistics.

Each year, we review the inputs and the methods to ensure estimates are reliable and defensible. We use an assessment of reliability to convey our confidence in the estimate. We make improvements to methods to increase the reliability of estimates over time.

Occasionally, we will change the method we use to estimate a tax gap. When we do this, we explain why we made the change (most commonly to improve the reliability rating). We will also publish current and previous years' estimates using the new method, to ensure the analysis of longer-term trends is not distorted by method changes.

We group our tax gap estimates into 3 main categories: transaction-based taxes, income-based taxes, and administered programs (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 panel to provide advice on our estimation approaches.

As the nation's principal tax collector, the ATO aims to identify, manage and sustainably reduce tax gaps over time. To do this, we engage with a range of stakeholders to understand the risks and drivers and how we can collaboratively address the issues to maximise voluntary compliance.

2021–22 tax gap estimates

Our latest tax gap estimates show that for 2021–22, if everyone met their tax obligations the total amount of tax revenue reported and collected across the system would have been $590.3 billion. We received $545.8 billion of this amount. Most of this was collected voluntarily, reflecting a system that is operating well, with most taxpayers aware of and meeting their obligations.

Based on the theoretical tax that should have been received versus what we did receive, the overall net tax gap is estimated to be $44.5 billion, or 7.5%.

From 2018–19 to 2021–22, the overall tax gap estimates have continued to decrease gradually, falling from 8.1% to 7.5% based on the current estimates. This reflects an overall improvement in compliance behaviours in the tax system over time.

Of the 15 income-based and transaction-based tax gap estimates we produced in 2023–24, in percentage terms we saw:

- an improvement across 6 of the estimates, including the individuals and small business populations
- a deterioration across 8 estimates, including GST and large corporate groups
- one gap estimate remains the same.

While the current trend estimate continues to show a gradual improvement over time, an increasing number of challenges throughout the estimation process has reduced the reliability rating assigned to some of our tax gaps. For example:

- The financial years impacted by the COVID-19 pandemic saw significant changes in taxpayer circumstances, creating unpredictable patterns in behaviour and a change in how people are transacting in the non-observed economy (shadow economy). Due to timing issues, we have concerns around how this change in behaviour is reflected in certain point-in-time economic data used in our top-down methods. While these concerns will resolve over time as data is revised, estimates published today may be subject to change when these revisions occur.
- Debt that is considered not economic to recover (referred to as non-pursued debt (NPD)) by the ATO is part of the tax gap framework. During the COVID-19 pandemic, we deliberately shifted our focus away from firmer debt collection action. While not all current outstanding debt will remain unpaid over the longer term, the use of slowed conversion to NPD to estimate the contribution to the overall tax gap program is understated. We now consider the debt metric applied in gap estimates should include NPD as well as debt that is unlikely to ever be paid.

To account for these issues, this year we made these changes to the tax gap program:

- We used a random enquiry program on employer obligations to publish bottom-up estimates for pay as you go (PAYG) withholding and superannuation guarantee.
- We applied a temporary uplift of the non-observed economy to our GST gap estimate, to reflect a more contemporary estimate of the size of the shadow economy. This estimate is applied to current and prior years and results in an increase in the estimate of the GST gap. Making this change gives us confidence about the estimate, and will inform a new bottom-up method next year.

In addition, this year we considered how we better reflect debt in our gap estimates, in light of the increasing debt balance. We are developing a revised method to provide a more contemporary estimate of the amount of debt that will likely never be paid. Next year, all tax gap estimates will adopt this new approach.

More detail on these revised approaches will be available on our website.

Across the largest gaps, we saw a 0.1 percentage point reduction in the net gap for individuals, and a 2.0 percentage point reduction in the net gap for small business. The reduced small business gap partly reflects the recovery from earlier economic disruptions of COVID-19, accompanied by increased domestic spending resulting in strong growth in voluntarily reported income tax liabilities.

For the GST 2021–22 gap estimate, we saw an increase of 1.2 percentage points. The GST gap is one of the few gaps we have also for 2022–23, which was a further increase of 3.5 percentage points. The increase in 2021–22, and a more significant increase in 2022–23, reflects slower growth in GST reported than in theoretical GST, and high (non-pursuable) debt.

For the 2022–23 year, the uplift of the non-observed economy added over $1 billion per year to the estimated GST foregone, due to shadow economy activities.

The large corporate group net tax gap increased by 0.4 percentage points from last year. The majority of this uplift reflects an increase in the estimate of tax not detected, as our assurance program coverage is not as high as previous years. The 2020–21 net tax gap has been revised from 4.2% (as published last year) to 3.7%, as we get more complete information on the outcomes of ATO actions.

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 – all federal taxes, 2018–19 to 2022–23[(a)(b)(c)(d)]

All taxes	Reliability assessment	Unit	2018–19	2019–20	2020–21	2021–22	2022–23
Tax gap	n/a[(e)]	%	8.1	7.9	7.6	7.5	–
		$m	38,439	38,590	41,222	44,483	–

– = Results are not available for the given year.

Notes

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

(b) Due to data lags, the estimate for 2022–23 is not available.

(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) This estimate covers all transactional-based and income-based taxes estimated, as outlined in tables 4.5 and 4.6.

(e) Reliability is assessed separately for all estimates, as outlined below.

Table 4.5 Net tax gap estimates – transaction-based taxes, 2018–19 to 2022–23[a][b][c]

Tax type	Reliability assessment	Unit	2018–19	2019–20	2020–21	2021–22	2022–23
Taxes on goods and services							
GST	Medium	%	7.6	6.3	4.3	5.5	9.0
		$m	5,345	4,373	3,130	4,395	7,938
Luxury car tax	Medium	%	10.4	14.6	6.8	6.1	–
		$m	78	109	64	61	–
Wine equalisation tax	High	%	4.0	3.8	3.3	3.3	–
		$m	42	41	37	37	–
Excise and customs duties							
Alcohol excise	Medium	%	8.8	9.0	9.0	9.1	9.6
		$m	558	597	693	745	798
Fuel excise	Reliable	%	1.4	3.2	2.5	1.3	3.9
		$m	266	618	492	233	812
Tobacco duty	Medium	%	7.5	9.0	10.4	13.1	14.3
		$m	1,036	1,334	1,901	2,343	2,711

– = 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 2022–23.
(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, 2018–19 to 2022–23[a][b][c]

Tax on income	Reliability assessment	Unit	2018–19	2019–20	2020–21	2021–22	2022–23
Fringe benefits tax	Medium	%	29.6	31.2	36.3	34.8	–
		$m	1,643	1,776	1,861	1,882	–
High wealth	Medium	%	7.3	7.7	7.2	6.1	–
		$m	832	956	1,108	1,237	–
Individuals not in business	High	%	6.4	6.6	6.2	6.1	–
		$m	10,008	10,824	10,116	10,558	–
Large corporate groups[d]	High	%	4.0	3.3	3.7	4.1	–
		$m	2,490	2,031	2,668	3,645	–
Large superannuation funds	High	%	1.5	1.2	0.9	1.4	–
		$m	125	136	203	195	–
Medium business	Medium	%	7.2	7.5	7.1	7.3	–
		$m	961	1,063	1,223	1,387	–
Petroleum resource rent tax	Reliable	%	1.4	1.6	1.8	2.1	–
		$m	15	16	17	43	–
Small business	Medium	%	14.5	14.0	14.6	12.6	–
		$m	15,001	14,670	17,648	17,650	–
Small superannuation funds	Medium	%	2.4	2.5	2.7	2.9	–
		$m	39	46	61	68	–

– = 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 2022–23 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. Some 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 to prior years.

Table 4.7 Net gap estimates – programs we administer, 2018–19 to 2022–23[(a)(b)(c)]

Administered programs	Reliability assessment	Unit	2018–19	2019–20	2020–21	2021–22	2022–23
Fuel tax credits	Medium	%	2.0	1.6	3.2	3.6	4.3
		$m	141	120	233	238	322
Pay as you go (PAYG) withholding	Medium	%	0.5	1.7	2.0	1.8	–
		$m	999	3,651	4,590	4,404	–
Product stewardship for oil	High	%	0.7	0.8	0.8	0.8	0.9
		$m	0.87	1.0	1.3	1.1	1.3
Superannuation guarantee	Medium	%	5.9	6.3	6.7	6.3	–
		$m	3,881	4,412	4,836	5,157	–

– = Results are not available for the given year.

Notes

(a) All estimates are rounded to the nearest $ million, except for product stewardship for oil.
(b) Due to data lags, only limited estimates for 2022–23 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 highly 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 that the reporting of taxable income, deductions and offsets is complete and accurate.

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 paid 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 with them.

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 tax through ongoing relationships with large excise clients.

At 30 June 2024, we estimated that 42.9% of the total tax reported for the 2021–22 tax year could be assured on a positive assurance basis. During 2023–24, we assured an additional 3.8% for the 2020–21 tax year, bringing the total tax assured estimate for 2020–21 to 46.4%.

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 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

Total revenue effects is a measure of the additional tax revenues collected as a result of ATO compliance action, including preventative compliance activities, that aim to:

- positively change the compliance behaviour of taxpayers
- address non-compliance
- disrupt or prevent evasion and fraud activities.

These activities serve to improve levels of correct self-assessment in the systems and programs we administer and ensure that the correct amount of tax is reported and paid. Understanding and measuring the impact of our activities helps us to develop effective new strategies and improve existing ones.

In estimating total revenue effects, we include:

- the payment of liabilities, including penalties and interest, that are directly connected to adjustments we make through our audit actions to ensure the right amount of tax and superannuation is assessed and paid
- the value of incorrect claims that we stopped prior to a refund issuing
- the impact of our compliance actions in sustaining taxpayer compliance in future periods, including additional tax paid due to our past compliance actions to limit over-claiming of losses carried forward
- estimated additional tax paid voluntarily by the taxpayers we influence through our preventative actions (activities undertaken before they lodge to ensure they then lodge correctly), where there is a clear causal connection with our engagements
- revenue associated with our lodgment actions to improve or enforce lodgment of due returns and statements, as well as estimated sustained lodgment compliance following these actions
- significant refunds due to objections or litigation where we have previously reported the payment as part of total revenue effects.

In 2023–24, the total revenue effects from all these activities totalled $18.6 billion, against our target of $15.7 billion. We also refunded just under $100 million relating to significant objections and litigation, resulting in a net total revenue effect of $18.5 billion.

For more information on total revenue effects, see ato.gov.au/totalrevenueeffects.

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
▪ 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.

Audit actions and incorrect claims stopped

We delivered effective compliance programs across all taxpayer populations throughout 2023–24, including specifically-funded new policy proposal programs that made significant contributions to the overall results – the personal income tax, shadow economy and GST compliance programs, as well as the Phoenix Taskforce and the Serious Financial Crime Taskforce.

Each of these specifically-funded programs exceeded their revenue commitments, and combined they contributed around $1.8 billion in audit actions and incorrect claims stopped.

Additionally, the Tax Avoidance Taskforce had another successful year, with its focus on public and multinational businesses as well as high wealth private groups and trusts. The Tax Avoidance Taskforce provides assurance around whether these entities are paying, and will continue to pay, the right amount of tax – and takes firm action where necessary to ensure compliance. Where tax risks, including international tax risks, cannot be resolved through collaborative compliance, the relevant disputes were managed through our audit program. Overall, the Tax Avoidance Taskforce exceeded its revenue commitments, delivering almost $3.2 billion from audit actions in 2023–24.

Privately owned and wealthy groups had higher than expected revenue effects in 2023–24. This was driven by the delayed completion of cases due to the COVID–19 pandemic and the finalisation of a small number of cases with unusually high audit outcomes, related to a one-off commercial transaction. These cases related to an area of law where the ATO has now confirmed and published its view. This result (which contributed around $850 million) is expected to be a one-time significant result and is not expected to occur again in future years.

We also continued to improve our ability to identify non-compliance in the individuals and small business populations, as well as employers, and we delivered treatments through automation, semiautomation and pre-lodgment prompts. This was the main contributor to the significant increase in overall actions to improve compliance undertaken this year. Areas of specific focus during 2023–24 included:

- increased corrective actions during income tax processing via data matching
- operational risk models for individuals in response to observed heightened fraud in the market, particularly identity theft
- broader and more effective use of behavioural prompts for superannuation and employer obligations
- increased accuracy in the entitlement to GST registration and associated refunds.

In 2023–24, the estimated revenue effect of our compliance activities relating to individuals, small business and employer obligations totalled $3.8 billion. This includes results attributed to specifically-funded programs relating to these populations.

Overall, we undertook just over 2.8 million taxpayer engagement activities, around 1.9 million of which were prompt-related and 900,000 our more traditional compliance activities. We estimate our audit actions and incorrect claims stopped actions contributed $8.5 billion in revenue effects in 2023–24.

Prevention and sustained compliance

Prevention and sustained compliance benefit the broader integrity and long-term management of the tax and superannuation systems by locking in voluntary compliance.

Preventative actions are those aimed at helping taxpayers to get it right the first time when they lodge. This includes targeted campaigns, myTax messaging and real-time nudges for our scale markets and cooperative compliance arrangements with the largest taxpayers.

Sustained compliance measures our success in ensuring ongoing compliance following our corrective actions, including audits.

In 2023–24, most of the prevention and sustained compliance estimate came from the individuals population and large corporate 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 significant resources.

The estimate of around $900 million attributed to the individuals population reflects the high volumes of prompts and nudges we undertake prior to lodgment, as well as the large-scale pre and post issue programs we undertake each year.

Around $2.2 billion of the estimated result is attributed to large corporate entities. This estimate is lower than 2022–23, as last year's estimate included a one-off amount of $4.4 billion due to our historical compliance efforts across multiple financial years in the oil and gas sector. This year, approximately $400 million of additional revenue was collected from these prior-year actions. We expect the additional revenue to continue into future years, but at a lesser amount.

This year's result is higher than the reported long-term average, and consolidates improvements in compliance in the oil and gas sector, as well as recognising significant contributions from other sectors including gaming, mining, telecommunications and brewing. These outcomes reflect our significant long-term investment in the large corporate market, due in part to specific funding under the Tax Avoidance Taskforce, allowing us to achieve significant and long term improvements in this area.

Conversely, we haven't seen significant prevention and sustained compliance revenue in GST, pay as you go (PAYG) withholding and income tax from small and medium companies. This in part reflects a focus in recent years on activity statement fraud where we do not expect the treated population to continue to participate in the tax system, leaving limited sustained compliance to be measured.

We are updating our methods for measuring behavioural changes, to better reflect the actions we take to prevent fraud and to better account for the changes to the way that employers interact with the tax and superannuation systems following the introduction of Single Touch Payroll.

Lodgment actions

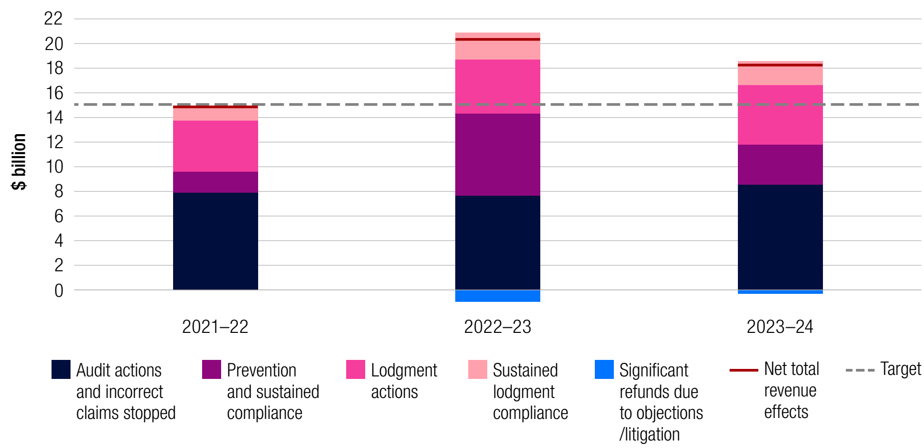
The 2023–24 lodgment program included a focus on GST compliance, the shadow economy, illegal phoenix activity and child support clients. Lodgment activities include a mix of SMS, letters, telephony and firmer actions such as failure to lodge penalties, default assessments and prosecution referrals.

In 2023–24, the 2.9 million lodgment-related activities we undertook contributed $4.8 billion in total revenue effects. This represents $400 million of additional cash collected compared to last year, despite a small decline in the total liabilities raised. This increase is driven by a 5% increase in the current year collection rate, which is collections within the financial year that the liabilities were raised, as well as an improvement in collections during 2023–24 on liabilities raised in previous years.

The last time we achieved a similar current year collection rate was in 2018–19. While the rate across all heads of revenue improved compared to 2022–23, the increases were higher in relation to collections for income tax and PAYG withholding rather than for GST.

Sustained lodgment compliance following action is estimated to contribute $1.9 billion in total revenue effects for 2023–24.

Figure 4.1 **Total revenue effects, 2021–22 to 2023–24 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.

Income tax

Through our correct reporting and lodgment activities, we raised an additional $18.5 billion in income tax liabilities in 2023–24. Cash collections from our incorrect claims stopped, audit and lodgment actions was $10.3 billion and revenue attributed to our prevention and sustained compliance and lodgment sustained compliance was $4.6 billion, resulting in total revenue effects of $14.8 billion.

Table 4.9 Income tax liabilities raised (plans and results), 2021–22 to 2023–24

Liabilities/sustained compliance plans and results	2021–22 $m	2022–23 $m	2023–24 $m
Plans	13,054[a]	13,753	14,874
Liabilities raised	13,527	20,670	18,487[b][c]

Notes

(a) The plan for 2020–21 and 2021–22 was lower than prior years in recognition of COVID-19 impacts on the community and delivery of work programs.

(b) This includes around $820 million in income tax liabilities, including $557 million from large businesses, as a result of voluntary disclosures in 2023–24.

(c) 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, 2021–22 to 2023–24[a][b][c]

Results		2021–22 $m	2022–23 $m	2023–24 $m
Measures	Audit actions and incorrect claims stopped	2,459	2,371[d]	4,415
	Lodgment actions	1,350	1,911	2,175
	Prevention and sustained compliance	799	3,533	1,594
	Sustained lodgment compliance	306	317	381
Base	Audit actions and incorrect claims stopped	1,463	2,086[d]	1,886
	Lodgment actions	1,882	1,555	1,811
	Prevention and sustained compliance	1,102	2,716	1,342
	Sustained lodgment compliance	592	1,544	1,238
Total		**9,952**	**16,033[d]**	**14,842[e]**

Notes

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

(b) Total revenue effects categorisations were updated in 2021–22. Audit actions and incorrect claims stopped was previously categorised as audit yield. Prevention and sustained compliance was previously categorised as wider revenue effects. Lodgment actions and sustained lodgment compliance were not previously separately reported in this table but were included across the audit yield and wider revenue effect categories.

(c) 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.

(d) The figures in these tables may be different to previous years to reflect inclusion of significant refunds due to objections/litigation. These changes relate solely to active compliance results. These corrections do not impact the budget or our financial statements.

(e) Result includes around $409 million in income tax collections, including $177 million from large businesses, as a result of voluntary disclosures in 2023–24.

Goods and services tax

Through our correct reporting and lodgment activities, we raised an additional $4.2 billion in GST liabilities in 2023–24. Cash collections from our incorrect claims stopped, audit and lodgment actions was $2.5 billion, and revenue attributed to our prevention and sustained compliance and lodgment sustained compliance was $683 million, resulting in total revenue effects of $3.2 billion.

Table 4.11 GST liabilities raised (plans and results), 2021–22 to 2023–24

Liabilities/sustained compliance plans and results	2021–22 $m	2022–23 $m	2023–24 $m
Plans	3,937	6,120	4,032
Liabilities raised	6,419	6,128	4,163[a][b]

Notes

(a) This includes around $482 million in GST liabilities, including $145 million from large businesses, as a result of voluntary disclosures in 2023–24.

(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, 2021–22 to 2023–24[a][b][c]

Results		2021–22 $m	2022–23 $m	2023–24 $m
Measures	Audit actions and incorrect claims stopped	1,597	1,126	951
	Lodgment actions	635	584	537
	Prevention and sustained compliance	77	23	20
	Sustained lodgment compliance	154	160	152
Base	Audit actions and incorrect claims stopped	1,854	1,076	640
	Lodgment actions	417	449	418
	Prevention and sustained compliance	313	375	298
	Sustained lodgment compliance	70	186	212
Total		**5,117**	**3,979**	**3,230**[d]

Notes

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

(b) Total revenue effects categorisations were updated in 2021–22. Audit actions and incorrect claims stopped was previously categorised as audit yield. Prevention and sustained compliance was previously categorised as wider revenue effects. Lodgment actions and sustained lodgment compliance were not previously separately reported in this table but were included across the audit yield and wider revenue effect categories.

(c) 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.

(d) Result includes around $432 million in GST collections, including $142 million from large businesses, as a result of voluntary disclosures in 2023–24.

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

Excise and other indirect taxes

In 2023–24, we raised excise liabilities of $13.9 million from correct reporting activities and collected $8.2 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 $125.0 million, and adjustments in favour of revenue of $35.4 million. Of adjustments in favour of revenue, we collected $29.8 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 $57.7 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 2021–22 to 2023–24.

Table 4.13 Penalties and interest, 2021–22 to 2023–24

Penalties and interest		2021–22 $m	2022–23 $m	2023–24 $m
Penalties	Applicable	2,430	2,108	2,289
	Remitted	458	269	243
	Collected	1,170	910	694
Interest	Applicable	4,301	5,397	8,991
	Remitted	1,056	1,308	1,014
	Collected	1,746	2,304	3,154

Additional analysis on the behavioural penalties imposed during 2023–24 is available at ato.gov.au/behaviouralpenalties.

05

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

Our governance arrangements include effective structures and systems that support the Commissioner to govern the ATO, set our strategic direction and oversee the delivery of outcomes and our commitments to government and the community.

The ATO's committee system comprises a tiered structure that creates clear lines of authority and enables issues to be escalated and resolved, whilst supporting a strong governance culture that values impartiality, integrity and accountability.

The ATO Executive Committee is the organisation's most senior committee. It supports the Commissioner to determine the ATO's strategic direction and priorities and oversees our progress to deliver these. 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 8–11.

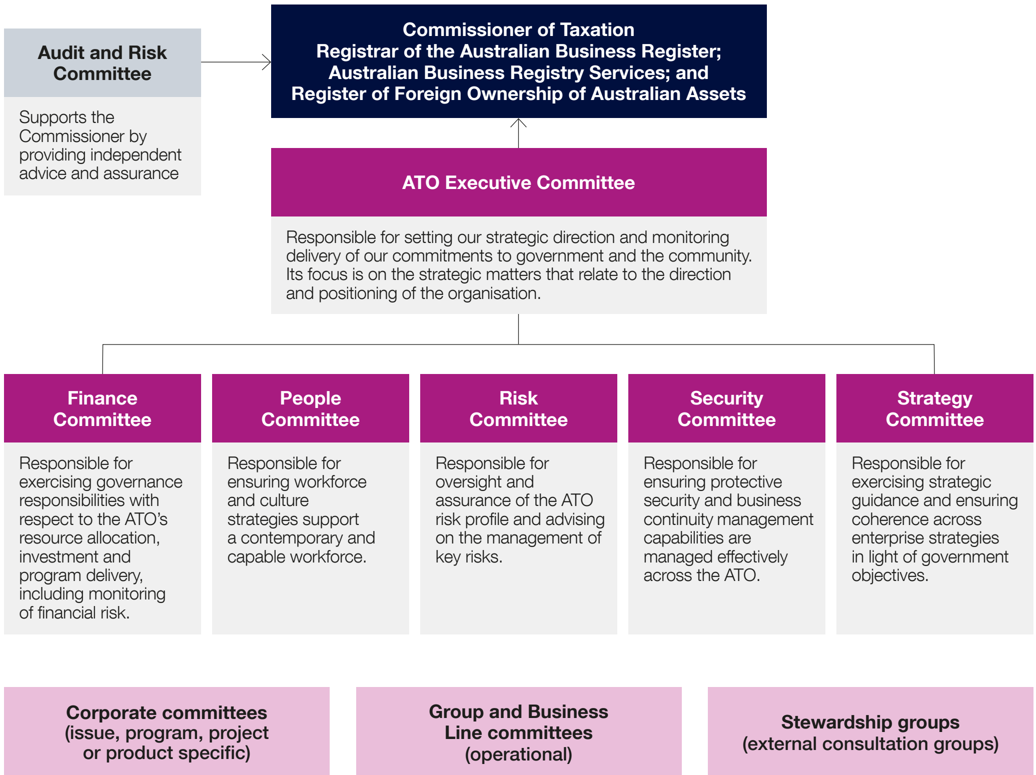
The ATO Executive Committee is supported by 5 enterprise-level committees (Finance, People, Risk, Security and Strategy). These committees provide advice and assurance in line with their charter responsibilities. The ATO's committee system also includes an established structure of corporate committees that provide governance, oversight and direction of work across the ATO; and Group and Business Line committees that govern performance of a specific functional or operational area within the ATO.

The stewardship groups are strategic, high-level groups that play a stewardship role for a client market or product segment across the tax, superannuation and registry systems.

We review the roles of our committees and their membership annually to ensure our governance system remains purposeful, efficient and effective.

Information about the Audit and Risk Committee is available on pages 143–145.

Figure 5.1 ATO governance structure, at 30 June 2024



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. It is a requirement of the PGPA Act to list the details of the accountable authority during the current reporting period. This is provided in Table 5.1.

Table 5.1 Details of the Accountable Authority, 2023–24

		Period as the Accountable Authority	
Name	**Position title**	**Date of commencement**	**Date of cessation**
Chris Jordan AO	Commissioner of Taxation	1 January 2013	29 February 2024
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. The framework is effective from 1 July 2024.

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 potentially fraudulent activity or corrupt conduct occurring within our organisation, the TPB and ACNC, and 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 and ACNC, 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 1,464 allegations or reports to Speak Up, from which we identified 340 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 allegations or reports investigated, by outcome, for 2023–24.

Table 5.2 Internal fraud allegations or reports investigated, by outcome, 2023–24

Outcome	Number investigated
Substantiated[(a)]	75
Unsubstantiated	230
Ongoing at 30 June 2024[(b)]	35
Total	**340**

Notes

(a) Of the 75 substantiated matters, all were dealt with administratively or procedurally under Australian Public Service Code of Conduct determinations.

(b) Four open investigations are in the brief preparation stage or under assessment by the Commonwealth Director of Public Prosecutions for criminal prosecution.

Unauthorised access remains the largest category of allegations investigated (77%), and 97% 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, 2 matters under prosecution action by the Commonwealth Director of Public Prosecutions, for charges of fraud against the Commonwealth, were finalised before the courts:

- A former contract employee was convicted on 2 counts of obtaining a financial advantage by deception from the Commonwealth. The court fined the offender $4,000 and made a restitution order for the sum of $35,827 (payable to the ATO).
- A former employee of a third-party supplier to the ATO was convicted of providing false or misleading information to the Commonwealth. The court fined the offender $2,000.

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.

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, TPB and ACNC staff.

We share our concepts and products with the Australian Public Service Academy, to assist managers with team-based integrity conversations. In an APS first, this year the ATO launched ‘Villain Academy’, an interactive video game that focuses on strengthening awareness of fraud and corruption risks and vulnerabilities of grooming.

Crime in the tax and superannuation systems

It is the responsibility of the ATO to protect the tax and superannuation systems against fraud and related crimes. While most taxpayers do the right thing, we need to safeguard the systems from those who do not. We continually improve our systems to prevent and detect fraud.

We lead and participate in taskforces that provide 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. The ATO is the lead agency for the Serious Financial Crime, Phoenix and Shadow Economy (formerly Black Economy) taskforces. The ATO also contributes to the outcomes of the Illicit Tobacco Taskforce by targeting, disrupting and dismantling organised crime syndicates that deal in illicit tobacco, and is a key member of the Fraud Fusion Taskforce, a multi-agency partnership working to disrupt fraud and criminal activity in government payment programs.

For more information about our work to protect the integrity of the tax and superannuation systems, see Strategic objective: G1 Government on pages 18–22.

In our efforts to protect the tax and superannuation systems, we strengthened international alliances through our involvement in the Joint Chiefs of Global Tax Enforcement (J5) and have further strengthened engagement with a number of 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.

For more information about our work with the OECD, see Strategic objective: C2 Client on pages 30–33.

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.

In 2023–24, we continued to manage our risks and scan the external environment to identify new and emerging risks. We also reviewed our *Enterprise Risk Management Framework* to ensure it aligns with the *Commonwealth risk management policy*.

The ATO Risk Committee is responsible for maintaining a view of the ATO's system of risk oversight and management, providing oversight of the ATO's enterprise risks to ensure that appropriate controls and treatments are in place.

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 risk is being effectively identified, analysed and managed throughout the organisation.

This year, we continued to mature our approach to emerging risks, improving the ATO's ability to respond to the threats and opportunities posed by the evolving external environment.

We focused on uplifting the risk management culture and capability of our people by developing a strategy to build the skills, knowledge and attributes required across various risk roles.

Our risk communications are used to encourage positive risk behaviours and we internally promote our risk guidance materials to support knowledge and engagement with risk management governance, policy, 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 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 2023–24, the Internal Audit branch presented 27 reports to the Audit and Risk Committee covering a wide range of topics, including highest taxpayer impact actions, ATO internal budget management, ATO prosecutions and implementation of a new fraud surge response framework. 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 and ACNC under the PGPA Act, and in compliance with section 45, 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 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 2023–24 are listed in Appendix 2. In 2023–24, the committee comprised 4 independent members. ATO senior executives attend as observers and advisers.

Table 5.3 Details of the Audit and Risk Committee, 2023–24[(a)]

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/total meetings[(b)]	Total annual remuneration ($)[(c)]
Peter Achterstraat AM (Chair)	▪ 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 October 2023 ▪ Chair of the Department of Agriculture, Fisheries and Forestry Audit and Risk Committee since July 2022 ▪ Chair of the Australian Securities & Investments Commission (ASIC) Audit and Risk Committee since October 2019 ▪ Member of the Australian Commission for Safety and Quality in Health Care, Audit and Risk Committee since April 2019 ▪ Commissioner of the NSW Productivity Commission since May 2018 ▪ Chair of the ATO Audit and Risk Committee since March 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	12/12	97,175
Mark Sercombe	▪ 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 the Department of Agriculture, Fisheries and Forestry since December 2022 ▪ Independent member of the ATO Audit and Risk committee since July 2021 ▪ 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	12/12	58,676

Table 5.3 Details of the Audit and Risk Committee, 2023–24[(a)] *continued*

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended/total meetings[(b)]	Total annual remuneration ($)[(c)]
Diana Wright	▪ FCPA (Fellow Certified Practicing Accountant), PhD London University, MSc and BSc (Combined Honours) London University, Diploma of the Imperial College London University ▪ Independent member of the ATO Audit and Risk Committee since July 2021 ▪ 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	12/12	60,447
Teresa Dyson	▪ 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 ▪ Independent member of the ATO Audit and Risk Committee since January 2023 ▪ Non-executive director and chair of several other Audit and Risk Committees, including: — Shine Justice Ltd since 2020 — Genex Power Ltd since 2018 — Brighter Super since 2017 (including predecessor superannuation funds) — Seven West Media Ltd since 2017 ▪ Non-executive director and chair of the Audit committee of Energy Queensland since 2016 ▪ Non-executive director of 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 ▪ 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)	9/12	47,951

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 2023 to 30 June 2024.

(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 2023 to 30 June 2024.

Conformance with obligations

The ATO Conformance with obligations program is a key component of our governance arrangements.

The 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, emerging issues and integrity indicator performance information are reported to the ATO Audit and Risk Committee on a quarterly basis.

The ATO Conformance with obligations program 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 system and aspects of the superannuation and registry systems.

Open and transparent operations

Australia’s tax, superannuation and registry 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 provide 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 and registry systems.

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

Judicial reviews and administrative tribunals

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

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 2023–24, we registered 32 cases where the OAIC notified the ATO of a review of our FOI Act decisions. In the same period, the OAIC finalised 32 cases. Of these cases, the ATO's decision was affirmed in 5 cases and varied by the OAIC in 3 cases. The OAIC discontinued 15 cases either on the grounds the request for review lacked substance or the applicant could not be contacted. In 5 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.

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 2023–24:

- Management of Taxpayers' Use of Transfer Pricing for Related Party Debt
- Management and Oversight of Fraud Control Arrangements for the Goods and Services Tax.

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.

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 and registry systems.

In 2023–24, we appeared with Treasury at 3 Senate Estimates hearings, responded to 452 questions on notice, and provided evidence to the following parliamentary committees and inquiries:

- Joint Committee of Public Accounts and Audit
  - Inquiry into Commonwealth Financial Statements 2022–23
  - Inquiry into Policy and Program Design and Implementation, No. 39 (2022–23) Implementation of the Government Response to the Black Economy Taskforce Report
  - Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects
- Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs
  - Inquiry into economic self-determination and opportunities for First Nations Australians

- Parliamentary Joint Committee on Corporations and Financial Services
  - Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry
- Parliamentary Standing Committee on Public Works
  - Australian Taxation Office – Proposed Fit-out of New Leased Premises at 15 Sydney Avenue, Barton, ACT
- Parliament of Victoria – Public Accounts and Estimates Committee
  - Inquiry into vaping and tobacco controls
- Select Committee on Workforce Australia Employment Services
- Select Committee on the Perth Mint and Commonwealth regulatory compliance
- Senate Standing Committees on Community Affairs
  - The worsening rental crisis in Australia
- Senate Standing Committees on Economics
  - Australian Securities & Investments Commission investigation and enforcement
  - Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Bill 2023
- Senate Standing Committee on Finance and Public Administration
  - Inquiry into management and assurance of integrity by consulting services[a].

Note

(a) We appeared twice in 2023–24 at the Senate Standing Committee on Finance and Public Administration inquiry into management and assurance of integrity by consulting services.

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

Inspector-General of Taxation and Taxation Ombudsman

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

The following reviews and reports concerning the ATO were tabled in 2023–24:

- Tax Identity Fraud: An Own Initiative Investigation Interim Report (April 2024)
- The Administration of the Commissioner's Remedial Power (December 2023)
- The Exercise of the Commissioner's General Powers of Administration (May 2023)
- Improving the operation of the Small Business Litigation Funding Program (August 2023).

The reports are available at igt.gov.au.

In 2023–24, the ATO received 1,454 complaints via the IGTO (compared to 1,018 in 2022–23). Of these:

- 985 complaints (68%) had not previously been lodged with us and were subsequently redirected to the ATO complaint handling process
- 149 complaints (10%) were referred to us to provide a response to the IGTO for resolution with the taxpayer
- 320 complaints (22%) were reviewed by us and returned to the IGTO to determine its next action.

Commonwealth Ombudsman

While the IGTO 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) and *Public Interest Disclosure Standard 2013* (PID Standard).

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, PID Standard and Commonwealth Ombudsman guidelines.

During 2023–24:

- 15 disclosures were made direct to the ATO (including 2 referrals from the Commonwealth Ombudsman)
- 7 disclosures were assessed to meet the criteria under section 26 of the PID Act, and allocated for investigation
- 8 disclosures resulted in a decision not to investigate under the PID Act
- 2 investigations were finalised with a section 51 report, and no findings of disclosable conduct
- 2 investigations were discontinued under section 48 (including one disclosure from 2022–23).

National Anti-Corruption Commission

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

In 2023–24:

- 2 matters were assessed as raising a corruption issue that required referral to the NACC
- 2 joint investigations (transferred from the Australian Commission for Law Enforcement Integrity to the NACC) were completed and corrupt conduct found:
  - Operation Barker – A former ATO employee was convicted of several contraventions of the *Criminal Code Act 1995*, including accepting a bribe as a Commonwealth official, abuse of public office, and unauthorised access and disclosure of restricted data. The court sentenced the offender to 5 years in prison, with a non-parole period of 2 years and 6 months.
  - Operation Roe – A former ATO employee was convicted of unauthorised access to taxpayer data. The court sentenced the offender to enter recognizance of $2,000 to be on good behaviour for a period of 18 months.

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.

Our *Diverse Group Action Plan 2022–24* includes specific actions for disability and a focus on providing employment opportunities for people living with disability through affirmative measure recruitment and building a more inclusive workplace. At 30 June 2024, representation of employees who identify with disability in our human resource system increased to 5.8% of our ongoing workforce (up from 5.3% the previous year).

To support our staff, the ATO offers reasonable adjustment options, local assistance via site-based People Support teams and access to Disability Inclusion Officers. We also promote our National Disability and Ally Network and the Neurodiversity Employee Network, to facilitate the sharing of experiences for staff with disability or neurodiversity, as well as allies and those who are connected to someone with disability or neurodiversity.

Disability reporting includes TPB and ACNC information.

Being accountable to our stakeholders

We are accountable to our ministers, parliament and the community for how we administer the tax, superannuation and registry 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.

As required under section 3B of the *Taxation Administration Act 1953* (TAA), our annual report includes additional information on disclosures of taxpayer information that occurred during the year.

ATO Charter

We work to build a relationship with the Australian community that is based on mutual trust and respect. The ATO Charter (our Charter) outlines our commitments to our 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.

For more information about how we measured the effectiveness of the ATO Charter in 2023–24, see Appendix 2 on pages 257–258.

Community trust in the ATO

During 2023–24, each month a representative sample of 500 members of the general public completed our monthly Community Perceptions survey. The survey includes questions to ascertain attitudes and opinions on a range of topics relating to the ATO's administration of the tax system, and aspects of the superannuation and registry systems. This information helps us to better understand community trust in the ATO and the system.

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. These scores are then averaged to produce an overall index score out of 100, with equal weighting given to each question.

Community trust and confidence in the ATO can be impacted by a number of external and environmental factors including personal experiences, the impact of administrative practices or policy changes.

In 2023–24, the result from our Community Perceptions Survey was 63 out of 100, maintaining the 2022–23 result. 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.

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.

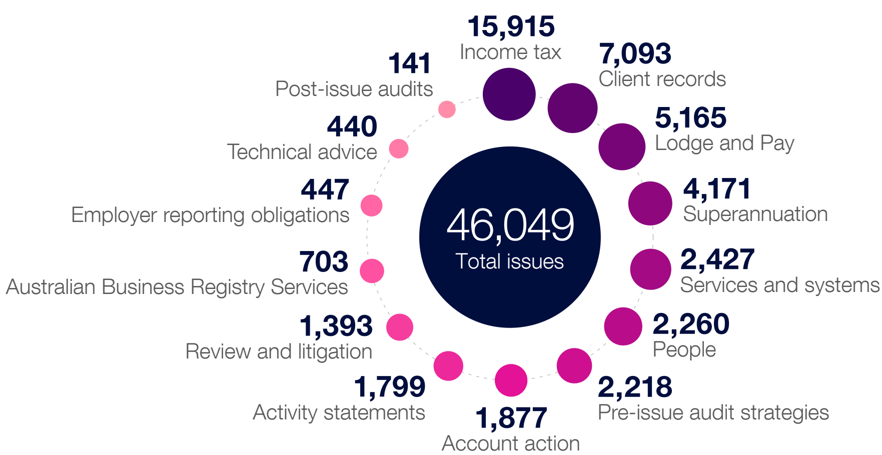
Complaints handling

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. Across all categories, we received 49,414 complaints in 2023–24.

In 2024, we met our service commitment target, with a complaint finalisation result of 98% resolved in 15 business days or within the date negotiated with the taxpayer.

The ATO also received 2,884 items of feedback. Most of these related to suggested enhancements to our services and systems, including telephony, as well as our communication products and channels, such as ato.gov.au. In addition, we received 2,596 compliments from the community.

Figure 5.2 Complaint issues, 2023–24



Note

The number of complaint issues is different to the total number of complaints, as:

- a single complaint may include multiple issues
- a complaint issue may not have been captured (for example, where we resolved it during the taxpayer's initial interaction).

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 2023–24, there were 14 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 285–289.

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 2023–24, no taxation officers were found guilty of such an offence. Two former employees, however, were found guilty of unauthorised access to taxation records under section 8XA of the TAA and disclosure of restricted data under section 478 of the *Criminal Code Act 1995*.

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 or is creating disproportionate compliance costs. The Commissioner's remedial power provides the ability to resolve smaller unforeseen or unintended outcomes in the tax and superannuation law in limited circumstances.

The Commissioner did not exercise this power in 2023–24.

The Commissioner considered exercising the power, but ultimately did not do so, on 4 occasions in 2023–24.

More information about the Commissioner's remedial power and when it has, and has not, been used is available at ato.gov.au/CRP.

Workforce management

The *ATO 2024 Workforce Strategy* continues to guide our workforce investment, ensuring we attract, recruit, develop and retain a highly skilled, diverse and engaged workforce that will position the ATO to serve the community into the future.

We have been proactive in advancing the government's APS Reform Agenda through phased implementation. These reforms have resulted in enhanced job security, improved working conditions and a strengthened commitment to integrity and inclusivity. These initiatives bolster the ATO's appeal as an employer and cultivate a supportive work environment, aligning with the APS's overarching objective to be a model employer.

The ATO has adopted the APS Strategic Commissioning Framework, which is an APS reform initiative. This will shape our workforce mix through prioritising APS employment and building our APS capabilities, while setting targets for reductions in non-APS expenditure.

In response to the *Public Sector Workplace Relations Policy 2023*, the ATO participated in service-wide bargaining for pay and common conditions, resulting in a majority of staff voting 'yes' for the *ATO Enterprise Agreement 2024*. Our new agreement enables a range of enhanced flexible working conditions for our staff.

Across the 2023–24 financial year, our recruitment activity has stabilised and this places us well to ensure we have a pipeline of talent for current and future workforce needs. Our recruitment plan reflects a transition from a period of growth to a focus on sustainable workforce levels. Our recruitment efforts have been focused on technical roles such as taxation and information technology specialists, as well as our frontline operations roles. We have also concentrated on streamlining processes and enhancing the candidate experience through:

- embedding the ATO employee value proposition and employer branding across our online presence, to position the ATO as a contemporary employer of choice
- redesigning forms and procedures, to make it easier for candidates to engage and apply
- achieving Disability Confident Recruiter 2024 status, accredited by the Australian Disability Network.

Our entry-level programs continue to be a critical talent acquisition and development stream. In 2023–24:

- 667 graduates commenced our Graduate Program across 2 intakes
- our Evergreen Program, now in its 10th year, continued to grow with 84 First Nations staff participating (more than twice the number of previous year participants)
- 78 participants commenced our School Leaver Program
- 102 students participated in our University Paid Internship Program[5].

For more information see Strategic objective W1 Workforce on pages 34–36.

5 In January 2024, we introduced our University Paid Internship Program – an improved version of our former University Partnership Employment Program. More information about the program is available at ato.gov.au/UPIP.

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, 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 5.4 is our 2023–24 staffing profile, showing the number of employees by substantive classification level and employment type at 30 June 2024. Table 5.5 shows the same information for the previous year.

Table 5.4 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**

Table 5.5 Employees, by level and employment type, at 30 June 2023

Level	Ongoing: Full time	Ongoing: Part time	Ongoing: Total ongoing	Non-ongoing: Full time	Non-ongoing: Part time	Non-ongoing: Total non-ongoing	Casual: Total casual	Total
SES 3	1	0	1	0	0	0	0	**1**
SES 2	29	0	29	0	0	0	0	**29**
SES 1	173	11	184	0	0	0	0	**184**
EL 2	1,748	131	1,879	9	1	10	4	**1,893**
EL 1	3,755	407	4,162	24	3	27	1	**4,190**
APS 6	3,932	526	4,458	15	3	18	1	**4,477**
APS 5	1,602	202	1,804	13	1	14	2	**1,820**
APS 4	2,771	361	3,132	80	5	85	10	**3,227**
APS 3	2,596	344	2,940	24	7	31	73	**3,044**
APS 2	401	96	497	8	2	10	1,054	**1,561**
APS 1	82	22	104	7	1	8	184	**296**
Total	**17,090**	**2,100**	**19,190**	**180**	**23**	**203**	**1,329**	**20,722**

Ongoing employees

Table 5.6 displays our ongoing workforce by substantive classification level, gender and employment type at 30 June 2024. Table 5.7 shows the same information for the previous year.

Table 5.6 Ongoing employees, by level and gender, at 30 June 2024

	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	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**

Table 5.7 Ongoing employees, by level and gender, at 30 June 2023[(a)]

	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	0	0	0	1	0	1	0	0	0	**1**
SES 2	16	0	16	13	0	13	0	0	0	**29**
SES 1	93	2	95	79	9	88	1	0	1	**184**
EL 2	940	14	954	808	117	925	0	0	0	**1,879**
EL 1	1,907	49	1,956	1,846	358	2,204	2	0	2	**4,162**
APS 6	1,904	56	1,960	2,019	469	2,488	9	1	10	**4,458**
APS 5	750	24	774	850	178	1,028	2	0	2	**1,804**
APS 4	1,186	50	1,236	1,580	310	1,890	5	1	6	**3,132**
APS 3	1,152	65	1,217	1,425	278	1,703	19	1	20	**2,940**
APS 2	140	15	155	260	81	341	1	0	1	**497**
APS 1	37	10	47	44	12	56	1	0	1	**104**
Total	**8,125**	**285**	**8,410**	**8,925**	**1,812**	**10,737**	**40**	**3**	**43**	**19,190**

Note

(a) Gender category names were updated for 2022–23, in line with the Australian Bureau of Statistics *Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables* (2020).

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 5.8 shows our non-ongoing workforce by substantive level, gender and employment type at 30 June 2024. Table 5.9 shows the same information for the previous year.

Table 5.8 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 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.

Table 5.9 Non-ongoing employees, by level and gender, at 30 June 2023[(a)(b)(c)]

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	Total different term	Total
SES 2	0	0	0	0	0	0	0	0	**0**
SES 1	0	0	0	0	0	0	0	0	**0**
EL 2	7	1	8	2	0	2	0	0	**10**
EL 1	16	0	16	7	3	10	1	1	**27**
APS 6	8	0	8	7	3	10	0	0	**18**
APS 5	5	0	5	8	1	9	0	0	**14**
APS 4	25	0	25	53	5	58	2	2	**85**
APS 3	7	4	11	16	3	19	1	1	**31**
APS 2	7	0	7	1	2	3	0	0	**10**
APS 1	4	0	4	3	1	4	0	0	**8**
Total	**79**	**5**	**84**	**97**	**18**	**115**	**4**	**4**	**203**

Notes
(a) Gender category names were updated for 2022–23, in line with the Australian Bureau of Statistics *Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables* (2020).
(b) Excludes casual employees, contractors and others paid through a third party.
(c) There were no part-time non-ongoing employees who identified as a different term at 30 June 2023.

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 2023–24, we:

- obtained Disability Confident Recruiter accreditation, supporting inclusive recruitment for people with disability
- maintained Platinum status in the ACON Pride in Diversity Australian Workplace Equality Index for LGBTIQ+ inclusion
- ranked 4th in the Australian Disability Network Access and Inclusion Index
- hosted a range of national and site-based events for diversity days of significance.

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

Table 5.10 shows the proportion of our employees in diversity groups. Table 5.11 shows the numbers of First Nations employees by employment type.

Table 5.10 Ongoing employees belonging to diversity groups, at 30 June[(a)(b)]

Diversity group	2023 %	2024 %	Change from 2023
Culturally and linguistically diverse[(c)]	24.0	36.3	–
First Nations people	3.0	3.1	0.1
Lesbian, gay, bisexual, trans/transgender and intersex (LGBTI+)	3.4	4.0	0.6
Mature age (50 years+)	35.3	34.3	–1.0
Neurodivergent[(d)]	–	3.3	–
With disability	5.3	5.8	0.5

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), identifying as LGBTI+, neurodivergent or as having a disability.

(b) Information on gender equality (the seventh diversity group) is provided in tables 5.6–5.9.

(c) The culturally and linguistically diverse metric has changed to the new Australian Public Service Commission (APSC) method based on 'First Language Spoken', and cannot be compared to previous years.

(d) Neurodivergent was added as a diversity group from 1 July 2023.

Table 5.11 First Nations employees, by employment type, at 30 June[(a)]

Type	At 30 June 2023			At 30 June 2024		
	First Nations employees	Total employees	First Nations employees %	First Nations employees	Total employees	First Nations employees %
Ongoing	579	19,190	3.0	620	20,003	3.1
Non-ongoing	4	203	2.0	3	332	0.9
Casual	39	1,329	2.9	23	1,328	1.7
Total	**622**	**20,722**	**3.0**	**646**	**21,663**	**3.0**

Note

(a) We provide staff with the opportunity to self-report as being First Nations people (Aboriginal and Torres Strait Islander).

Job families

We use job families to categorise roles. A job family is a high-level grouping of roles that carry out similar types of work and would require similar skills, capabilities and job-related knowledge to be proficiently performed. Any job role can only fall under one specific job family.

Table 5.12 Employees, by job family, at 30 June[(a)(b)(c)]

Job family	2023 %	2024 %
Accounting/Finance	1.4	1.4
Administration	4.1	3.8
Analytics, risk and intelligence	7.7	8.5
Communication/Marketing	1.7	1.6
Engagement, assurance and compliance	25.0	25.8
Entry-level programs	3.5	3.9
Governance and performance	7.2	7.2
Human resources management	3.3	3.1
Information and organisational professionals	2.1	1.9
Information technology	8.7	9.0
Law	7.8	7.5
Other agencies	1.2	1.5
Project management	2.9	2.7
Senior executive	1.3	1.2
Service delivery	22.1	20.8
Total	**100**	**100**

Notes
(a) Includes ongoing, non-ongoing and casual employees; excludes contractors.
(b) Job family category names may vary from previous annual reports – to align with changes in organisational governance or capability initiatives.
(c) Totals may differ from the sum of components due to rounding.

Table 5.13 Employees, by business area, 2023–24[a][b]

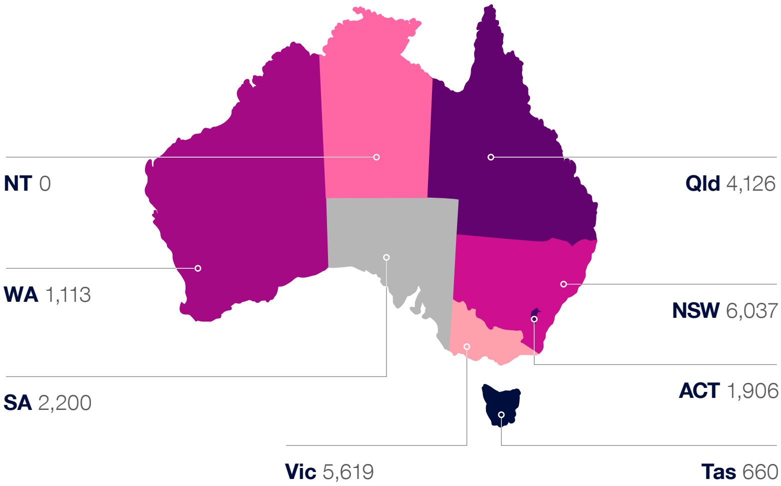
Business area	Number of employees
ATO Corporate	537
ATO Executive	16
ATO Finance	453
ATO People[c]	1,703
Australian Business Registry Services	411
Australian Charities and Not-for-profits Commission	141
Client Account Services	3,171
Enterprise Solutions and Technology	2,349
Enterprise Strategy and Design	399
Fraud and Criminal Behaviours	600
Individuals and Intermediaries	1,054
International, Support and Programs	748
Law Design and Practice Strategy and Support	80
Lodge and Pay	1,641
Objections and Review	575
Office of the Chief Tax Counsel	397
Policy, Analysis and Legislation	179
Private Wealth	2,178
Public Groups	1,406
Service Delivery Strategy and Support	345
Small Business	1,141
Smarter Data Program	838
Superannuation and Employer Obligations	1,119
Tax Practitioners Board	182
Total	**21,663**

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 is located in 22 buildings across Australia and collocated with Services Australia in 2 staffed shopfront sites and 19 self-service shopfronts. The ATO property portfolio is managed in accordance with the *Commonwealth Property Management Framework*.

Figure 5.3 Our workforce by location, at 30 June 2024



Note
Does not include overseas staff.

Table 5.14 shows our workforce by location and employment type, at 30 June 2024, 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 5.14 Total employees, by location and employment type, at 30 June[(a)]

State/ Territory	Region	At 30 June 2023				At 30 June 2024			
		Ongoing	Non-ongoing	Casual	Total	Ongoing	Non-ongoing	Casual	Total
NSW	Albury	598	1	275	874	598	4	229	**831**
	Gosford	391	6	31	428	417	3	43	**463**
	Newcastle	508	3	5	516	530	6	2	**538**
	Sydney	3,233	31	269	3,533	3,406	74	271	**3,751**
	Wollongong	356	0	83	439	358	5	91	**454**
	Total	**5,086**	**41**	**663**	**5,790**	**5,309**	**92**	**636**	**6,037**
Qld	Brisbane	3,429	38	170	3,637	3,565	66	152	**3,783**
	Townsville	311	1	2	314	342	1	0	**343**
	Total	**3,740**	**39**	**172**	**3,951**	**3,907**	**67**	**152**	**4,126**
SA	Adelaide	1,877	23	135	2,035	2,011	34	155	**2,200**
Tas	Burnie	63	0	12	75	61	0	15	**76**
	Hobart	513	0	68	581	518	9	57	**584**
	Total	**576**	**0**	**80**	**656**	**579**	**9**	**72**	**660**
Vic	Geelong	108	3	1	112	106	1	0	**107**
	Melbourne	4,682	56	207	4,945	5,002	82	213	**5,297**
	Traralgon	226	5	0	231	207	2	6	**215**
	Total	**5,016**	**64**	**208**	**5,288**	**5,315**	**85**	**219**	**5,619**
WA	Perth	970	12	67	1,049	1,015	18	80	**1,113**
ACT	Canberra	1,922	24	4	1,950	1,865	27	14	**1,906**
Overseas	Various	3	0	0	3	2	0	0	**2**
Grand total	**All locations**	**19,190**	**203**	**1,329**	**20,722**	**20,003**	**332**	**1,328**	**21,663**

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

Ongoing employees

Table 5.15 shows our ongoing workforce by location, gender and employment type, at 30 June 2024. Table 5.16 shows the same information for the previous year.

Table 5.15 Ongoing employees, by location and gender, at 30 June 2024[(a)]

		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	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.

Table 5.16 Ongoing employees, by location and gender, at 30 June 2023[(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	182	17	199	327	71	398	1	0	1	**598**
	Gosford	146	5	151	195	44	239	1	0	1	**391**
	Newcastle	188	8	196	265	45	310	2	0	2	**508**
	Sydney	1,228	37	1,265	1,649	315	1,964	4	0	4	**3,233**
	Wollongong	154	9	163	153	40	193	0	0	0	**356**
	Total	**1,898**	**76**	**1,974**	**2,589**	**515**	**3,104**	**8**	**0**	**8**	**5,086**
Qld	Brisbane	1,521	55	1,576	1,587	261	1,848	4	1	5	**3,429**
	Townsville	84	2	86	192	32	224	1	0	1	**311**
	Total	**1,605**	**57**	**1,662**	**1,779**	**293**	**2,072**	**5**	**1**	**6**	**3,740**
SA	Adelaide	844	22	866	827	178	1,005	5	1	6	**1,877**
Tas	Burnie	19	2	21	26	16	42	0	0	0	**63**
	Hobart	201	10	211	225	75	300	2	0	2	**513**
	Total	**220**	**12**	**232**	**251**	**91**	**342**	**2**	**0**	**2**	**576**
Vic	Geelong	40	1	41	59	7	66	1	0	1	**108**
	Melbourne	2,172	68	2,240	2,009	420	2,429	12	1	13	**4,682**
	Traralgon	60	4	64	108	53	161	1	0	1	**226**
	Total	**2,272**	**73**	**2,345**	**2,176**	**480**	**2,656**	**14**	**1**	**15**	**5,016**
WA	Perth	433	13	446	431	92	523	1	0	1	**970**
ACT	Canberra	850	32	882	872	163	1,035	5	0	5	**1,922**
Overseas	Various	3	0	3	0	0	0	0	0	0	**3**
Grand total	**All locations**	**8,125**	**285**	**8,410**	**8,925**	**1,812**	**10,737**	**40**	**3**	**43**	**19,190**

Notes

(a) Gender category names were updated for 2022–23, in line with the Australian Bureau of Statistics *Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables* (2020).

(b) There were no ongoing employees in the Northern Territory at 30 June 2023.

Non-ongoing employees

Non-ongoing employees are engaged for a specified term or task. In some circumstances their engagement can be extended up to 3 years. The term 'non-ongoing' does not include casual (irregular/intermittent) employees, contractors or others paid through a third party.

Table 5.17 shows our non-ongoing employees by location and gender, at 30 June 2024, further broken down by employment type. Table 5.18 shows the same information for the previous year.

Table 5.17 Non-ongoing employees, by location and gender, at 30 June 2024[(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	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.

Table 5.18 Non-ongoing employees, by location and gender, at 30 June 2023[a][b][c][d]

		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	1	0	1	0	0	**1**
	Gosford	1	1	2	4	0	4	0	0	**6**
	Newcastle	0	0	0	3	0	3	0	0	**3**
	Sydney	11	2	13	15	2	17	1	1	**31**
	Wollongong	0	0	0	0	0	0	0	0	**0**
	Total	**12**	**3**	**15**	**23**	**2**	**25**	**1**	**1**	**41**
Qld	Brisbane	19	0	19	15	4	19	0	0	**38**
	Townsville	0	0	0	1	0	1	0	0	**1**
	Total	**19**	**0**	**19**	**16**	**4**	**20**	**0**	**0**	**39**
SA	Adelaide	12	0	12	7	3	10	1	1	**23**
Tas	Burnie	0	0	0	0	0	0	0	0	**0**
	Hobart	0	0	0	0	0	0	0	0	**0**
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Vic	Geelong	1	0	1	2	0	2	0	0	**3**
	Melbourne	22	0	22	29	4	33	1	1	**56**
	Traralgon	1	0	1	3	1	4	0	0	**5**
	Total	**24**	**0**	**24**	**34**	**5**	**39**	**1**	**1**	**64**
WA	Perth	6	0	6	5	1	6	0	0	**12**
ACT	Canberra	6	2	8	12	3	15	1	1	**24**
Overseas	Various	0	0	0	0	0	0	0	0	**0**
Grand total	**All locations**	**79**	**5**	**84**	**97**	**18**	**115**	**4**	**4**	**203**

Notes

(a) Gender category names were updated for 2022–23, in line with the Australian Bureau of Statistics *Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables* (2020).

(b) Excludes casual employees, contractors and others paid through a third party.

(c) There were no part-time non-ongoing employees reported for the different term gender category at 30 June 2023.

(d) There were no non-ongoing employees in the Northern Territory at 30 June 2023.

Employee retention and separation

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

Table 5.19 shows the numbers of ongoing employees by years of service at the ATO, at 30 June 2023 and 30 June 2024.

Table 5.19 Ongoing employees, by years of service at the ATO, at 30 June

Years of service at the ATO	At 30 June 2023	At 30 June 2024	Change %
0–4 years	6,014	7,379	22.7
5–9 years	2,766	2,506	–9.4
10–14 years	2,607	2,614	0.3
15–19 years	3,078	2,962	–3.8
20–24 years	3,026	2,850	–5.8
25–29 years	530	679	28.1
30–34 years	487	344	–29.4
35–39 years	551	524	–4.9
40–44 years	115	128	11.3
45–49 years	13	14	7.7
50 years or more	3	3	–
Total	**19,190**	**20,003**	**4.2**

Table 5.20 shows the numbers of ongoing employees that left the ATO during the year, grouped by reason for separation, for 2022–23 and 2023–24.

Table 5.20 Reasons for ongoing employee separations, 2022–23 and 2023–24

Employee separations	2022–23	2023–24	Change %
Age retirement	526	503	–4.4
Dismissal	9	29	222.2
Invalidity and death	42	43	2.4
Movement to another agency	323	275	–14.9
Redundancy	20	23	15.0
Resignation	686	587	–14.4
Total	**1,606**	**1,460**	**–9.1**

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

There are 30 non-SES employees who have an Individual Flexibility Arrangement in place, which alters one or more specific aspects of the agreement.

Table 5.21 Employment arrangements of substantive SES and non-SES employees, at 30 June 2024

Arrangement	SES	Non-SES	Total
ATO Enterprise Agreement 2024	0	21,433	**21,433**
Determinations under subsection 24(1) of the *Public Service Act 1999*	230	0	**230**
Total	**230**	**21,433**	**21,663**

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 2023–24 are shown in Table 5.22.

The APS Executive Remuneration Management Policy sets out arrangements for the management of executive remuneration, including an approval process for remuneration proposals above a notional amount. Total remuneration for staff in the SES includes a notional component for provision of parking, and for superannuation calculated at 15.4% of 101% of base salary.

Table 5.22 Salary ranges (excluding non-salary benefits) by classification level, at 30 June 2024

Level	Minimum $	Maximum $
SES 3	351,246	398,017
SES 2	276,547	312,653
SES 1	218,809	252,868
EL 2	145,264	173,031
EL 1	120,704	131,594
APS 6 and equivalent	94,235	108,200
APS 5 and equivalent	87,279	92,526
APS 4 and equivalent	78,290	84,971
APS 3 and equivalent	70,280	75,824
APS 2 and equivalent	61,749	68,436
APS 1 and equivalent	54,606	60,308
Cadets while undertaking practical training in the workplace	54,606	60,308
Cadets while undertaking study	29,546	30,358

The Remuneration Tribunal sets the remuneration and conditions for the Commissioner. The tribunal issues the Guide to the Principal Executive Office (PEO) Structure, which is used by the Commissioner to determine remuneration and conditions for Second Commissioners. Second Commissioners and those who have acted in a Second Commissioner role for 3 months or more are also eligible for performance pay under the guidelines. The remuneration of our key management personnel, including performance pay, is shown in Table 5.23.

Key management personnel

The Commissioner of Taxation and other members of the ATO Executive are considered key management personnel as they have responsibility and authority for planning, directing and controlling the activities of the ATO. Details about the responsibilities of the ATO Executive are outlined in Part 1 of this report.

Table 5.23 Remuneration for key management personnel, 2023–24[(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[(f)(i)]	Commissioner of Taxation	$269,225	$0	$1,114	$26,784	$4,620	$0	$0	$301,743
Chris Jordan AO[(g)(i)]	Commissioner of Taxation	$621,426	$0	$756	$21,238	$28,914	$0	$0	$672,334
Jeremy Hirschhorn[(h)]	Second Commissioner	$396,299	$65,860	$2,826	$38,393	$15,181	$0	$0	$518,559
Kirsten Fish	Second Commissioner	$412,036	$65,860	$2,826	$27,456	$15,179	$0	$0	$523,357
Ramez Katf[(i)]	Second Commissioner	$327,394	$0	$2,359	$23,962	$16,353	$0	$0	$370,068
David Allen	Acting Second Commissioner/ Acting Chief Service Delivery Officer	$352,247	$3,407	$13,117	$46,626	$45,738	$0	$0	$461,135
Jacqui Curtis PSM[(h)]	Chief Operating Officer	$441,453	$0	$2,826	$80,109	$29,874	$0	$0	$554,262
Matthew Hay PSM[(i)]	Acting Chief Information Officer	$77,222	$0	$451	$9,082	$2,159	$0	$0	$88,914
Janine Bristow[(i)]	Chief Finance Officer	$204,581	$0	$12,070	$37,870	$23,228	$0	$0	$277,749

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 TPB and ACNC is published in their annual reports.

(f) Rob Heferen was appointed as Commissioner of Taxation on 1 March 2024.

(g) Chris Jordan's appointment as Commissioner of Taxation concluded on 29 February 2024.

(h) Figures include higher duties while acting as Commissioner of Taxation during 2023–24.

(i) Figures reflect period occupied in a key management personnel position.

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 5.24.

Table 5.24 Remuneration for senior executives, 2023–24[(a)(b)(c)]

		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	75	$99,624	$0	$6,372	$22,073	$6,112	$0	$0	$134,182
$220,001 – $245,000	9	$172,619	$0	$13,354	$31,871	$13,570	$0	$0	$231,414
$245,001 – $270,000	31	$196,960	$0	$17,609	$35,075	$11,300	$0	$0	$260,945
$270,001 – $295,000	72	$214,093	$0	$15,322	$37,727	$14,852	$0	$0	$281,993
$295,001 – $320,000	63	$228,595	$0	$18,659	$39,901	$18,246	$0	$1,876	$307,277
$320,001 – $345,000	19	$250,332	$0	$16,475	$42,368	$21,584	$0	$1,577	$332,336
$345,001 – $370,000	14	$266,721	$0	$15,126	$45,685	$26,907	$0	$0	$354,438
$370,001 – $395,000	8	$295,496	$0	$22,100	$49,019	$15,701	$0	$0	$382,315
$395,001 – $420,000	8	$301,898	$0	$24,002	$52,517	$23,972	$0	$0	$402,389
$495,001 – $520,000	1	$248,779	$0	$198,018	$43,524	$17,336	$0	$0	$507,657

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.

Other highly paid staff

Other highly paid staff are those officials who are not listed as key management personnel or senior executives.

The ATO has 4 staff in this category. Details are provided in Table 5.25.

Table 5.25 Remuneration for other highly paid staff, 2023–24[a][b]

		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
$250,000– $270,000	1	$112,053	$0	$1,902	$20,999	$4,873	$0	$119,002	$258,829
$270,001– $295,000	1	$91,896	$0	$2,312	$17,729	$7,574	$0	$161,565	$281,076
$370,001– $395,000	1	$148,196	$0	$1,902	$31,189	$14,947	$0	$175,795	$372,029
$495,001– $520,000	1	$164,006	$0	$306,126	$34,405	$11,265	$0	$0	$515,803

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.

Non-salary benefits

The ATO provides its staff 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 trips are planned for the year.

Executive level 2 employees are entitled to:

- a taxable annual allowance ($1,902 in 2023–24) to assist with the purchase of items and services that help maintain or increase their level of professionalism, such as membership of a professional association
- airline lounge memberships if they are likely to undertake 8 or more return flights in the following year.

We offer our staff non-salary benefits in some circumstances:

- Our executive officers are offered mobile phones and tablets for work use, along with other employees who frequently travel, work remotely or manage a large number of staff.
- 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.
- 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 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 2,878 employees had salary packaging arrangements in place in 2023–24.

Work health and safety

The ATO has a number of obligations under the *Work Health and Safety Act 2011* (WHS Act) and our enterprise agreement. We take these obligations seriously, as the health and wellbeing of our workforce is critical to supporting engagement, productivity and serving the community.

In 2023–24, we refreshed our *Work Health and Safety (WHS) Consultation Framework* as part of our commitment to involve our workers and representatives in the creation and maintenance of a safe and healthy workplace. We also continued our rolling program of learning initiatives to build our people's capability on maintaining good mental and physical health. Our census results indicate staff perception of wellbeing policies and support is consistently well above other APS agencies, and our indicators around workload, burnout and stress have reduced from previous years.

We have a range of initiatives to support us in achieving a healthy and safe workplace and to eliminate or minimise work health and safety risks. Examples include:

- a 'Thrive at Work' learning program aimed at reducing job burnout and fatigue – this initiative won the 2023 Australian Human Resources Institute (AHRI) award in the Best Health and Wellbeing Strategy category
- a program of work to implement positive duty requirements as part of the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022*; incorporates a sexual harassment corporate policy and ongoing webinars on respectful behaviours
- a mental health strategy in place, to prioritise a psychosocially safe working environment
- regular work health and safety inspections in all ATO sites
- first aid services at all ATO sites
- annual flu vaccinations offered to all staff
- an employee assistance program (EAP) available to all staff and their families.

Work health and safety reporting includes TPB and ACNC information.

Table 5.26 Safety, Rehabilitation and Compensation Commission performance indicators, 2021–22 to 2023–24[(a)]

Indicator	2021–22	2022–23	2023–24
P1.1 Incidence of injuries with 5 or more days lost time per 1,000 full-time equivalent employees	0.7	0.5	0.5
P1.2 Incidence of injuries with 30 or more days lost time per 1,000 full-time equivalent employees	0.6	0.3	0.4
P1.3 Incidence of injuries with 60 or more days lost time per 1,000 full-time equivalent employees	0.3	0.1	0.2
P4 Lost time injury (claims) frequency rate	0.5	0.3	0.3
R1 Percentage of claims with incapacity for 10 or more days and a return to work plan (%)	47	71	20
R2 Quality of return to work (% achieving return to work on case closure)	92	60	55

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.

Table 5.27 Notifiable incidents, 2021–22 to 2023–24

Incident	2021–22	2022–23	2023–24
Dangerous occurrence	1	1	2
Serious personal injury	4	13	9
Death	0	0	1
Total	**5**	**14**	**12**

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 Act.

During 2023–24, there were 2 WHS investigations conducted by the regulator, including:

- one proactive inspection relating to the ATO's incident reporting and management procedures
- one monitoring compliance inspection relating to managing psychosocial risk to workers.

We received no notices under Part 10 of the Act – enforcement measures in 2023–24.

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, and our diversity networks. Flexible working arrangements in the ATO have continued to be accessed over the past 12 months. The types of flexible working arrangements available to ATO staff to support carers include:

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

Financial performance

The ATO is responsible for the management of substantial Commonwealth funds and must demonstrate effective and efficient management of resources in accordance with the Australian Government's 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.

For details on how we have performed against our financial performance measures in our corporate plan, see Strategic objective F1 Financial on page 41.

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

Operating expense budget

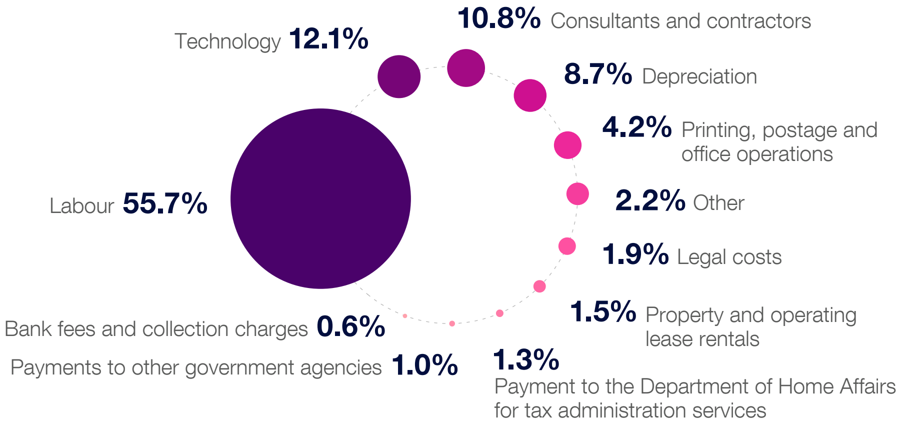
The ATO actively manages its budget through governance and assurance processes, including oversight by the ATO Finance Committee and the ATO Executive Committee, providing an integrated approach to effective resource management and the prioritisation of significant investment decisions.

The ATO has continued to deliver essential services for the government and the Australian community and has improved the client experience through the transformation of our digital services.

The ATO's operating budget for 2023–24 was $4.2 billion (excluding depreciation). Following a significant surplus in 2022–23, the ATO's 2023–24 financial result is an operating deficit of $79.2 million. This includes significant investment in programs to strengthen our ICT ecosystem and improve the client and staff experience.

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 5.4 Operating expenditure, 2023–24



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 2023–24 with a capital budget of $165.5 million, which comprised:

- departmental capital budget of $116.6 million
- equity funding of $48.9 million.

During the year, the capital budget decreased by $9.7 million as a result of both government and ATO decisions.

The ATO's 2023–24 capital expenditure was $122.7 million. The ATO has requested approval to carry forward 2023–24 capital underspends to support government priorities and legislative projects in future years.

Table 5.28 Capital expenditure, 2021–22 to 2023–24[a]

Capital item	2021–22 $m	2022–23 $m	2023–24 $m
Building improvements	37.3	45.2	48.1
Internally-developed software	74.5	42.4	17.3
IT infrastructure and hardware	25.2	44.5	23.2
Purchased software	0.1	11.0	34.1
Total	**137.2**	**143.2**	**122.7**

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 2023–24 was $719.4 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.

Agency resource statement

Table 5.29 Agency resource statement, 2023–24[a][b]

Agency resources	Actual available appropriations for 2023–24 $'000	Payments made 2023–24 $'000	Balance remaining $'000
Ordinary annual services			
Departmental appropriation			
Prior-year departmental appropriation	528,050	487,837	40,213
Departmental appropriation[c]	4,180,223	3,666,967	513,256
Appropriation reductions	–42,017	–	–42,017
Section 74 receipts[d]	188,492	188,492	–
Section 75 transfer[e]	–2,559	–	–2,559
Total	**4,852,189**	**4,343,296**	**508,893**
Administered expenses			
Current-year's appropriation used for current-year's payments	690	216	474
Total	**690**	**216**	**474**
Total ordinary annual services	**4,852,879**	**4,343,512**	**509,367**
Other services			
Departmental non-operating			
Prior-year departmental appropriation	49,652	7,242	42,410
Equity injections[f]	26,174	1,693	24,481
Appropriation reductions	–22,602	–	–22,602
Total	**53,224**	**8,935**	**44,289**
Total other services	**53,224**	**8,935**	**44,289**

Table 5.29 Agency resource statement, 2023–24[a][b] *continued*

Agency resources	Actual available appropriations for 2023–24 $'000	Payments made 2023–24 $'000	Balance remaining $'000
Special appropriations			
Special appropriations limited by criteria/entitlement			
Product Grants and Benefits Administration Act 2000 – Product Stewardship for Oil Program		91,950	
Public Governance, Performance and Accountability Act 2013 – section 77 (Repayments by the Commonwealth)		123,966	
Small Superannuation Accounts Act 1995 – section 76(9)		100	
Superannuation Guarantee (Administration) Act 1992		954,536	
Taxation Administration Act 1953 – section 16 (Cash Flow Boost for Employers)		29,780	
Taxation Administration Act 1953 – section 16 (JobKeeper Payment)		–6,996	
Taxation Administration Act 1953 – section 16 (JobMaker Hiring Credit)		–23	
Taxation Administration Act 1953 – section 16 (non-refund items)		15,903,411	
Taxation Administration Act 1953 – section 16 (tax refunds)		150,972,952	
Total special appropriations		**168,069,676**	
Special accounts			
Opening balance	330,404		
Receipts to special accounts	5,951,851		
Payments made		5,938,408	
Closing balance			343,847
Total resourcing and payments	**11,188,358**	**178,360,532**	

Notes
(a) This includes all programs outlined in Table 5.30 Budgeted expenses and resources for Outcome 1.
(b) Totals may differ from the sum of components due to rounding.
(c) Appropriation Act (No.1) 2023–24, including $125.59 million in 2023–24 for the Departmental Capital Budget. For accounting purposes, this amount has been designated as 'contributions by owners'.
(d) Receipts under section 74, PGPA Act 2013.
(e) Transfers under section 75, PGPA Act 2013.
(f) Appropriation Act (No.2) 2023–24.

Table 5.30 Budgeted expenses and resources for Outcome 1, 2023–24[a]

Budgeted expenses and resources	Budget[b] 2023–24 $'000	Actual expenses 2023–24 $'000	Variation 2023–24 $'000
Program 1.1: Australian Taxation Office			
Administered expenses			
Ordinary annual services	690	450	240
Departmental expenses			
Departmental items	4,188,482	4,275,521	–87,039
Total for Program 1.1	**4,189,172**	**4,275,971**	**–86,799**
Program 1.2: Tax Practitioners Board			
Departmental expenses			
Departmental items	26,570	24,046	2,524
Total for Program 1.2	**26,570**	**24,046**	**2,524**
Program 1.3: Australian Business Registry Services			
Departmental expenses			
Departmental items	128,306	171,744	–43,438
Total for Program 1.3	**128,306**	**171,744**	**–43,438**
Program 1.4: Australian Charities and Not-for-profits Commission			
Departmental expenses			
Special account	18,232	19,646	–1,414
Total for Program 1.4	**18,232**	**19,646**	**–1,414**
Program 1.5: Australian Screen and Digital Game Production Incentive			
Administered expenses			
Special appropriations	672,384	724,613	–52,229
Total for Program 1.5	**672,384**	**724,613**	**–52,229**
Program 1.6: Junior Minerals Exploration Incentive			
Administered expenses			
Special appropriations	7,538	4,914	2,624
Total for Program 1.6	**7,538**	**4,914**	**2,624**
Program 1.7: Fuel Tax Credits Scheme			
Administered expenses			
Special appropriations	9,857,088	9,840,335	16,753
Total for Program 1.7	**9,857,088**	**9,840,335**	**16,753**
Program 1.8: National Rental Affordability Scheme			
Administered expenses			
Special appropriations	85,336	90,497	–5,161
Total for Program 1.8	**85,336**	**90,497**	**–5,161**
Program 1.9: Product Stewardship for Oil			
Administered expenses			
Special appropriations	84,430	92,110	–7,680
Total for Program 1.9	**84,430**	**92,110**	**–7,680**

Table 5.30 Budgeted expenses and resources for Outcome 1, 2023–24[(a)] *continued*

Budgeted expenses and resources	Budget[(b)] 2023–24 $'000	Actual expenses 2023–24 $'000	Variation 2023–24 $'000
Program 1.10: Research and Development Tax Incentive			
Administered expenses			
Special appropriations	4,783,200	4,436,749	346,451
Total for Program 1.10	**4,783,200**	**4,436,749**	**346,451**
Program 1.11: Low Income Superannuation Tax Offset			
Administered expenses			
Special appropriations	561,089	614,182	–53,093
Total for Program 1.11	**561,089**	**614,182**	**–53,093**
Program 1.12: Private Health Insurance Rebate			
Administered expenses			
Special appropriations	264,323	232,352	31,971
Total for Program 1.12	**264,323**	**232,352**	**31,971**
Program 1.13: Superannuation Co-contribution Scheme			
Administered expenses			
Special appropriations	113,014	89,788	23,226
Total for Program 1.13	**113,014**	**89,788**	**23,226**
Program 1.14: Superannuation Guarantee Scheme			
Administered expenses			
Special appropriations	1,118,000	1,081,840	36,160
Total for Program 1.14	**1,118,000**	**1,081,840**	**36,160**
Program 1.15: Interest on Unclaimed Superannuation Accounts Paid			
Administered expenses			
Special appropriations	65,531	63,842	1,689
Total for Program 1.15	**65,531**	**63,842**	**1,689**
Program 1.16: Interest on Overpayment and Early Payments of Tax			
Administered expenses			
Special appropriations	365,000	482,583	–117,583
Total for Program 1.16	**365,000**	**482,583**	**–117,583**
Program 1.17: Bad and Doubtful Debts and Remissions			
Administered expenses			
Special appropriations	9,536,910	11,237,400	–1,700,490
Total for Program 1.17	**9,536,910**	**11,237,400**	**–1,700,490**
Program 1.18: Seafarer Tax Offset			
Administered expenses			
Special appropriations	9,494	11,203	–1,709
Total for Program 1.18	**9,494**	**11,203**	**–1,709**

Table 5.30 Budgeted expenses and resources for Outcome 1, 2023–24[a] *continued*

Budgeted expenses and resources	Budget[b] 2023–24 $'000	Actual expenses 2023–24 $'000	Variation 2023–24 $'000
Program 1.19: Economic Response to the Coronavirus			
Administered expenses			
Special appropriations			
Cash Flow Boost for Employers	–	–387	387
JobMaker Hiring Credit	–	–	–
JobKeeper Payment	–	–1,344	1,344
Total for Program 1.19	**–**	**–1,731**	**1,731**
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services	690	450	240
Special appropriations	17,986,427	17,763,278	223,149
Expenses not requiring appropriation in budget year	9,536,910	11,237,400	–1,700,490
Departmental expenses			
Departmental appropriation	4,206,007	4,300,905	–94,898
Special accounts	18,232	19,646	–1,414
Expenses not requiring appropriation in budget year[c]	137,351	170,406	–33,055
Total expenses for Outcome 1	**31,885,617**	**33,492,085**	**–1,606,468**
	2023–24	2023–24	
Average staffing level (number)[d]	19,579	19,442	–

Notes

(a) This table is prepared on the basis of accrued expense amounts, while the administered payments table on page 280 is prepared on a cash basis.

(b) Budget 2023–24 relates to Estimated actual expenses published in the 2024–25 Portfolio Budget Statements, and includes any subsequent adjustments made to the original 2023–24 Budget.

(c) Expenses not requiring appropriation in the Budget year includes depreciation, resources received free of charge and write-down and impairment of assets.

(d) 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 has an asset management framework in place which outlines how we plan and maintain the optimal asset mix for effective delivery of our programs.

The ATO's approach to asset management includes:

- detailed procedures and guidance on asset management
- an asset register, which is subject to a regular stocktake.

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 – including consultancies – is consistent with the *Commonwealth Procurement Rules* (CPRs) and various procurement-related legislation and government policies, including the *Modern Slavery Act 2018* and *Government Procurement (Judicial Review) Act 2018*. To ensure this, the ATO has a range of controls in place and conducts regular assurance activities.

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).

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

Contracting

All ATO contracts of $100,000 or more provide for the Auditor-General to have access to the contractor's premises.

The ATO had no contracts in excess of $10,000 that were exempted by the Accountable Authority from being published on AusTender because it would disclose exempt matters under the FOI Act.

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. All consultants who require access to ATO premises or ATO information are required to:

- undertake a pre-engagement integrity check before commencing work
- complete mandatory training including security, and workplace health and safety.

During 2023–24, the ATO entered into 55 new reportable consultancy contracts, involving total actual expenditure of $4.0 million. An additional 78 ongoing reportable consultancy contracts were active during 2023–24, involving total actual expenditure of $5.4 million. Prior-year contracts accounted for 58% of total consultancy expenditure.

Table 5.31 Number of and expenditure on reportable consultancy contracts, 2021–22 to 2023–24[(a)]

Reportable consultancy contracts	2021–22	2022–23	2023–24
Number of new contracts engaging consultants	68	64	55
New contracts expenditure	$5.1m	$3.7m	$4.0m
Number of ongoing contracts engaging consultants	76	64	78
Ongoing contracts expenditure	$9.2m	$4.6m	$5.4m

Note
(a) Amounts are GST inclusive.

Table 5.32 Significant reportable consultancy contracts expenditure, 2023–24[(a)(b)(c)(d)]

Organisation	ABN	Expenditure $	Proportion of total expenditure %
KPMG	51 194 660 183	938,495	10.0
Kantar Public Australia Pty Ltd	38 000 601 221	702,065	7.5
Gerson Lehrman Group	ABN Exempt	656,965	7.0
Galent Pty Ltd	47 169 752 578	558,431	5.9
Agile Solutions Pty Ltd	63 090 515 923	428,511	4.5
Total		**3,284,466**	**34.9**

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. Suppliers' employees and contractors who require access to ATO premises or ATO information are required to:

- undertake a pre-engagement integrity check before commencing work
- complete mandatory training including security, and workplace health and safety.

During 2023–24, the ATO entered into 735 new reportable non-consultancy contracts, involving total actual expenditure of $183.1 million. An additional 1,214 ongoing reportable non-consultancy contracts were active during 2023–24, involving total actual expenditure of $1,671.9 million.

Table 5.33 Number of and expenditure on reportable non-consultancy contracts, 2021–22 to 2023–24[(a)]

Reportable non-consultancy contracts	2021–22	2022–23	2023–24
Number of new non-consultancy contracts	1,006	938	735
New non-consultancy contracts expenditure	$242.0m	$277.0m	$183.1m
Number of ongoing non-consultancy contracts	1,602	1,094	1,214
Ongoing non-consultancy contracts expenditure	$1,734.2m	$1,626.1m	$1,671.9m

Note
(a) Amounts are GST inclusive.

Table 5.34 Significant reportable non-consultancy contracts expenditure, 2023–24[(a)(b)(c)(d)]

Organisation	ABN	Expenditure $	Proportion of total expenditure %
Optus Networks Pty Ltd	92 008 570 330	135,602,413	7.3
Accenture Australia Pty Ltd	49 096 776 895	122,445,832	6.6
DXC Enterprise Australia Pty Ltd	16 612 896 527	109,888,640	5.9
Digital Transformation Agency	96 257 979 159	101,425,564	5.5
Leidos Australia Pty Ltd	79 612 590 155	97,636,741	5.3
Total		**566,999,189**	**30.6**

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. Our support focuses on removing barriers to their participation and includes:

- streamlined tender requirements for lower value and less complex contracts
- disaggregating large projects into smaller packages, where appropriate, that maximise competition – this includes structuring procurements in a way that enables small and medium enterprises to compete fairly to provide components of large ICT projects
- conducting genuinely competitive procurement processes, including when we are using panel arrangements
- actively seeking opportunities to engage Aboriginal and Torres Strait Islander businesses.

Small-to-medium enterprises and small enterprise participation statistics are available on the Department of Finance website at finance.gov.au. The Australian Government has set 2 targets for contracts awarded to businesses with less than 200 employees, being:

- 20% of all contracts (by value)
- at least 35% of contracts valued up to $20 million (by value).

In 2023–24, the ATO did not meet the target for percentage of all contracts by value (14%), but exceeded the target for contracts valued up to $20 million (50%).

The ATO recognises the importance of ensuring small businesses are paid on time. In 2023–24, we achieved 95% compliance with these payment terms. 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* (IPP), using panel arrangements and exemption 16 of the *Commonwealth Procurement Rules* (CPRs), to provide a streamlined framework for the engagement of Indigenous businesses.

In 2023–24, we continued to work closely with Supply Nation to promote the benefits of working with Indigenous businesses and the services they provide.

The ATO's work with Indigenous suppliers supports improved economic and social outcomes for Indigenous communities. In 2023–24, we spent $12.8 million with Indigenous businesses. This expenditure relates to both new contracts entered into during 2023–24 and contracts entered into during previous years.

Grants

The ATO provides a small number of discretionary grants, including funding for legal institutes, and encourages community participation in the tax and superannuation systems through sponsorship and mentoring arrangements.

The ATO's grant activities meet the requirements and principles of grants administration contained in the *Commonwealth grants rules and guidelines 2017*, including reporting and publishing of all grants provided throughout the year.

During 2023–24, the ATO awarded one grant. Information on grants awarded by the ATO 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) of the Act, 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 2023–24.

06

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 ATO's financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Included in the ATO's financial statements are the operations of the Tax Practitioners Board (TPB) and Australian Business Registry Services (ABRS), and the operations of the Australian Charities and Not-for-profits Commission (ACNC) through the ACNC Special Account.

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 2024:

(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 2024 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 2024 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 conducted by Auditor-General and their delegates. 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. In respect of the completeness, relevance and accuracy of data used in developing taxation revenue estimates, I identified internal control weaknesses relating to controls over change management for key information technology systems. These internal control weaknesses increased the risk that the data analysed as part of the estimation process may not be complete, relevant and accurate. For the year ended 30 June 2024, the Entity reported total taxation revenue of $626,522 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; • evaluated the impact of the identified internal control weaknesses relating to controls over change management by independently assessing the completeness, relevance and accuracy of data. This included reconciling report data to known sources, identifying reliable system logs and testing a sample of system logs to determine whether only valid changes were made; • 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 2024; 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 2024.

Key audit matter	How the audit addressed the matter
Valuation of taxation receivables and provision for refunds *Refer to Note 15 'Administered – Non-Financial Assets' & Note 16 'Administered – Provisions'* 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 and the provision for income taxation refunds. 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, and the calculation of the provision for refunds. 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. In respect of the data used in developing an estimate of taxation receivables and provisions for refunds, I identified internal control weaknesses relating to controls over change management for key information technology systems. These internal control weaknesses increased the risk that the data analysed as part of the estimation process may not be complete, relevant and accurate. For the year ended 30 June 2024, the Entity reported: • total taxation receivables of $87,367 million; • impairment allowance of $43,236 million; • allowance for credit amendments of $6,100 million; and • provision for income taxation refunds of $2,213 million.	To audit the valuation of taxation receivables and provision for refunds, 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; • evaluated the impact of the identified internal control weaknesses relating to controls over change management by independently assessing the completeness, relevance and accuracy of data. This included reconciling report data to known sources, identifying reliable system logs and testing a sample of system logs to determine whether only valid changes were made; • recalculated the impairment allowance at balance date and assessed whether it was appropriately reflected in the Entity's financial statements; • tested a sample of individual taxation receivables, to assess the Entity's application of taxation law and the revenue recognition for individual taxpayers' accounts; and • examined the provision balance and evaluated the appropriateness of management's processes to determine whether judgements and assumptions used remain appropriate and reasonable for the impairment rate applied to large disputed taxation cases where an individual assessment has not been made.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Commissioner of Taxation is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Commissioner of Taxation is also responsible for such internal control as the Commissioner of Taxation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner of Taxation is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner of Taxation is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor’s responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

Carla Jago

Acting Deputy Auditor-General

Canberra

18 September 2024

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 2024 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
17 September 2024

Janine Bristow
CHIEF FINANCE OFFICER
AUSTRALIAN TAXATION OFFICE

17 September 2024

Australian Taxation Office
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2024

	Note	2024 $'000	2023 $'000	Original budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	**2,501,608**	2,236,424	2,411,651
Suppliers	1B	**1,550,147**	1,558,835	1,533,156
Depreciation and amortisation	4A	**390,459**	373,810	391,348
Finance costs	1C	**28,576**	19,473	23,462
Impairment loss on financial instruments	1D	**3,423**	5,054	-
Write-down and impairment of other assets	1E	**16,544**	4,103	-
Other expenses	1F	**201**	1,663	-
Total expenses		**4,490,958**	4,199,362	4,359,617
Own-source revenue				
Rendering of services	2A	**138,534**	111,250	112,788
Rental income	2B	**18,440**	16,081	19,941
Other revenue and gains	2C	**24,829**	18,150	23,127
Total own-source revenue		**181,803**	145,481	155,856
Net cost of services		**(4,309,155)**	(4,053,881)	(4,203,761)
Revenue from the Australian Government	2D	**4,050,266**	3,970,615	4,054,629
Deficit on continuing operations		**(258,889)**	(83,266)	(149,132)
OTHER COMPREHENSIVE LOSS				
Items not subject to subsequent reclassification to net cost of services				
Revaluation of restoration obligations provision		**(89)**	-	-
Other changes in asset revaluation reserves	4A	**6,142**	7,685	-
Total comprehensive loss		**(252,836)**	(75,581)	(149,132)

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2024

Budget variances commentary: Statement of comprehensive income
The table below provides explanations for major variances between the agency's original budget estimates, as published in the 2023-24 Portfolio Budget Statements (PBS), and the actual financial performance for the year ended 30 June 2024.

Affected line items	Explanation of major variances
Employee benefits	The higher than expected actual is driven by large movements in the provision for leave due to the impact of the salary growth and bond rate adjustments applied at the end of 2022-23 and 2023-24, as well as the 4% pay rise under the ATO Enterprise Agreement 2024. This is partially offset by a lower than assumed Average Staffing Level (ASL) driven by the ATO not reaching budgeted ASL related to new Government measures, largely due to affordability.
Finance costs	The higher than expected actual interest on lease liabilities is primarily due to the timing of the recognition of replacement building leases and new plant and equipment leases. The corresponding interest rate applied to these leases was also higher than expected. Given the commercial sensitivities of these contracts, specific details were not known at the time the budget was prepared.
Write-down and impairment of other assets	The higher than expected actual is due to impairments on intangible assets. These are not estimated in the budget.
Rendering of services	The higher than expected actual is driven by an increase in bank merchant fees from credit card transactions, reflecting taxpayer behaviour and their payment arrangements. These fees are also recognised as an expense as they are passed onto the Reserve Bank of Australia (RBA).

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	Note	2024 $'000	2023 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash	3A	**39,407**	34,658	34,934
Trade and other receivables	3B	**594,168**	649,783	497,600
Total financial assets		**633,575**	684,441	532,534
Non-financial assets[1]				
Buildings	4A	**930,954**	1,020,657	915,985
Buildings - leasehold improvements	4A	**200,103**	186,332	211,129
Plant and equipment	4A	**175,291**	124,266	80,615
Intangibles - computer software	4A	**349,298**	415,949	415,633
Other non-financial assets	4C	**124,634**	155,233	104,526
Total non-financial assets		**1,780,280**	1,902,437	1,727,888
Total assets		**2,413,855**	2,586,878	2,260,422
LIABILITIES				
Payables				
Employees	5A	**69,460**	61,543	64,436
Suppliers	5B	**188,381**	231,998	214,173
Other payables	5C	**6,242**	4,762	4,846
Total payables		**264,083**	298,303	283,455
Interest bearing liabilities				
Leases	6A	**1,130,591**	1,180,017	996,652
Total interest bearing liabilities		**1,130,591**	1,180,017	996,652
Provisions				
Employee provisions	7A	**827,738**	750,326	716,665
Other provisions	7B	**45,401**	28,675	24,502
Total provisions		**873,139**	779,001	741,167
Total liabilities		**2,267,813**	2,257,321	2,021,274
Net assets		**146,042**	329,557	239,148
EQUITY				
Contributed equity		**2,473,380**	2,363,836	2,522,680
Reserves		**154,481**	148,428	140,743
Accumulated deficit		**(2,481,819)**	(2,182,707)	(2,424,275)
Total equity		**146,042**	329,557	239,148

[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 FINANCIAL POSITION
as at 30 June 2024

Budget variances commentary: Statement of financial position
The table below provides explanations for major variances between the agency's original budget estimates, as published in the 2023-24 Portfolio Budget Statements (PBS), and the actual financial position for the year ended 30 June 2024.

Affected line items	Explanation of major variances
Trade and other receivables	The higher than expected actual is driven by lower than expected prior year expenditure, which resulted in a higher appropriations receivables balance at the end of 2022-23, partially offset by returns of funding due to projects no longer proceeding as a result of government decisions.
Buildings	The higher than expected actual is due to the timing of recognition of replacement leases. Given the commercial sensitivities of these contracts, specific details were not known at the time the budget was prepared.
Plant and equipment	The higher than expected actual is due to two new plant and equipment leases entered into during the financial year. Given the commercial sensitivities of these contracts, specific details were not known at the time the budget was prepared.
Intangibles - computer software	The lower than expected actual is primarily due to pausing activities associated with some major projects awaiting passage of legislation.
Other non-financial assets	The higher than expected actual is primarily driven by a number of large supplier prepayments made during the year.
Suppliers	The lower than expected actual is primarily driven by a reduction in pending payments for services provided to the ATO.
Leases	The higher than expected actual is due to the timing of recognition of replacement building leases and new plant and equipment leases entered into during the year. Given the sensitivities of these contracts, specific details were not known at the time the budget was prepared.
Employee provisions	The higher than expected actual is due to two pay rises during the financial year which increased the cost of the provision for leave; and the annual application of the salary growth and bond rate adjustments which are not estimated for.
Other provisions	The higher than expected actual is mainly due to higher provisions for court awarded costs and indemnities than anticipated at the time the budget was prepared.
Contributed equity	The lower than expected actual is due to the return of funding for projects no longer proceeding, reclassifications of funding from capital to operating and the repeal of unspent prior year appropriations.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

Reserves	The higher than expected actual is due to an increase in asset revaluation reserves, following the annual assets fair value review. The outcomes of asset reviews are not estimated in the budget.
Accumulated deficit	The higher than expected accumulated deficit is due to the actual operating deficit being higher than budgeted. This is supported by the explanations provided in the Statement of Comprehensive Income above.

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 2024

	Contributed equity			Asset revaluation surplus			Retained earnings			Total equity		
	2024	2023	Original budget	**2024**	2023	Original budget	**2024**	2023	Original budget	**2024**	2023	Original budget
	$'000	$'000	$'000	**$'000**	$'000	$'000	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Opening balance												
Balance carried forward from previous period	**2,363,836**	2,265,802	2,370,912	**148,428**	140,743	140,743	**(2,182,707)**	(2,099,441)	(2,275,143)	**329,557**	307,104	236,512
Opening balance	**2,363,836**	2,265,802	2,370,912	**148,428**	140,743	140,743	**(2,182,707)**	(2,099,441)	(2,275,143)	**329,557**	307,104	236,512
Comprehensive gain/(loss)												
Other comprehensive gain/(loss)	**-**	-	-	**6,053**	7,685	-	**-**	-	-	**6,053**	7,685	-
(Deficit) for the period	**-**	-	-	**-**	-	-	**(258,889)**	(83,266)	(149,132)	**(258,889)**	(83,266)	(149,132)
Total comprehensive gain/(loss)	**-**	-	-	**6,053**	7,685	-	**(258,889)**	(83,266)	(149,132)	**(252,836)**	(75,581)	(149,132)
Transactions with owners												
Distributions to owners												
Returns of contributed equity[1]	**(40,640)**	(36,953)	-	**-**	-	-	**(40,223)**	-	-	**(80,863)**	(36,953)	-
Contributions by owners												
Equity injection - appropriations	**26,174**	23,522	26,174	**-**	-	-	**-**	-	-	**26,174**	23,522	26,174
Departmental capital budget	**125,594**	111,465	125,594	**-**	-	-	**-**	-	-	**125,594**	111,465	125,594
Restructuring[2]	**(1,584)**	-	-	**-**	-	-	**-**	-	-	**(1,584)**	-	-
Total transactions with owners	**109,544**	98,034	151,768	**-**	-	-	**(40,223)**	-	-	**69,321**	98,034	151,768
Transfers between equity components	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Closing balance as at 30 June	**2,473,380**	2,363,836	2,522,680	**154,481**	148,428	140,743	**(2,481,819)**	(2,182,707)	(2,424,275)	**146,042**	329,557	239,148

[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) 2021-22 and Appropriation Act (No. 4) 2021-22, which automatically lapsed on 1 July 2024.

[2]On 23 May 2024, following the cessation of the Modernising Business Registers (MBR) Program, $1,584,000 of net assets were transferred from the ATO to the Australian Securities and Investments Commission (ASIC).

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 2024

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.

Budget variances commentary: Statement of changes in equity

Explanation of major variances
The variances are supported by the explanations provided above in the Statement of Comprehensive Income and Statement of Financial Position.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
CASH FLOW STATEMENT
for the year ended 30 June 2024

	Note	2024 $'000	2023 $'000	Original budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**4,041,165**	3,832,269	4,086,942
Rendering of services		**168,053**	136,748	140,812
Receipts transferred from the Official Public Account		**351,208**	371,015	-
GST received		**167,107**	181,918	128,786
Other		**2,200**	30,476	20,127
Total cash received		**4,729,733**	4,552,426	4,376,667
Cash used				
Employees		**2,416,369**	2,192,217	2,410,567
Suppliers		**1,536,016**	1,567,345	1,530,156
GST paid		**159,625**	169,070	128,786
Interest payments on lease liabilities		**27,029**	18,830	23,462
s74 receipts transferred to the Official Public Account		**355,197**	374,837	-
Total cash used		**4,494,236**	4,322,299	4,092,971
Net cash from operating activities		**235,497**	230,127	283,696
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		**90,369**	79,887	62,590
Purchase of intangibles		**36,193**	57,120	102,935
Total cash used		**126,562**	137,007	165,525
Net cash used by investing activities		**(126,562)**	(137,007)	(165,525)
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity		**126,562**	137,007	127,404
Total cash received		**126,562**	137,007	127,404
Cash used				
Principal payments of lease liabilities		**230,748**	230,329	245,565
Total cash used		**230,748**	230,329	245,565
Net cash used by financing activities		**(104,186)**	(93,322)	(118,161)
Net increase in cash held		**4,749**	(202)	10
Cash at the beginning of the reporting period		**34,658**	34,860	34,924
Cash at the end of the reporting period	3A	**39,407**	34,658	34,934

Budget variances commentary: Statement of cash flows

Explanation of major variances
The variances are supported by the explanations provided above in the Statement of Comprehensive Income and Statement of Financial Position.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
as at 30 June 2024

	Note	2024 $'m	2023 $'m	Original budget $'m
NET COST OF SERVICES				
Expenses				
Subsidies	13A	**15,199**	12,707	13,655
Personal benefits	13B	**936**	1,284	1,064
Impairment of receivables	13C	**9,981**	13,029	5,613
Penalty and interest charge remission expenses		**1,257**	1,576	1,590
Interest on overpayments and early payments		**483**	256	145
Superannuation guarantee charge		**1,082**	434	641
Unclaimed superannuation monies interest		**64**	26	9
Other expenses		**-**	4	6
Total expenses		**29,002**	29,316	22,723
Revenue				
Income tax	14A	**499,591**	472,091	479,563
Indirect tax	14B	**122,559**	116,517	121,190
Other taxes	14C	**4,372**	3,519	3,394
Non-taxation	14D	**28**	598	385
Total revenue		**626,550**	592,725	604,532
Net contribution by services		**597,548**	563,409	581,809
Surplus on continuing operations		**597,548**	563,409	581,809
Total comprehensive income		**597,548**	563,409	581,809

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
as at 30 June 2024

Budget variances commentary: Schedule of comprehensive income
The table below provides explanations for major variances between the agency's original budget estimates, as published in the 2023-24 Portfolio Budget Statements (PBS), and the actual financial performance for the year ended 30 June 2024.

Affected line items	Explanation of major variances
Subsidies	The actuals are higher than budget primarily due to a higher than expected increase in the size of the R&D tax incentive program over the past year. The expectation is that this will continue into the 2023-24 accrual year. This increase is supplemented by a slightly higher than expected level of claims for fuel tax credits.
Personal Benefits	The actuals are lower than budget due to a decrease in provisions, which was primarily driven by lower than expected average entitlement amounts for the low income superannuation tax offset program.
Impairment of receivables	The actual is higher than budget primarily due to higher than expected write-off activity during 2023-24. Additionally the impairment of small debts, particularly activity statement debts, were at a higher rate than expected.
Penalty and interest charge remission expenses	The actuals are lower than budget due to lower than expected remissions for companies.
Interest on overpayments and early payments	The actuals are higher than budget primarily due to higher than expected interest rates, in addition to a small number of large interest on overpayment cases.
Superannuation guarantee charge	The actuals are higher than budget primarily due to higher than expected voluntary disclosures and baseline compliance work increasing SGC revenue and expenses.
Income tax	The actuals are higher than budget largely reflecting higher than expected individuals and company taxes. Strength in individuals revenue was driven by stronger than expected labour market conditions, stronger instalments, and a larger than expected number of 2021-22 income year returns slipping into 2023-24. Strength in company tax revenue largely reflects higher than expected corporate profits, particularly in the mining sector due to higher than expected commodity prices.
Indirect tax	The actuals are higher than budget largely due to stronger than expected GST revenue, driven by higher than expected gross receivables and accrued revenue.
Other taxes	The actuals are higher than budget primarily due to higher than expected SGC revenue which has increased as a result of higher lodgments. This was partly driven by an increase in ATO compliance activity.
Non-taxation	The actuals are lower than budget primarily due to a change in the pattern seen for unclaimed super monies. Outflows are now expected to outpace the level of inflows due to higher reunification rates which have occurred in recent years. Additionally the rate of inflows has settled after a number of years of policy change.

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 2024

	Note	2024 $'m	2023 $'m	Original budget $'m
ASSETS				
Financial assets				
Cash		**563**	450	466
Cash held in special accounts[1]		**86**	82	78
Total financial assets		**649**	532	545
Non-financial assets				
Receivables	15A	**38,394**	35,540	44,456
Accrued revenue	15B	**19,128**	17,190	17,421
Total non-financial assets		**57,522**	52,730	61,877
Total assets administered on behalf of the Australian Government		**58,171**	53,262	62,421
LIABILITIES				
Payables				
Subsidies		**74**	53	292
Personal benefits		**14**	17	10
Superannuation guarantee charge		**106**	89	74
Taxation refunds due		**2,175**	2,121	1,939
Superannuation holding account		**86**	82	93
Other payables		**3**	2	-
Total payables		**2,458**	2,364	2,408
Provisions				
Subsidies	16	**6,145**	5,459	5,259
Personal benefits	16	**1,202**	1,277	1,174
Other accrued expenses	16	**72**	61	54
Income taxation refunds	16	**2,213**	2,206	2,320
Indirect taxation refunds	16	**6**	18	23
Superannuation guarantee payments	16	**577**	444	853
Unclaimed superannuation payments	16	**688**	544	460
Other refunds	16	**14**	10	26
Interest on overpayment of taxes	16	**138**	114	104
Total provisions		**11,055**	10,133	10,272
Total liabilities administered on behalf of the Australian Government		**13,513**	12,497	12,680
Net assets		**44,658**	40,765	49,741

[1] Cash held in special accounts does not include amounts held on trust for special accounts of $245 million (2023: $234 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 2024

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.

Budget variances commentary: Schedule of assets and liabilities

The table below provides explanations for major variances between the agency's original budget estimates, as published in the 2023-24 Portfolio Budget Statements (PBS), and the actual financial position for the year ended 30 June 2024.

Affected line items	Explanation of major variances
Cash	The actual is higher than budget due to unexpected changes in the timing of payments.
Receivables	The actual is lower than budget due to increased impairment of small debts, particularly activity statement debts, which have been impaired at a higher rate than expected. This is partially offset by higher individuals receivables.
Accrued revenue	The actual is higher than budget largely due to higher than expected accrued revenue for GST and FBT.
Subsidies payable	The actuals are lower than budget due to a large one off administrative action relating to the cash flow boost program. The payables were actioned in June 2023, and not expected at budget.
Taxation refunds due payable	The actuals are higher than budget due to the volatility of taxation refunds which depend on the timing of lodgments, payments and compliance activity from year to year.
Subsidies provisions	The actuals are higher than budget primarily due to a higher than expected increase in the size of the R&D tax incentive program over the past year. It is expectated that growth will continue into the 2023-24 accrual year. There were also additional provisions required for a small number of large Australian screen production incentive projects.
Income taxation refunds	The actuals are lower than budget primarily due to a lower than expected provision for refunds for company income tax. Provisions for refunds can be volatile due to the timing of lodgments, payments and compliance activity from year to year.
Superannuation guarantee payments provisions	The actuals are lower than budget primarily due to a lower rate of collections on SGC lodgments than were expected at budget. Provisions for SG payments can be volatile due to the timing of lodgments, payments and compliance activity from year to year.
Unclaimed superannuation payments provisions	The actuals are higher than budget primarily due to inactive low balance account inflows being significantly higher than expected. This resulted in higher outflows (reunification). Additionally, there was stronger than expected reunification.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED RECONCILIATION SCHEDULE
for the year ended 30 June 2024

	2024 $'m	2023 $'m
Opening assets less liabilities as at 1 July	**40,765**	39,125
Adjustments to equity[1]		
Family tax benefit equity transfer	**118**	117
Higher education loan program equity transfer[2]	**(62)**	1,042
Australian apprenticeship support loan equity transfer[2 3]	**(4)**	21
Student financial supplement scheme equity transfer	**-**	11
Net (cost of)/contribution by services		
Income	**626,550**	592,725
Expenses	**(29,002)**	(29,316)
Transfers (to)/from the Australian Government		
Appropriation transfers from the Official Public Account		
Annual appropriations	**-**	4
Special appropriations (unlimited)	**168,092**	163,104
Appropriation transfers to the Official Public Account		
Transfers to the Official Public Account	**(761,799)**	(726,068)
Closing assets less liabilities as at 30 June	**44,658**	40,765

[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.

[2] The credit in the current financial year was due to a lower estimate of the compulsory repayments in comparison to the prior financial year.

[3] Formerly known as the Trade support loan.

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 2024

	2024	2023
	$'m	$'m
OPERATING ACTIVITIES		
Income tax	**490,023**	463,477
Indirect tax	**117,150**	109,644
Other revenue	**3,595**	3,366
Superannuation holding account	**5**	3
Subsidies paid	**(14,491)**	(11,538)
Personal benefits	**(1,015)**	(1,042)
Interest	**(459)**	(246)
Other	**(985)**	(712)
Net cash from operating activities	**593,824**	562,952
Cash at the beginning of the reporting period	**532**	544
Cash from the Official Public Account		
Appropriations	**168,070**	163,081
Special accounts	**22**	23
Total cash used from the Official Public Account	**168,092**	163,104
Cash to the Official Public Account		
Administered receipts	**(761,777)**	(726,045)
Special accounts	**(22)**	(23)
Total cash to the Official Public Account	**(761,799)**	(726,068)
Cash at the end of the reporting period	**649**	532

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
Notes to and forming part of the financial statements
for the year ended 30 June 2024

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 major 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
- Economic Response to the Coronavirus.

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 an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements have been prepared on a going concern basis. The ATO's departmental activities are dependent on government policy and continued funding by the Parliament.

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.

Australian Taxation Office
Notes to and forming part of the financial statements

Unless an alternate treatment is required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when, and only when, it is probable that economic benefits will flow to the ATO or a future sacrifice of economic benefits will be required and the amount can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Unrecognised liabilities are reported in Note 9 Contingent assets and liabilities.

Unless an alternate treatment is required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

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, Australian Business Registry Services (ABRS) and Tax Practitioners Board (TPB).

Reporting of administered activities

The Administered Schedules of Comprehensive Income, Assets and Liabilities, Administered Reconciliation Schedule and Administered Cash Flow Statement reflect the Government's transactions, administered by the ATO.

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.

A commitment note is not prepared for administered financial statements due to the nature of the items reported being legislated and not contractual arrangements.

Significant accounting judgements 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.

Australian Taxation Office
Notes to and forming part of the financial statements

Significant accounting judgements 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 expense that have not as yet been posted to taxpayers' 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, judgement, 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.

Administered receivables are inherently subject to volatility in economic conditions and taxpayer behaviour which directly impact lodgment and payment behaviours/patterns. Increased uncertainty remains surrounding the impairment allowance estimate due to the significant increase to the balance of unpaid debts relating to the COVID-19 pandemic, prevailing economic conditions and the ATO's debt management response during this period.

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.

New accounting standards

There were no new accounting standards applied for the first time in 2023-24.

Changes in accounting estimates

There have been no material changes in accounting estimates applied to the 2023-24 departmental financial statements.

Material changes in accounting estimates have been made to accrued revenue for petroleum resource rent tax, goods and services tax, and unclaimed super monies. Refer to accounting policy at Note 14.

Australian Taxation Office
Notes to and forming part of the financial statements

Taxation

The ATO is exempt from all forms of taxation except fringe benefits tax 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 receivables and payables.

Events after the reporting date

Following an independent review of the Tax Practitioners Board (TPB), a Special Account has been established for the TPB. A Special Account enables a special appropriation to be made specifically for the TPB, for the purposes identified in the *Tax Agent Services Act 2009*. The TPB Special Account commenced from 1 July 2024.

There was no other subsequent event 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

	2024 $'000	2023 $'000
Note 1A: Employee benefits		
Wages and salaries	**1,754,853**	1,563,070
Superannuation:		
Defined contribution plans	**216,424**	179,358
Defined benefit plans	**149,179**	155,567
Leave and other entitlements	**374,975**	332,714
Separation and redundancies	**2,356**	2,093
Other employee expenses	**3,821**	3,622
Total employee benefits	**2,501,608**	2,236,424

Accounting policy

Accounting policies for employee related expenses is contained in Note 7A Employee provisions.

	2024 $'000	2023 $'000
Note 1B: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**485,399**	533,991
IT and communications	**545,108**	548,665
Legal	**85,632**	62,930
Office operations	**188,821**	159,450
Property	**65,139**	64,945
Tax administration services provided by the Department of Home Affairs	**58,359**	56,458
Payments to other Government agencies	**43,624**	61,539
Audit fees	**2,701**	2,690
Other	**69,870**	64,133
Total goods and services supplied or rendered	**1,544,653**	1,554,801
Other suppliers		
Short term leases[1]	**1,899**	950
Workers compensation expenses	**3,595**	3,084
Total other suppliers	**5,494**	4,034
Total suppliers	**1,550,147**	1,558,835

[1]The ATO has two short-term lease commitments as at 30 June 2024.

The above lease disclosures should be read in conjunction with the accompanying notes 1C, 2B, 4A and 6A.

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

	2024 $'000	2023 $'000
Note 1C: Finance costs		
Interest on lease liabilities	**27,029**	18,830
Unwinding of discount	**1,547**	643
Total finance costs	**28,576**	19,473

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 2B, 4A and 6A.

Accounting policy

All finance charges are expensed as incurred.

	2024 $'000	2023 $'000
Note 1D: Impairment loss on financial instruments		
Impairment on trade and other receivables	**3,423**	5,054
Total impairment loss on financial instruments	**3,423**	5,054
Note 1E: Write-down and impairment of other assets		
Impairment of buildings	**289**	10
Impairment of plant and equipment	**190**	1,187
Impairment of intangibles	**16,065**	2,906
Total write-down and impairment of other assets	**16,544**	4,103
Note 1F: Other expenses		
Compensation	**154**	1,545
Losses from asset sales	**7**	118
Total other expenses	**201**	1,663

Australian Taxation Office
Notes to and forming part of the financial statements

2: Own-source revenue

	2024 $'000	2023 $'000
Note 2A: Rendering of services		
Rendering of services	**138,534**	111,250
Total revenue from rendering of services	**138,534**	111,250
Disaggregation of rendering of services		
Type of customer:		
Australian Government entities (related parties)	**7,235**	3,982
State and Territory Governments	**343**	504
Non-government entities	**130,956**	106,764
	138,534	111,250

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

	2024 $'000	2023 $'000
Note 2B: Rental income		
Finance lease:		
Finance income	**96**	175
Operating lease:		
Lease income	**18,344**	15,906
Total rental income	**18,440**	16,081

Finance leases
The ATO in its capacity as lessor has two subleases that are 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

	2024 $'000	2023 $'000
Within 1 year	**4,242**	8,179
One to two years	**843**	4,242
Two to three years	**-**	843
Three to four years	**-**	-
Four to five years	**-**	-
More than 5 years	**-**	-
Total undiscounted lease payments receivable	**5,085**	13,264
Unearned finance income	**28**	123
Net investment in leases	**5,057**	13,141

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:

	2024 $'000	2023 $'000
Within 1 year	**15,108**	17,474
One to two years	**5,022**	10,619
Two to three years	**4,427**	2,818
Three to four years	**2,307**	2,454
Four to five years	**2,025**	360
More than 5 years	**1,129**	-
Total undiscounted lease payments receivable	**30,018**	33,725

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1C, 4A and 6A.

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

	2024 $'000	2023 $'000
Note 2C: Other revenue and gains		
Recovery of legal costs	**9,757**	4,278
Resources received free of charge		
Services received	**8,419**	**9,694**
Remuneration of auditors	**2,600**	**2,600**
Secondments	**205**	**592**
Other revenue and gains[1]	**3,848**	**986**
Total other revenue and gains	**24,829**	18,150

[1] Includes amounts related to refunds/(reversals) and overpayments/(underpayments) of $59,000 (2023: $51,000).

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.

	2024 $'000	2023 $'000
Note 2D: Revenue from the Australian Government		
Departmental appropriations	**4,050,266**	3,970,615
Total revenue from the Australian Government	**4,050,266**	3,970,615

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

	2024	2023
	$'000	$'000
Note 3A: Cash		
Special account - ACNC	**13,137**	14,644
Cash on hand or on deposit	**26,270**	20,014
Total cash	**39,407**	34,658

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.

	2024	2023
	$'000	$'000
Note 3B: Trade and other receivables		
Service receivables		
Service receivables	**13,448**	13,490
Total service receivables	**13,448**	13,490
Appropriations receivables		
Existing programs		
Cash held in the Official Public Account: ATO	**535,144**	577,701
Total appropriations receivables	**535,144**	577,701
Other receivables		
GST receivable from the ATO (as Tax Administrator)	**27,262**	34,745
Lease receivables	**6,429**	14,478
Other receivables	**23,060**	18,837
Total other receivables	**56,751**	68,060
Total trade and other receivables (gross)	**605,343**	659,251
Less expected credit loss allowance	**(11,175)**	(9,468)
Total trade and other receivables (net)	**594,168**	649,783

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 2024

	Buildings	Buildings - leasehold improvements	Plant and equipment	Intangibles - computer software	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2023					
Gross book value	1,798,712	207,425	180,495	1,916,079	4,102,711
Work in progress	-	7,659	9,671	57,986	75,316
Accumulated depreciation, amortisation and impairment	(778,055)	(28,752)	(65,900)	(1,558,116)	(2,430,823)
Total as at 1 July 2023	1,020,657	186,332	124,266	415,949	1,747,204
Movements[1]					
Additions:					
Purchased	-	48,124	23,164	34,101	105,389
Right-of-use assets	118,202	-	64,650	-	182,852
Internally developed	-	-	-	17,325	17,325
Revaluations recognised in other comprehensive income	-	5,617	525	-	6,142
Impairment write-offs recognised in net cost of services	-	(289)	(190)	(16,065)	(16,544)
Disposals:					
From disposal of entities or operations (including restructuring)	(4,439)	(2,069)	(242)	-	(6,750)
Other movements of right-of-use assets	6,299	-	4,188	-	10,487
Depreciation / amortisation expense	-	(37,612)	(24,804)	(102,012)	(164,428)
Depreciation on right-of-use assets	(209,765)	-	(16,266)	-	(226,031)
Total as at 30 June 2024	930,954	200,103	175,291	349,298	1,655,646
Total as at 30 June 2024 represented by					
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 30 June 2024	930,954	200,103	175,291	349,298	1,655,646
Carrying amount of right-of-use assets	930,954	-	97,568	-	1,028,522

[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 desktop fair value review as at 31 March 2024. 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 $154.6m (2023: $148.4m), an increase of $6.1m 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	2024	2023
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 2024. 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	2024	2023
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 2024.

Other non-financial assets

No indicators of Impairment were found for other non-financial assets.

	2024 $'000	2023 $'000
Note 4B: Capital commitments		
Maturity analysis - capital commitments		
Within 1 year	**18,718**	6,026
One to two years	**297**	-
Two to three years	**-**	-
Three to four years	**-**	-
Four to five years	**-**	-
More than 5 years	**-**	-
Total capital commitments	**19,015**	6,026
Note 4C: Other non-financial assets		
Prepayments	**123,462**	153,634
Sub lease incentives provided	**1,172**	1,599
Total other non-financial assets	**124,634**	155,233

Australian Taxation Office
Notes to and forming part of the financial statements

5: Payables

	2024 $'000	2023 $'000
Note 5A: Employees		
Salaries and wages	**60,099**	52,653
Superannuation	**9,361**	8,846
Separations and redundancies	**-**	44
Total employees	**69,460**	61,543
Note 5B: Suppliers		
Trade creditors and accruals	**188,381**	231,998
Total suppliers	**188,381**	231,998
Note 5C: Other payables		
Prepayments received/unearned income	**3,397**	2,117
Other	**2,845**	2,645
Total other payables	**6,242**	4,762

6: Interest bearing liabilities

	2024 $'000	2023 $'000
Leases		
Lease liabilities		
Buildings	**1,045,436**	1,136,960
Plant and equipment	**85,155**	43,057
Total leases	**1,130,591**	1,180,017
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**244,900**	236,354
Between 1 to 5 years	**728,778**	770,424
More than 5 years	**255,515**	263,144
Total leases	**1,229,193**	1,269,922

Total cash outflow for leases for the year ended 30 June 2024 was $258,426,000 (2023: $249,159,000). The ATO leases various offices, storage areas, data centre facilities, equipment and vehicles. Lease contracts are typically made for fixed periods of 12 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 2024, the lease liabilities above do not include undiscounted potential future cash outflows of $1,109 million (2023: $1,190 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

	2024	2023
	$'000	$'000
Note 7A: Employee provisions		
Leave	**827,371**	749,972
Performance bonus payments	**132**	190
Other	**235**	164
Total employee provisions	**827,738**	750,326

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.

Separation and redundancy

The ATO recognises a provision for redundancy when it has developed a plan for the redundancy and has informed those employees affected that it will carry out the redundancy. Provision is made for separation and redundancy employee benefit payments.

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 2024.

Australian Taxation Office
Notes to and forming part of the financial statements

Note 7B: Other provisions

	Legal costs and indemnities $'000	Restoration obligations $'000	Total $'000
As at 1 July 2023	**12,162**	**16,513**	**28,675**
Additional provisions made	**16,754**	**7,690**	**24,444**
Amounts used	**(4,194)**	**(69)**	**(4,263)**
Amounts reversed	**(233)**	**(4,046)**	**(4,279)**
Unwinding of discount or change in discount rate	**-**	**824**	**824**
Total as at 30 June 2024	**24,489**	**20,912**	**45,401**

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.

Australian Taxation Office
Notes to and forming part of the financial statements

8: Financial instruments

Note 8A: Categories of financial instruments

	2024 $'000	2023 $'000
Financial assets at amortised cost		
Cash	**39,407**	34,658
Service receivables	**13,448**	13,490
Other receivables	**11,165**	8,783
Total financial assets at amortised cost	**64,020**	56,931
Financial liabilities measured at amortised cost		
Supplier payables	**188,381**	231,998
Total financial liabilities measured at amortised cost	**188,381**	231,998

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).

Australian Taxation Office
Notes to and forming part of the financial statements

	2024	2023
	$'000	$'000
Note 8B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment gains/(losses)	**(3,423)**	(5,054)
Net gains/(losses) on financial assets at amortised cost	**(3,423)**	(5,054)
Note 8C: Net gains or losses on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense on financial liabilities measured at amortised cost	**723**	-
Net losses on financial liabilities measured at amortised cost	**723**	-

9: Contingent assets and liabilities

	Indemnities		Claims for compensation/ damages or costs		Total	
	2024	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Contingent liabilities						
Balance from previous period	**22,477**	19,289	**999**	1,109	**23,476**	20,398
New contingent liabilities recognised	**12,431**	6,133	**1,488**	679	**13,919**	6,812
Re-measurement	**-**	2,043	**(267)**	18	**(267)**	2,061
Liabilities realised	**(400)**	-	**(149)**	(504)	**(549)**	(504)
Obligations expired	**(860)**	(4,988)	**(227)**	(303)	**(1,087)**	(5,291)
Total contingent liabilities	**33,648**	22,477	**1,844**	999	**35,492**	23,476
Net contingent liabilities	**33,648**	22,477	**1,844**	999	**35,492**	23,476

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.

Employee leave entitlements

As a result of updated scheme guidance relating to the accrual of leave under the *Safety, Rehabilitation and Compensation Act 1988*, the recalculation of leave entitlements for approximately 3,000 past and present employees is required. Work on this matter has progressed to date, however, due the complexities and volume of work still required to perform this recalculation, the ATO is unable to reliably estimate any potential provision required.

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 2023-24 year, the ATO had determined the key management personnel to be the Commissioner and members of the ATO Executive.

	2024	2023
	$'000	$'000
Short-term employee benefits	**3,275**	3,203
Post-employment benefits	**312**	269
Other long-term employee benefits	**181**	276
Termination benefits	**-**	144
Total key management personnel remuneration expenses[1]	**3,768**	3,892

The total number of key management personnel included in the above table is 9 (2023: 7).

[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

	2024 $'000	2023 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**39,407**	34,658
Trade and other receivables	**591,934**	642,830
Other non-financial assets	**105,338**	116,217
Total no more than 12 months	**736,679**	793,705
More than 12 months		
Other receivables	**2,234**	6,953
Buildings	**930,954**	1,020,657
Buildings – leasehold improvements	**200,103**	186,332
Plant and equipment	**175,291**	124,266
Intangibles - computer software	**349,298**	415,949
Other non-financial assets	**19,296**	39,016
Total more than 12 months	**1,677,176**	1,793,173
Total assets	**2,413,855**	2,586,878
Liabilities expected to be settled in:		
No more than 12 months		
Employees	**69,460**	61,543
Suppliers	**188,353**	231,970
Other payables	**6,242**	4,762
Leases	**219,850**	214,227
Employee provisions	**224,195**	184,443
Other provisions	**28,846**	12,295
Total no more than 12 months	**736,946**	709,240
More than 12 months		
Suppliers	**28**	28
Leases	**910,741**	965,790
Employee provisions	**603,543**	565,883
Other provisions	**16,555**	16,380
Total more than 12 months	**1,530,867**	1,548,081
Total liabilities	**2,267,813**	2,257,321

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13: Administered - expenses

	2024	2023
	$'m	$'m
Note 13A: Subsidies		
Subsidies in connection with		
Fuel tax credits scheme	**9,840**	7,662
Research and development tax incentive	**4,437**	4,348
Australian screen and digital games production incentive	**725**	549
National rental affordability scheme	**90**	118
Product stewardship for oil	**92**	89
Junior minerals exploration incentive	**5**	(1)
Seafarer tax offset	**11**	9
Cashflow boost payments for employers[1]	**-**	(67)
JobKeeper[2]	**(1)**	-
Total subsidies	**15,199**	12,707

[1] The credit in the 2023 comparative relates to the reversal of the 2022 financial year accrued expense estimate. Refer to the accounting policy below.

[2] The credit relates to the amended JobKeeper claims from prior financial years.

	2024	2023
Note 13B: Personal benefits		
Direct		
Low income superannuation tax offset	**614**	873
Private health insurance rebate	**232**	267
Superannuation co-contribution scheme	**90**	144
Total personal benefits	**936**	1,284

	2024	2023
Note 13C: Impairment of receivables		
Movement in impairment allowance	**3,324**	9,661
Write-offs	**6,980**	3,595
Re-raises	**(323)**	(227)
Total impairment of receivables	**9,981**	13,029

Accounting policy

Administered expenses include subsidies, personal benefits, impairment of receivables, penalty and interest charge remission expenses, interest on overpayments and early payments, superannuation guarantee charge and unclaimed superannuation monies interest.

Subsidies, personal benefits, 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 subsidy and personal benefit expenses.

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The impairment of administered receivables and penalty and interest charge remission expenses include both actual and accrued amounts in accordance with ATO operational policies. 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. In 2023-24, the year end estimate reflects the expiry of the temporary halving of the fuel excise rate which was available between 30 March 2022 and 28 September 2022.
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. An estimate is made at year end for entitlements arising during the reporting period which have not been reported by superannuation funds. The key assumptions of this estimate include the number of eligible individuals, value of concessional contributions received by super funds for individuals who meet the eligibility criteria and growth in both average weekly earnings and employment.

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Administered expense	Nature of expense
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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'m	$'m	**$'m**	$'m	**$'m**	$'m	**$'m**	$'m
Note 14A: Income tax								
Individuals and others withholding tax	**333,267**	299,117	**1,066**	1,379	**4,520**	3,177	**338,853**	303,673
Companies	**139,145**	151,575	**369**	(54)	**2,424**	669	**141,938**	152,190
Superannuation funds	**12,588**	10,287	**14**	8	**66**	61	**12,668**	10,356
Fringe benefits tax	**4,825**	4,119	**4**	5	**27**	23	**4,856**	4,147
Petroleum resource rent tax	**1,246**	1,711	**-**	-	**30**	14	**1,276**	1,725
Total income tax	**491,071**	466,809	**1,453**	1,338	**7,067**	3,944	**499,591**	472,091
Note 14B: Indirect tax								
Goods and services tax	**88,033**	86,032	**525**	564	**1,771**	1,312	**90,329**	87,908
Excise duty	**29,898**	26,281	**-**	-	**-**	-	**29,898**	26,281
Wine equalisation tax	**1,097**	1,138	**-**	-	**5**	3	**1,102**	1,141
Luxury car tax	**1,228**	1,184	**-**	-	**2**	3	**1,230**	1,187
Total indirect tax	**120,256**	114,635	**525**	564	**1,778**	1,318	**122,559**	116,517
Note 14C: Other taxes								
Major bank levy	**1,655**	1,542	**-**	-	**1**	-	**1,656**	1,542
Superannuation guarantee charge	**1,438**	921	**297**	193	**177**	130	**1,912**	1,244
Offshore petroleum levy	**381**	360	**-**	-	**-**	-	**381**	360
Foreign investment fees	**254**	220	**-**	-	**-**	-	**254**	220
Self managed superannuation fund levy	**145**	142	**-**	-	**-**	-	**145**	142
Other	**13**	-	**11**	11	**-**	-	**24**	11
Total other taxes	**3,886**	3,185	**308**	204	**178**	130	**4,372**	3,519
Note 14D: Non-taxation revenue								
Unclaimed superannuation monies[1]	**(84)**	464	**-**	-	**-**	-	**(84)**	464
Fines	**-**	-	**4**	5	**79**	81	**83**	86
Other	**16**	34	**1**	1	**12**	13	**29**	48
Total non-taxation revenue	**(68)**	498	**5**	6	**91**	94	**28**	598

[1]The credit was due to the higher unclaimed superannuation monies outflows than the 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 such as wage growth, gross domestic product growth and recent historical information. 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 revenue relating to assessable dealings that occurred during the reporting period which have not been received by the end of the reporting period. The estimate is predominantly based on information received after year end. The 2023-24 estimate reflects the deduction cap introduced by the *Treasury Laws Amendments (Tax Accountability and Fairness) Act 2024* on selected liquefied natural gas (LNG) projects. Additionally, the year end estimate has been updated to incorporate data from an additional quarter, which had historically been excluded due to large seasonal effects. The effect of this change in accounting estimate at 30 June 2024 is not material.
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 the actual liabilities raised during the year and an estimate of amounts outstanding that relate to transactions which occurred

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Administered revenue	Nature of revenue
	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. The year end estimate in 2023-24 was updated to increase the length of the tail of late lodgments from four years to five years reflecting observed patterns. The effect of this change in accounting estimate at 30 June 2024 is an increase to the revenue and accrued revenue of $257 million.
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 amounts processed in the following year is consistent with historical patterns.
Major bank levy (MBL)	MBL is recognised when an authorised deposit-taking institution's total liabilities exceed the $100 billion threshold at the end of each quarter. An estimate is made at 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.
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 or claims not yet received that relate to transactions which occurred during 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. In 2023-24, the outflow assumption in the year end estimate for Inactive Low Balance Accounts (ILBA) was updated

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Administered revenue	Nature of revenue
	to reflect most recent experience. The effect of this change on accounting estimate at 30 June 2024 is a decrease to USM revenue and an increase in the provision of $138 million, and an associated increase in both USM interest expense and provision of $19 million.
Foreign investment fees	Foreign investment fees include foreign investment application fees and vacancy fees. Foreign investment application fees revenue is in relation to foreign individuals or entities who make an application or give notice to invest in Australia within the reporting period. Revenue is not recognised until the relevant application or notice fee has been paid. Vacancy fees revenue is recognised at the time the vacancy fee return is raised. There is generally no population of lodgments or payments occurring after 30 June that are attributable to the reporting period.
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 of registered SMSFs and a consistent lodgment timing pattern between years.
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.

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.

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15: Administered - non-financial assets

	2024 $'m	2023 $'m
Note 15A: Receivables		
Direct tax		
Individuals	**45,555**	42,257
Company	**17,000**	14,688
Superannuation	**745**	636
Petroleum resource rent tax	**238**	238
Fringe benefits tax	**192**	187
Total direct tax	**63,730**	58,006
Indirect tax		
Goods and services tax	**19,357**	18,024
Excise duty	**282**	177
Wine equalisation tax	**125**	119
Luxury car tax	**31**	32
Total indirect tax	**19,795**	18,352
Other tax		
Superannuation guarantee charge	**3,697**	3,343
Self managed superannuation fund levy	**97**	88
Foreign investment fees	**13**	14
Other	**35**	48
Total other tax	**3,842**	3,493
Non-taxation		
Fines	**307**	276
JobKeeper receivables[1]	**47**	67
Unclaimed superannuation monies	**8**	5
Foreign investment review board infringements	**1**	1
Total non-taxation	**363**	349
Total receivables (gross)	**87,730**	80,200
Less: Impairment allowance	**(43,236)**	(39,912)
Allowance for credit amendments	**(6,100)**	(4,748)
Total receivables (net)	**38,394**	35,540

[1]JobKeeper receivables relate to overpaid JobKeeper payments yet to be recovered.

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	2024	2023
	$'m	$'m
Note 15B: Accrued revenue		
Direct tax		
Fringe benefits tax	**1,096**	897
Petroleum resource rent tax	**283**	166
Total direct tax	**1,379**	1,063
Indirect tax		
Goods and services tax	**15,905**	14,289
Excise duty	**579**	558
Wine equalisation tax	**120**	121
Luxury car tax	**130**	155
Total indirect tax	**16,734**	15,123
Other revenue		
Major bank levy	**426**	393
Unclaimed superannuation monies	**178**	187
Offshore petroleum levy	**368**	376
Self managed superannuation fund levy	**43**	48
Total other revenue	**1,015**	1,004
Total accrued revenue	**19,128**	17,190

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. 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 judgement. 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

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	Other accrued expenses	Income taxation refunds	Indirect taxation refunds	Super-annuation guarantee payments	Unclaimed super-annuation payments	Other refunds	Interest on over-payment of taxes	Total
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
As at 1 July 2023	5,459	1,277	61	2,206	18	444	544	10	114	**10,133**
Additional provisions made	5,972	1,072	15	1,924	6	1,517	326	14	48	**10,894**
Amounts used	(5,622)	(1,004)	(53)	(1,618)	(18)	(932)	(545)	(10)	(38)	**(9,840)**
Amounts reversed or remeasured	336	(143)	49	(299)	-	(452)	363	-	14	**(132)**
Total as at 30 June 2024	**6,145**	**1,202**	**72**	**2,213**	**6**	**577**	**688**	**14**	**138**	**11,055**

Australian Taxation Office
Notes to and forming part of the financial statements

17: Administered - contingent liabilities

	Tax in dispute	
	2024	2023
	$'m	$'m
Contingent liabilities		
Balance from previous period	**10,110**	8,154
New contingent liabilities recognised	**3,727**	3,489
Re-measurement	**(267)**	220
Obligations expired	**(1,828)**	(1,753)
Total contingent liabilities	**11,742**	10,110

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 until a court ruling is made and/or an agreement is reached with the taxpayer. In most cases it is not possible to estimate with any reliability the likely financial impact of current disputes.

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

	2024 $'m	2023 $'m
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**649**	532
Receivables	**21,596**	19,404
Accrued revenue	**17,608**	16,075
Total no more than 12 months	**39,853**	36,011
More than 12 months		
Receivables	**16,798**	16,136
Accrued revenue	**1,520**	1,115
Total more than 12 months	**18,318**	17,251
Total assets	**58,171**	53,262
Liabilities expected to be settled in:		
No more than 12 months		
Payables		
Subsidies	**74**	53
Personal benefits	**14**	17
Superannuation guarantee charge	**106**	89
Taxation refunds due	**2,175**	2,121
Superannuation holding account	**22**	21
Other payables	**3**	2
Provisions		
Subsidies	**5,979**	5,293
Personal benefits	**1,046**	1,128
Other accrued expenses	**33**	26
Income taxation refunds	**2,213**	2,206
Indirect taxation refunds	**6**	18
Superannuation guarantee payments	**577**	444
Unclaimed superannuation payments	**403**	322
Other refunds	**14**	10
Interest on overpayment of taxes	**138**	114
Total no more than 12 months	**12,803**	11,864
More than 12 months		
Payables		
Superannuation holding account	**64**	61
Provisions		
Subsidies	**166**	166
Personal benefits	**156**	149
Other accrued expenses	**39**	35
Unclaimed superannuation payments	**285**	222
Total more than 12 months	**710**	633
Total liabilities	**13,513**	12,497

Australian Taxation Office
Notes to and forming part of the financial statements

19: Appropriations

Note 19A: Annual appropriations

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[3]	**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.

[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

Annual appropriations for 2023

	Annual appropriation	Adjustments to appropriation[1]	Total appropriation	Appropriation applied in 2023 (current and prior years)	Variance[2]
	$'000	$'000	$'000	$'000	$'000
Departmental					
Ordinary annual services[3]	3,979,581	192,970	4,172,551	(4,374,087)	(201,536)
Capital budget[4]	111,465	-	111,465	(122,864)	(11,399)
Other services					
Equity[5]	23,522	-	23,522	(14,143)	9,379
Total departmental	4,114,568	192,970	4,307,538	(4,511,094)	(203,556)
Administered					
Ordinary annual services[3]	13,134	-	13,134	(4,427)	8,707
Total administered	13,134	-	13,134	(4,427)	8,707

[1] Adjustments to appropriation includes adjustments to current year annual appropriations, and relates to PGPA Act section 74 receipts.

[2] The variance in the departmental expenses is due to accrued expenses from prior year being drawn down in the current year from operating and unspent appropriation from departmental capital budget and equity funding.

Administered variance is due to unspent annual appropriation as at 30 June 2023 of $8,706,735.

[3] Departmental annual appropriation includes $18,277,000 transferred to the ACNC special account, and $8,966,000 withheld from Appropriation Act (No. 1) 2022/23 under section 51 of the PGPA Act.

Administered annual appropriation includes $3,384,000 withheld from Appropriation Act (No. 1) 2022/23 under section 51 of the PGPA Act

[4] Departmental capital budgets (DCBs) are appropriated through Appropriation Acts (No. 1 & 3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. The total amount of DCB appropriated was $111,465,000 as disclosed in the ATO's October 2022-23 Portfolio Budget Statements.

[5] Equity annual appropriation includes $9,767,000 withheld from Supply Act (No. 2) 2022/23 and Supply Act (No. 4) 2022/23 under section 51 of the PGPA Act.

Australian Taxation Office
Notes to and forming part of the financial statements

Note 19B: Unspent annual appropriations

	2024	2023
	$'000	$'000
Departmental		
Supply Act (No. 1) 2020/21	-	8,854
Supply Act (No. 1) 2020/21-DCB	-	958
Supply Act (No. 2) 2020/21	-	2,181
Appropriation Act (No. 1) 2020/21	-	48,655
Appropriation Act (No. 2) 2020/21	-	61,330
Appropriation Act (No. 1) 2021/22[1,5]	**12,827**	-
Appropriation Act (No. 1) 2021/22-DCB[2,5]	**18,100**	18,100
Appropriation Act (No. 2) 2021/22[3,5]	**50,294**	56,065
Appropriation Act (No. 4) 2021/22[4,5]	**6,296**	6,296
Supply Act (No. 1) 2022/23-DCB	-	34,667
Supply Act (No. 2) 2022/23[6]	**8,973**	9,749
Supply Act (No. 3) 2022/23	-	179,055
Supply Act (No. 3) 2022/23-DCB	-	65,021
Supply Act (No. 4) 2022/23[7]	**12,953**	13,648
Appropriation Act (No. 1) 2022/23[8]	**36,352**	258,272
Appropriation Act (No. 2) 2022/23	**125**	125
Appropriation Act (No. 1) 2023/24[9]	**403,041**	-
Appropriation Act (No. 1) 2023/24-DCB	**107,655**	-
Appropriation Act (No. 2) 2023/24[10]	**24,481**	-
Appropriation Act (No. 1) 2023/24-Cash	**26,270**	20,014
Total unspent departmental appropriations	**707,367**	782,990

Administered	**2024**	2023
	$'000	$'000
Appropriation Act (No.1) 2020-21[11]	-	7,445
Supply Act (No.1) 2020-21[12]	-	429
Appropriation Act (No.1) 2021-22[13,18]	**5,361**	5,361
Appropriation Act (No.3) 2021-22[14,18]	**2,365**	2,365
Supply Act (No.3) 2022-23[15]	**3,710**	3,710
Appropriation Act (No.1) 2022-23[16]	**4,997**	4,997
Appropriation Act (No.1) 2023-24[17]	**6,050**	-
Total unspent administered appropriations	**22,483**	24,307

[1] $12,827,000 has been withheld under section 51 of the PGPA Act.

[2] $18,100,000 has been withheld under section 51 of the PGPA Act.

[3] $36,200,000 has been withheld under section 51 of the PGPA Act.

[4] $2,353,000 has been withheld under section 51 of the PGPA Act.

[5] Total unspent departmental appropriation of $87,517,524 will lapse on 1 July 2024.

[6] $8,547,000 has been withheld under section 51 of the PGPA Act.

[7] $6,346,000 has been withheld under section 51 of the PGPA Act.

[8] $36,352,000 has been withheld under section 51 of the PGPA Act.

[9] $1,804,000 has been withheld under section 51 of the PGPA Act.

[10] $5,387,000 has been withheld under section 51 of the PGPA Act.

[11] $7,445,000 removed through 2020-21 Annual Appropriation Acts repealed at the start of 1 July 2023.

[12] $429,097 removed through 2020-21 Annual Appropriation Acts repealed at the start of 1 July 2023.

[13] $5,360,776 has been withheld under section 51 of the PGPA Act.

[14] $2,364,820 has been withheld under section 51 of the PGPA Act.

[15] $3,709,734 has been withheld under section 51 of the PGPA Act.

[16] $4,997,000 has been withheld under section 51 of the PGPA Act.

Australian Taxation Office
Notes to and forming part of the financial statements

[17] $5,576,000 has been withheld under section 51 of the PGPA Act.

[18] $7,725,596 unspent administered appropriation will lapse on 1 July 2024.

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.

Note 19C: Special appropriations

Authority	**Appropriation applied 2024 $'000**	Appropriation applied 2023 $'000
Taxation Administration Act 1953 - section 16[1]	**166,899,124**	162,239,519
Product Grants and Benefits Administration Act 2000 - section 55	**91,950**	88,057
Superannuation Guarantee (Administration) Act 1992 - section 71	**954,536**	693,285
Small Superannuation Accounts Act 1995 - section 76(9)	**100**	124
Public Governance, Performance and Accountability Act 2013 - section 77	**123,966**	55,045
Total	**168,069,676**	163,076,030

[1] The Department of Home Affairs made payments of $279,831,761 (2023: $188,828,797) 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

For amounts to be paid out of the Consolidated Revenue Fund under section 83 of the Constitution there must be an appropriation made by law.

Amounts are sometimes paid in the absence of an appropriation contrary to section 83. While there are controls in place to prevent this from happening, it is impossible to fully remove the risk of such payments being made due to the nature of some transactions.

The table below records instances where a breach of section 83 may have occurred in the year ended 30 June 2024.

Appropriations identified as subject to conditions	Payments in 2023-2024 $	Review complete	Breaches identified #	Amount recovered $	Amount to be recovered $	Remedial action taken
Small Business Superannuation Clearing House (SBSCH) Special Account	1,302,121.34	Yes	226	103,182.19	1,198,939.15	Control
Services to Other Entities and Trust Monies (SOETM) Special Account	0.05	Yes	1	-	-	Control
TOTAL	**1,302,121.39**		**227**	**103,182.19**	**1,198,939.15**	

The ATO performs annual risk assessments to mitigate risks 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]		Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office (Comcare receipts)[2]	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Balance brought forward from previous period	**14,644**	13,229	**-**	-
Increases	**18,885**	18,828	**6**	14
Decreases	**(20,392)**	(17,413)	**(6)**	(14)
Total balance carried to the next period	**13,137**	14,644	**-**	-
Balance represented by:				
Cash held in entity bank accounts	**1,178**	1,163	**-**	-
Cash held in the Official Public Account	**11,959**	13,481	**-**	-
Total balance carried to the next period	**13,137**	14,644	**-**	-

[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.
The ACNC Commissioner's functions:
(a) the general administration of this Act
(b) carry out activities that assist registered entities in complying with and understanding this Act, by providing them with guidance and education
(c) assisting the public in understanding the work of the not-for-profit sector, in order to improve the transparency and accountability of the sector, by giving the public relevant information on the ACNC website.

[2] **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 of moneys temporarily held in trust for 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.

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.

Australian Taxation Office
Notes to and forming part of the financial statements

	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]	
	2024	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**81,505**	78,334	**2,165**	-	**232,090**	234,344
Increases	**23,131**	23,499	**5,258**	4,556	**5,904,571**	5,692,336
Decreases	**(18,488)**	(20,328)	**(5,273)**	(2,391)	**(5,894,249)**	(5,694,590)
Total balance carried to the next period	**86,148**	81,505	**2,150**	2,165	**242,412**	232,090
Balance represented by:						
Cash held in entity bank accounts	**3**	9	**-**	-	**61,254**	56,436
Cash held in the Official Public Account	**86,145**	81,496	**2,150**	2,165	**181,158**	175,654
Total balance carried to the next period	**86,148**	81,505	**2,150**	2,165	**242,412**	232,090

[1] **Superannuation Holding Accounts Special Account**
Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 80.
Establishing instrument: *Small Superannuation Accounts Act 1995* - section 8.
Purpose: for the receipt of small superannuation contributions from depositors and distribution to individuals, their nominated superannuation fund, or retirement savings account.

[2] **Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office**
Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.
Establishing instrument: *PGPA Act Determination (Australian Taxation Office SOETM Special Account 2022).*
Purpose: for the receipt and disbursement of amounts that are held on trust or otherwise for the benefit of other persons.
The full closing balance of the Special Account is held on trust for both the current and comparative financial years.
The Special Account was established on 29 September 2022.

[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 full closing balance of the Special Account is held on trust for both the current and comparative financial years.
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) to 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.

Australian Taxation Office
Notes to and forming part of the financial statements

21: Regulatory charging summary

Receipts subject to cost recovery policy	2024	2023
	$m	$m
Amounts applied		
Departmental		
Annual appropriations	**58**	52
Total amounts applied	**58**	52
Expenses		
Departmental	**58**	52
Total expenses	**58**	52
Revenue		
Administered	**12**	12
Total revenue	**12**	12

The cost recovery information included in this note relates to Financial Institutions Supervisory Levies, excise equivalent goods (EEG) warehouse licences and Tax Practitioners Board (TPB) application fees.

Revenue collected through the Financial Institutions Supervisory Levies by the Australian Prudential Regulation Authority (APRA) from the superannuation industry includes a component to cover the expenses of the ATO in administering the Superannuation Lost Member Register (LMR) and 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 application fees are for processing tax practitioner registration and renewal applications.

A copy of the 2023-24 Cost Recovery Implementation Statement (CRIS) for the Financial Institutions Supervisory Levies is available at Cost recovery implementation statement - Prudential regulation of financial institutions (apra.gov.au).

A copy of the 2023-24 CRIS for cargo and trade related activities is available from the Department of Home Affairs.

A copy of the 2023-24 CRIS for TPB application fees is available on the TPB website.

Australian Taxation Office
Notes to and forming part of the financial statements

22: Restructuring

Following the cessation of the Modernising Business Registers (MBR) Program, the Government announced a Machinery of Government (MoG) change that will see responsibility for registry services (including company and business name registrations) move from the ATO to ASIC. ATO employees supporting delivery of these services will also move across. Responsibility for the Australian Business Register and director ID will stay with the ATO. Assets and liabilities transferred with an effective date of 1 June 2024, while employees (including employee provisions) will transfer in March 2025.

Departmental restructuring	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	
Leases	4,636
Other provisions	531
Total liabilities relinquished	**5,167**
Net assets relinquished	**1,585**

07

Appendices

Appendix 1: Laws conferring powers on the Commissioner

The Commissioner of Taxation has responsibilities under a wide range of laws. The main tax and superannuation laws conferring powers or functions on the Commissioner in 2023–24 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 (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.*

Appendix 2: ATO Charter – our performance

The ATO Charter (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 will 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, 2023–24[(a)]

Charter element	Relevant Client experience survey question	2023–24 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.	54%
	▪ The ATO treated me with respect.	74%
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.	61%
	▪ The ATO was responsive.	61%
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.	61%
	▪ The ATO considered my circumstances.	52%
Security of data and privacy[(b)]: 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.	50%

Notes

(a) The refreshed ATO Charter commenced on 26 June 2023. The information in this table has been updated to reflect our Charter commitments from 2023–24, and will provide a baseline for future performance results.

(b) 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 2023–24 against its associated ATO Charter commitment.

Table 7.2 Complaints received, by ATO Charter commitment, 2023–24

ATO Charter commitment	Number of complaints received in 2023–24 – associated with the ATO Charter commitment
Fair and reasonable treatment	1,986
Professional service	34,817
Support and assistance	2,843
Security of data and privacy	596
Keep you informed	6,217
Unassigned (no commitment recorded)[(a)]	2,955
Total	**49,414**

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 2023–24, we provided public advice and guidance on a number of priority items, including in relation to:

- crypto assets
- determining who is an employee
- intangible property
- self-education expenses
- financial advice fees
- electric vehicles
- the application of the goods and services tax to supplies of combination food
- vacant land
- car parking fringe benefits
- corporate limited partnerships.

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, 2021–22 to 2023–24

Product	2021–22	2022–23	2023–24
Public rulings (including significant addenda)[(a)]	40	31	32
Class rulings	119	87	74
Product rulings	15	15	27
Practical compliance guidelines (including significant updates)[(b)]	13	14	9
Taxpayer alerts	4	3	3
Decision impact statements	14	8	13
Synthesised texts of the Multilateral Instrument and Australian tax treaties	3	1	4
Total	**208**	**159**	**162**

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, 2023–24

Product	Number	0–6 months	7–12 months	Over 12 months
Taxation rulings and determinations[(b)]	10	3	2	5
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 2023–24, we resolved over 30,400 objections. There were 469 applications for Part IVC review or appeal to the Administrative Review Tribunal (ART) or other courts, with 444 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 Disputes, 2021–22 to 2023–24[(a)]

Cases	2021–22	2022–23	2023–24
Returns lodged	40,744,416	41,908,253	43,530,439
Adjustments arising from audits	537,278	690,916	699,891
Disputed cases resolved			
▪ objections	18,684	23,480	30,465
▪ settlements	453	251	301
▪ litigation outcomes	455	276	444
▪ large market independent reviews	7	1	3
▪ small business independent reviews[(b)]	44	27	48
Average cycle time for objections	102 days	79 days	100 days
Part IVC cases lodged to courts/tribunals	440	388	469
Part IVC cases resolved prior to court hearing	297	169	250
Part IVC cases proceeded to decision	158	107	194
New Part IVC matters in proportion to objections	20.9 per thousand	14.9 per thousand	12.5 per thousand
Number of test case litigations finalised	3	5	3

Notes

(a) Objections include self-objections, which accounts for 52% of all objections resolved in 2023–24.

(b) The small business independent review service, which was in pilot phase from 1 July 2018, moved to business-as-usual effective 1 April 2021.

Settlement cases reviewed under our Independent Assurance of Settlements Program for 2023–24 are shown in Table 7.6. Independent assurers review settlements 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 2023–24[(a)]

Settlement cases	ATO position $m	Settled position $m	Variance $m	Variance %
16[(b)]	5,678.9	3,129.8	2,549.0	45

Notes

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

(b) All independently assured settlements were found fair, reasonable and in the interests of Australia.

Tables 7.7 and 7.8 provide more detail on settlements that occurred during 2023–24.

Table 7.7 Stage at which settlement occurred, 2023–24[(a)(b)]

Stage	Settlement cases	% of total settlements	ATO position $m	Settled position $m	Variance $m	Variance %
Pre-audit	153	50.8	249.4	153.3	96.1	38.5
Audit	81	26.9	1,118.7	755.4	363.3	32.5
Objection	43	14.3	687.1	414.9	272.2	39.6
ART	21	7.0	351.8	285.8	65.9	18.7
Federal Court	3	1.0	415.2	332.1	83.0	20.0
Total	**301**	**100**	**2,822.2**	**1,941.5**	**880.5**	**31.2**

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, 2023–24[(a)(b)]

Group	Settlement cases	% of total settlements	ATO position $m	Settled position $m	Variance $m	Variance %
Individuals[(c)]	2	0.7	0	0	0	0
Small business	15	5.0	3.2	2.2	0.9	30.0
Privately owned and wealthy groups	154	51.2	199.5	135.0	64.5	32.3
Public and multinational businesses	67	22.3	2,604.5	1,795.8	808.7	31.0
APRA-regulated superannuation funds	1	0.3	9.0	4.3	4.7	52.3
Self-managed superannuation funds	62	20.6	5.9	4.2	1.7	29.5
Total	**301**	**100**	**2,822.2**	**1,941.5**	**880.5**	**31.2**

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 2023–24, our total legal expenditure increased by $8.9 million (8.5%) when compared to the previous year.

Our internal legal services costs were $2.0 million (4.6%) higher than 2022–23 due to increases in staff costs and salaries ($3.2 million), offset by a reduction in total overhead costs ($1.2 million).

External expenditure increased by around $7.0 million (11.2%). This was mainly attributable to legal costs associated with increasing debt recovery actions following the pause of this work as a response to the pandemic. In addition, a number of complex tax technical legal cases incurred significant costs compared to the previous year.

Table 7.9 Legal services expenditure, 2023–24[(a)(b)]

Type of expenditure	$
Total costs recovered	**4,133,860**
Briefs to counsel	16,332,053
Disbursements (excluding counsel)	23,583,704
Professional fees paid	29,296,817
External legal services expenditure[(c)]	**69,212,574**
Internal legal services expenditure[(d)]	**44,737,200**
Total (external and internal expenditure)	**113,949,774**

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 $666,122. Total internal legal services expenditure for the TPB was $3,117,760. Total ACNC external legal services expenditure was $289,016. Total internal legal services expenditure for the ACNC was $1,297,302.

(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, 2023–24[a][b]

Type of brief	New briefs	Total briefs	Value $
Briefs to senior counsel			
Direct briefs to male senior counsel	58	94	1,488,239
Direct briefs to female senior counsel	36	83	1,749,545
Indirect briefs to male senior counsel	102	193	4,395,731
Indirect briefs to female senior counsel	67	157	3,736,543
Total senior	**263**	**527**	**11,370,058**
Briefs to junior counsel			
Direct briefs to male junior counsel	61	104	1,164,602
Direct briefs to female junior counsel	47	72	684,481
Indirect briefs to male junior counsel	78	144	2,005,485
Indirect briefs to female junior counsel	43	71	1,107,427
Total junior	**229**	**391**	**4,961,995**
Total	**492**	**918**	**16,332,053**

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 2023–24, 71% of reported litigation outcomes under Part IVC of the *Taxation Administration Act 1953* wholly supported the ATO's position or assessments. Of the litigation decisions under Part IVC, the remaining 29% 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 significant cases decided by the courts and the Administrative Review Tribunal (ART) in 2023–24. The main issues of each case are listed, as well as the outcome or status at 30 June 2024.

Those marked with an asterisk (*) were funded by the ATO under the Test Case Litigation Program 2023–24. 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 Significant cases, 2023–24

Matter	Issue	Outcome
Fringe benefits tax cases		
Bechtel Australia Pty Ltd v Commissioner of Taxation [2024] FCAFC 33	Whether the travel expenses for fly-in fly-out workers are not subject to fringe benefits tax due to the 'otherwise deductible' rule.	The Full Federal Court dismissed the taxpayer's appeal.
Goods and services tax cases		
Banktech Group Pty Ltd and Commissioner of Taxation [2023] AATA 3850	Whether fees charged for withdrawals from EFTPOS cash-out devices are fees charged for 'ATM services' and thereby input-taxed.	The Administrative Review Tribunal dismissed the taxpayer's appeal.
Commissioner of Taxation v Hannover Life Re of Australasia Ltd [2024] FCAFC 23	Whether the apportionment used in calculating input tax credits for expenses relating to input-taxed supplies and GST-free supplies is reasonable.	The Full Federal Court dismissed the Commissioner's appeal.
CPG Group Pty Ltd and Commissioner of Taxation [2024] AATA 199	Whether the GST general anti-avoidance rule applies to deny the taxpayer input tax credits with respect to the acquisition of adulterated gold bullion.	The Administrative Review Tribunal allowed the taxpayer's appeal in part. The Commissioner has appealed to the Federal Court. The appeal is test case funded.
HNMF and Commissioner of Taxation [2023] AATA 4067	Whether the GST general anti-avoidance rule applies to deny the taxpayer input tax credits with respect to the acquisition of adulterated gold bullion.	The Administrative Review Tribunal allowed the taxpayer's appeal. The Commissioner has appealed to the Federal Court.
Konebada Pty Ltd ATF the William Lewski Family Trust v Commissioner of Taxation [2024] FCAFC 42	Whether the taxpayer was carrying on an enterprise and was entitled to input tax credits for expenses on legal and other professional services.	The Full Federal Court dismissed the taxpayer's appeal.
Simplot Australia Pty Limited v Commissioner of Taxation [2023] FCA 1115	Whether certain frozen foods were of a kind that were 'marketed as a prepared meal'.	The Federal Court dismissed the taxpayer's appeal.
SLDL and Commissioner of Taxation [2024] AATA 912	Whether the redemption of loyalty points reduces the 'total amounts wagered' for the purposes of calculating the 'Global GST amount' on gambling supplies.	The Administrative Review Tribunal dismissed the taxpayer's appeal.

Table 7.11 Significant cases, 2023–24 *continued*

Matter	Issue	Outcome
Income tax cases – trusts		
Bendel and Commissioner of Taxation [2023] AATA 3074	Whether a corporate beneficiary with an unpaid present entitlement has made a loan or provided financial accommodation to the trustee.	The Administrative Review Tribunal allowed the taxpayer's appeal. The Commissioner has appealed to the Full Federal Court. The appeal is test case funded.
Collie and Commissioner of Taxation [2024] AATA 440***;*** ***Grant and Commissioner of Taxation*** [2024] AATA 427	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 Administrative Review Tribunal found that the general anti-avoidance rule applied but allowed the taxpayer's appeal in part, finding a tax benefit in an amount less than that assessed by the Commissioner.
*****Commissioner of Taxation v Michael John Hayes Trading Pty Ltd as trustee of the MJH Trading Trust*** [2024] FCAFC 80; ***Michael John Hayes Trading Pty Ltd as trustee of the MJH Trading Trust and Commissioner of Taxation*** [2023] AATA 3005	Whether a scheme was by way of, or in the nature of, a dividend stripping operation.	The Administrative Review Tribunal allowed the taxpayer's appeal. The Commissioner appealed to the Full Federal Court. The Full Federal Court allowed the Commissioner's appeal. The Full Federal Court has remitted the matter back to the Tribunal for reconsideration.[a]
Minerva Financial Group Pty Ltd v Commissioner of Taxation [2024] FCAFC 28	Whether the shifting of income from a securitisation trust to an offshore trust gave rise to a tax benefit under the general anti-avoidance rule.	The Full Federal Court allowed the taxpayer's appeal.
Income tax cases – other		
Ausnet Services Limited v Commissioner of Taxation [2024] FCA 90	Whether a valid rollover election was made with respect to a restructure involving a stapled group.	The Federal Court dismissed the taxpayer's appeal. The taxpayer has appealed to the Full Federal Court.
Bowerman and Commissioner of Taxation [2023] AATA 3547	Whether a loss incurred on the sale of a property in which the taxpayer resided for a period is deductible.	The Administrative Review Tribunal allowed the taxpayer's appeal.
Buzadzic v Commissioner of Taxation [2024] FCAFC 50	Whether the Tribunal misapplied the onus of proof and misconstrued 'ordinary income'. Whether an opinion of fraud or evasion was formed prior to the issuing of default assessments.	The Full Federal Court dismissed the taxpayer's appeal. The taxpayer has applied for special leave to appeal to the High Court of Australia.[b]
GQHC and Commissioner of Taxation [2024] AATA 409	Whether the taxpayer's activities were 'R&D' activities. Whether the Commissioner can challenge the eligibility of registered activities in the absence of a 'finding' by Innovation and Science Australia.	The Administrative Review Tribunal dismissed the taxpayer's appeal.
Hedges v Commissioner of Taxation [2023] HCASL 182; [2023] FCAFC 105	Whether the taxpayer was entitled to receive capital proceeds for the disposal of his interest in the goodwill of a partnership.	The Full Federal Court dismissed the taxpayer's appeal. The High Court of Australia dismissed the taxpayer's special leave application.
Ierna v Commissioner of Taxation [2024] FCA 592	Whether a restructure provided a demerger or capital benefit for the dominant purpose of providing a tax benefit. Whether the general anti-avoidance rule otherwise applies to deny a tax benefit.	The Federal Court allowed the taxpayer's appeal.

Table 7.11 Significant cases, 2023–24 *continued*

Matter	Issue	Outcome
Kilgour v Commissioner of Taxation [2024] FCA 687	Whether the capital gain from the sale of shares is reduced due to application of the market value substitution rule.	The Federal Court dismissed the taxpayer's appeal.[c]
Merchant v Commissioner of Taxation [2024] FCA 498	Whether the general anti-avoidance rule applies to deny a tax benefit where company profits were reduced through debt forgiveness to another company.	The Federal Court dismissed the taxpayer's appeal.
Mylan Australia Holding Pty Ltd v Commissioner of Taxation (No 2) [2024] FCA 253	Whether the general anti-avoidance rule applies to disallow interest deductions claimed by the taxpayer for amounts borrowed from a related offshore entity.	The Federal Court allowed the taxpayer's appeal.
Singapore Telecom Australia Investments Pty Ltd v Commissioner of Taxation [2024] FCAFC 29	Whether the lending arrangements between the taxpayer and an offshore related entity gave rise to a transfer pricing benefit.	The Full Federal Court dismissed the taxpayer's appeal. The taxpayer has applied for special leave to appeal to the High Court of Australia.
Sladden and Commissioner of Taxation [2023] AATA 3815	Whether a lump sum settlement payment made by an insurer under a deed of release is assessable income.	The Administrative Review Tribunal 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 [2023] HCASL 200; [2023] FCAFC 129	Whether motor vehicles displayed in a museum and available for sale were held as trading stock and for no other purpose.	The Full Federal Court dismissed the taxpayer's appeal. The High Court of Australia granted the taxpayer's application for special leave to appeal.
GHTZ and Commissioner of Taxation [2024] AATA 453	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 Administrative Review Tribunal allowed the taxpayer's appeal in part, finding the taxpayer is entitled to a decreasing adjustment for new cars. The Commissioner has appealed to the Full Federal Court. The appeal is test case funded.
Petroleum resource rent tax cases		
Esso Australia Resources Pty Ltd v Commissioner of Taxation [2024] FCA 87	Whether monthly reservation fees or a settlement sum were assessable tolling receipts or assessable property receipts.	The Federal Court allowed the taxpayer's appeal. The Commissioner has appealed to the Full Federal Court.
Superannuation cases		
BPFN and Commissioner of Taxation [2023] AATA 2330	Whether income derived from loans between related entities was non-arm's length income. Whether the distribution of the income to a self-managed superannuation fund is exempt current pension income.	The Administrative Review Tribunal allowed the taxpayer's appeal.
****Commissioner of Taxation v JMC Pty Ltd*** [2023] HCASL 155	Whether a lecturer was an employee under the extended meaning of 'employee' under the *Superannuation Guarantee (Administration) Act 1992*.	The High Court of Australia dismissed the Commissioner's special leave application.
Stern v Commissioner of Taxation [2024] FCAFC 21	Whether a defined benefit lifetime pension is excluded from the calculation of excess transfer balance.	The Full Federal Court dismissed the taxpayer's appeal.

Table 7.11 Significant cases, 2023–24 *continued*

Matter	Issue	Outcome
Taxation administration cases		
Commissioner of Taxation v Bazzo [2024] FCA 452	Whether the taxpayer must prove all amounts that are subject of a tax assessment are not taxable income in order to prove the assessment is excessive or otherwise incorrect.	The Federal Court dismissed the Commissioner's appeal. The Federal Court allowed the taxpayer's cross appeal. The penalty assessments have been remitted back to the Tribunal for reconsideration.
Commissioner of Taxation v Iannuzzi (No 3) [2024] FCA 45	Whether the Federal Court has the power to disregard a period between deregistration and reinstatement of companies for the purposes of determining the limitation period for voidable transactions.	The Federal Court determined it does not have power to make orders disregarding the period between deregistration and reinstatement. The Commissioner has sought leave to appeal to the Full Federal Court.
Hyder v Commissioner of Taxation [2023] HCASL 99	Whether the Commissioner is prohibited from collecting tax payable under an alternative assessment where another taxpayer has paid the tax on a different alternative assessment.	The High Court of Australia dismissed the taxpayer's special leave application.
Lee v Deputy Commissioner of Taxation [2023] HCASL 114	Whether 'protected information' included in an affidavit and adduced as evidence in court proceedings cannot be on-disclosed to third parties.	The High Court of Australia dismissed the taxpayer's special leave application.
Withholding tax cases		
PepsiCo, Inc v Commissioner of Taxation [2024] FCAFC 86; [2023] FCA 1490	Whether the taxpayer received a royalty from an Australian entity for the use of the taxpayer's intellectual property. Whether the taxpayer received a diverted profits tax benefit in the form of not being subject to royalty withholding tax.	The Federal Court partly allowed the taxpayer's appeal, setting aside the diverted profits tax assessments and finding the taxpayer liable to royalty withholding tax. The taxpayer appealed with respect to the royalty withholding tax assessments. The Commissioner appealed with respect to the diverted profits tax assessments. The Full Federal Court allowed the taxpayer's appeal and dismissed the Commissioner's appeal.[d]

Notes
The following notes include information available at 6 September 2024.
(a) On 12 July 2024, the taxpayer applied for special leave to appeal to the High Court.
(b) On 5 September 2024, the High Court refused the taxpayer's special leave application.
(c) On 24 July 2024, the taxpayer appealed to the Full Federal Court.
(d) The Commissioner applied for special leave to appeal to the High Court of Australia on 8 August 2024.

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 across the majority of taxpayer experiences increased in 2023–24, reflecting ongoing cash flow impacts and 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, 2021–22 to 2023–24[(a)]

Activity	2021–22 $b	2022–23 $b	2023–24 $b
Individuals			
▪ collectable debt	4.2	5.1	4.7
▪ debt subject to objection or appeal	0.2	0.6	0.5
▪ insolvency debt	0.6	0.6	0.6
Small business			
▪ collectable debt	29.3	33.4	35.2
▪ debt subject to objection or appeal	1.1	1.2	1.3
▪ insolvency debt	4.9	6.4	8.7
Privately owned and wealthy groups			
▪ collectable debt	8.9	9.8	10.3
▪ debt subject to objection or appeal	4.8	6.5	7.8
▪ insolvency debt	3.0	3.8	4.3
Public and multinational businesses			
▪ collectable debt	1.8	1.2	2.0
▪ debt subject to objection or appeal	6.6	7.7	8.6
▪ insolvency debt	0.5	0.5	0.5
Not-for-profit organisations			
▪ collectable debt	0.2	0.2	0.3
▪ debt subject to objection or appeal	0.0	0.0	0.5
▪ insolvency debt	0.0	0.0	0.0
Self-managed superannuation funds			
▪ collectable debt	0.4	0.4	0.4
▪ debt subject to objection or appeal	0.0	0.1	0.1
▪ insolvency debt	0.0	0.0	0.0
Superannuation funds			
▪ collectable debt	0.0	0.0	0.0
▪ debt subject to objection or appeal	0.1	0.0	0.1
▪ insolvency debt	0.0	0.0	0.0

Note

(a) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the *Taxation Administration Act 1953* (TAA) and insolvency debt in this table will vary from Table 7.13 as it includes main revenue types only.

The proportions of debt accounted for by activity statement debt, income tax debt and superannuation guarantee charge debt are reasonably consistent over time.

Table 7.13 Value of debt holdings by main revenue type, 2021–22 to 2023–24[(a)]

Activity	2021–22 $b	2022–23 $b	2023–24 $b
Activity statement			
▪ collectable debt	27.3	31.9	33.5
▪ debt subject to objection or appeal	0.5	0.8	1.3
▪ insolvency debt	5.5	7.6	9.7
Income tax			
▪ collectable debt	15.1	15.6	16.7
▪ debt subject to objection or appeal	12.0	14.7	16.9
▪ insolvency debt	2.1	2.2	2.7
Superannuation guarantee charge			
▪ collectable debt	1.9	2.0	2.1
▪ debt subject to objection or appeal	0.1	0.0	0.1
▪ insolvency debt	1.2	1.2	1.4

Note
(a) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the TAA and insolvency debt in this table will vary from Table 7.13 as only the main revenue types are included here.

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. Taxpayers that have active payment plans or insolvency, liquidation or disputed debt activities are considered engaged.

Table 7.14 Collectable debts by group – disengaged taxpayers, 2023–24

Group	Number of disengaged taxpayers with collectable debt	Value of collectable debt[(a)] $b
Individuals	3,918	1.0
Not-for-profits: Charities	141	0.1
Privately owned and wealthy groups	3,252	2.7
Public and multinational businesses	203	0.2
Self-managed superannuation funds	159	0.1
Small businesses	38,569	10.9

Note
(a) Value of collectable debt does not equal the total collectable debt for each industry division, as shown in Table 7.13. It also does not include amounts owed by companies no longer registered with ASIC, or director penalty liability amounts which are parallel liabilities.

Table 7.15 Collectable debts by industry division – disengaged taxpayers, 2023–24[(a)]

Industry division	Number of disengaged taxpayers with collectable debt	Value of collectable debt[(b)] $b
Accommodation and Food Services	4,220	1.3
Administrative and Support Services	3,020	1.0
Agriculture, Forestry and Fishing	845	0.3
Arts and Recreation Services	721	0.2
Construction	14,079	4.0
Education and Training	450	0.1
Electricity, Gas, Water and Waste Services	177	0.1
Financial and Insurance Services	1,594	0.6
Health Care and Social Assistance	1,784	0.8
Information, Media and Telecommunications	370	0.1
Manufacturing	2,215	0.7
Mining	129	0.1
Other Services	3,350	0.9
Professional, Scientific and Technical Services	4,853	1.7
Public Administration and Safety	335	0.2
Rental, Hiring and Real Estate Services	1,538	0.6
Retail Trade	2,386	0.8
Special ATO Division	379	0.4
Transport, Postal and Warehousing	2,714	0.7
Wholesale Trade	1,083	0.4

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 data-driven, human decision-making to pursue, pause or cease recovery actions where appropriate – including where the taxpayer becomes insolvent, or debts are considered uneconomical to pursue.

Determining some debts as being either uneconomical to pursue or irrecoverable at law helps ensure we are focusing our collection activities on the right debts.

For more information about our debt-related performance and results, see Key focus area: Address collectable debt on page 15, Table 3.15 Debt – Ratio of collectable debt to net tax collections, 2021–22 to 2023–24 on page 60 and Table 3.56 Ratio of debt uneconomical to pursue, 2021–22 to 2023–24 on page 117.

Table 7.16 Debt not pursued, 2021–22 to 2023–24[(a)]

Activity	2021–22 $b	2022–23 $b	2023–24 $b
Value of debt			
▪ uneconomical to pursue	1.2	1.3	3.7
▪ irrecoverable at law	1.6	2.2	3.1

Note

(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.

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 2023–24.

Compensation claims

In 2023–24, we registered 172 compensation claims and finalised 174 (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, 2023–24[(a)]

Claims	1 month	1–3 months	3–6 months	6–12 months	1 year +
Percentage of claims	7.5%	42.0%	39.7%	7.5%	3.5%

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

Compensation payments

The total amount of 27 compensation payments made in 2023–24 was $31,258. The average payment made was $1,158 and the median payment was $787.

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 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 2024.

Table 7.18 Commitments to service – Timely, 2022–23 and 2023–24

Service commitment		Target	Achieved 2022–23		Achieved 2023–24	
			Result	Indicator	Result	Indicator
Tax practitioner calls over the tax time period, at 31 October	answered within 2 minutes	90%	90%	✓	–[(a)]	–
Average wait time for inbound general calls	less than 15 minutes	15 min	10 min 49 sec	X[(b)]	12 min 41 sec	✓
Electronic taxpayer requests	finalised in 15 business days	90%	89%	X	94%	✓
Private rulings	finalised in 28 calendar days of receiving all necessary information	80%	86%	✓	89%	✓
Superannuation guarantee employee notifications	finalised within 4 months	60%	76%	✓	83%	✓
Superannuation guarantee employee notifications	finalised within 9 months	90%	100%	✓	100%	✓
Electronic tax returns and activity statements[(c)]	finalised in 12 business days	94%	99%	✓	99%	✓
Electronic amendments	finalised in 20 business days	90%	96%	✓	97%	✓
Paper tax returns, activity statements and amendments	finalised in 50 business days	80%	93%	✓	96%	✓
Australian residents' ABR registrations	finalised in 20 business days	93%	98%	✓	99%	✓

Table 7.18 Commitments to service – Timely, 2022–23 and 2023–24 *continued*

Service commitment		Target	Achieved 2022–23 Result	Achieved 2022–23 Indicator	Achieved 2023–24 Result	Achieved 2023–24 Indicator
Electronic Commissioner of Taxation registrations	finalised in 20 business days	93%	96%	✓	99%	✓
Complaints received	resolved in 15 business days or within the date negotiated with the client	85%	92%[(d)]	✓	98%[(e)]	✓

✓ = met X = not met – = not reported

Notes

(a) Not reported in 2023–24 – updated to new measure commencing 2024–25.
(b) In 2022–23, the target for average wait time for inbound general calls was less than 10 minutes.
(c) Target applies to current-year tax returns only.
(d) 64% of complaints resolved in 15 business days, regardless of additional time negotiated with the client.
(e) 60% of complaints resolved in 15 business days, regardless of additional time negotiated with the client.

Table 7.19 Commitments to service – Keep me informed, 2022–23 and 2023–24

Service commitment		Target	Achieved 2022–23 Result	Achieved 2022–23 Indicator	Achieved 2023–24 Result	Achieved 2023–24 Indicator
Private rulings	contact within 14 calendar days if request will take more than 28 calendar days to resolve	80%	88%	✓	88%	✓

✓ = met X = not met

Activities

We undertake a range of activities to support the delivery of the tax system, and aspects of the superannuation and registry systems. 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, 2021–22 to 2023–24

Activity	2021–22	2022–23	2023–24
Number provided of:			
▪ interpretative guidance products	45,768	41,963	39,535
▪ private rulings	4,347	3,918	4,219
Elapsed time in days for private rulings:			
▪ average	132	110	101
▪ median	100	77	70
Perceptions that the *process* was fair in:			
▪ disputes	57%	38%	19%
— individuals	58%	–[a]	24%
— business	50%	–[a]	–[a]
▪ audits, advice or private rulings	59%	55%	52%
— individuals	59%	56%	54%
— business	59%	52%	50%
Perceptions that the *final decision* was fair in:			
▪ disputes	66%	38%	20%
— individuals	69%	–[a]	21%
— business	54%	–[a]	–[a]
▪ audits, advice or private rulings	58%	52%	52%
— individuals	57%	55%	55%
— business	59%	49%	50%

Note
(a) Insufficient sample size to produce a reliable result.

Table 7.21 Activities and outputs – Obligations and entitlements processing, 2021–22 to 2023–24[a]

Activity	2021–22	2022–23	2023–24
Number of registrations processed[b]:			
▪ Commissioner of Taxation	1.7m	2.2m	1.6m
▪ Australian Business Register	1.3m	1.5m	1.5m
Number of returns, statements and forms processed	325.4m	351.4m	353.6m
Proportion of:			
▪ income tax returns lodged	88.4%	89.2%	89.0%
▪ activity statements lodged	83.4%	84.9%	86.6%
Proportion of tax returns lodged electronically	98.5%	98.7%	98.7%
Number of payments processed	28.9m	32.1m	36.7m
Proportion of payments made and received through electronic channels	99.5%	99.7%	99.8%

Notes
(a) Some items reported for 2023–24 (such as proportion of income tax returns lodged) relate to the 2022–23 tax year.
(b) The number of registrations published in the 2021–22 and 2022–23 annual reports included Commissioner of Taxation registrations only.

Table 7.22 Activities and outputs – Revenue assurance, 2021–22 to 2023–24

Activity	2021–22	2022–23	2023–24
Number of refunds issued	14.9m	15.6m	15.3m
Number of compliance activities undertaken	4.8m	4.4m	5.7m
Value of tax collected:			
▪ gross	$648.5b	$731.0b	$769.7b
▪ net	$515.6b	$576.2b	$610.6b
Value of refunds paid	$132.9b	$154.8b	$159.1b
Value of compliance liabilities as a result of compliance audits, reviews and other checks:			
▪ raised	$17.3b	$18.7b	$18.6b
▪ collected	$12.1b	$12.1b	$13.4b
Value of penalties and interest collected	$2.9b	$3.2b	$3.8b

Table 7.23 Activities and outputs – Securing retirement income, 2021–22 to 2023–24

Activity	2021–22	2022–23	2023–24
Number of lost superannuation accounts	348,685	319,863	332,895
Number of ATO-held superannuation accounts[(a)]	6.5m	6.7m	6.8m
Proportion of APRA fund annual balance returns lodged on time[(b)]	91.2%	95.7%	96.5%
Number of excess contributions determinations issued[(c)]	145,139	169,547	158,436
Number of Division 293 tax assessments issued[(d)]	324,108	408,886	438,696
Proportion of self-managed superannuation funds (SMSFs) with contraventions reported by approved SMSF auditors compared to the total number of lodging SMSFs	2.8%[(e)]	2.7%[(f)]	2.9%[(g)]
Value of lost superannuation accounts	$10.4b	$10.1b	$11.8b
Value of ATO-held superannuation accounts[(a)]	$5.6b	$5.9b	$6.0b
Value of excess contributions determinations issued	$1.4b	$2.9b	$2.2b
Value of Division 293 tax assessments issued	$974.5m	$1,353m	$1,504m
Proportion of superannuation guarantee compliance casework consisting of ATO-initiated work	58%	83%	83%

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 2019–20 at June 2022.
(f) Relates to the contraventions reported for 2020–21 at June 2023.
(g) Relates to the contraventions reported for 2021–22 at June 2024.

Table 7.24 Activities and outputs – Administered program outputs, 2021–22 to 2023–24

Activity	2021–22	2022–23	2023–24
Program 1.5 – Australian Screen and Digital Game Production Incentive – Number of tax offsets processed	208	311	367
Program 1.7 – Fuel Tax Credits Scheme – Value of claims	$7.5b	$7.0b	$9.7b
Program 1.7 – Fuel Tax Credits Scheme – Number of registered participants	272,940	276,570	287,635
Program 1.7 – Fuel Tax Credits Scheme – Proportion of payments processed within service standard time frames	95.7%	99.0%	99.0%
Program 1.9 – Product Stewardship for Oil – Value of payments processed	$89.1m	$89.0m	$91.2m
Program 1.9 – Product Stewardship for Oil – Value of revenue collected	$26.1m	$29.2m	$50.7m
Program 1.9 – Product Stewardship for Oil – Number of claims processed	380	384	398
Program 1.9 – Product Stewardship for Oil – Number of participants registered	40	39	42
Program 1.9 – Product Stewardship for Oil – Proportion of payments processed within service standard time frames	98%	84%	97%
Program 1.10 – Research and Development Tax Incentive – Value of claims processed for companies claiming the non-refundable research and development tax offset	$2.0b tax offset paid or applied	$2.9b tax offset paid or applied	$2.9b 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	$2.7b tax offset paid or applied	$3.6b tax offset paid or applied	$4.0b 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	1,290	1,346	1,404
Program 1.10 – Research and Development Tax Incentive – Number of claims processed for companies claiming the refundable research and development tax offset	10,513	11,761	11,888
Program 1.11 – Low Income Superannuation Tax Offset – Number of beneficiaries of entitlements determined	2.5m	2.7m	2.5m
Program 1.11 – Low Income Superannuation Tax Offset – Value of entitlements determined	$589.1m	$673.7m	$665.6m
Program 1.11 – Low Income Superannuation Tax Offset – Value of entitlements paid	$588.5m	$664.4m	$664.7m
Program 1.12 – Private Health Insurance Rebate – Number of individuals with private health insurance rebate details assessed through the tax system	8.02m	8.31m	8.59m
Program 1.13 – Superannuation Co-contribution Scheme – Number of beneficiaries of entitlements determined	385,042	412,563	353,462
Program 1.13 – Superannuation Co-contribution Scheme – Value of entitlements determined	$120m	$130m	$111m
Program 1.13 – Superannuation Co-contribution Scheme – Value of entitlements paid	$118.8m	$127.7m	$112.4m
Program 1.14 – Superannuation Guarantee Scheme – Number of superannuation guarantee complaints leading to:			
■ a superannuation liability being raised	11,726	9,219	10,326
■ no result	3,531	3,415	5,255

Table 7.24 Activities and outputs – Administered program outputs, 2021–22 to 2023–24 *continued*

Activity	2021–22	2022–23	2023–24
Program 1.14 – Superannuation Guarantee Scheme – Number of employees who have had superannuation guarantee entitlements raised as a result of:			
▪ ATO compliance activities	244,482	211,769	282,300
▪ voluntary disclosures	365,362	521,332	856,100
Program 1.14 – Superannuation Guarantee Scheme – Number of:			
▪ employers whose records are checked	15,507	12,020	15,545
▪ checks leading to a superannuation liability being raised	12,275	9,054	10,764
Program 1.14 – Superannuation Guarantee Scheme – Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO	1.2%	0.9%	1.1%
Program 1.15 – Interest on unclaimed superannuation accounts paid – Number of interest payments processed	0.80m	0.87m	0.75m
Program 1.15 – Interest on unclaimed superannuation accounts paid – Value of interest payments processed	$12.9m	$24.6m	$52.9m
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	181,129	581,364	679,245
Program 1.18 – Seafarer Tax Offset – Number of tax offsets processed	Less than 5	Less than 5	Less than 5
Program 1.18 – Seafarer Tax Offset – Value of tax offsets processed	$9.0m	$9.3m	$9.4m

Table 7.25 Activities and outputs – Corporate services, 2021–22 to 2023–24

Activity	2021–22	2022–23	2023–24
Rate of unscheduled absence (days)	11.9	13.0	12.5

Table 7.26 Activities and outputs – Working across government and internationally, 2021–22 to 2023–24

Activity	2021–22	2022–23	2023–24
Number of memorandums of understanding	190	149	150
Number of international information exchanges	278 incoming 95 outgoing	404 incoming 114 outgoing	412 incoming 198 outgoing

Farm management deposits

The farm management deposits (FMD) scheme is designed to assist primary producers 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 2024, total holdings were $7 billion, held in 44,877 FMD accounts.

Table 7.27 Activities and outputs – Farm management deposits, 2021–22 to 2023–24[(a)]

Activity	2021–22	2022–23	2023–24
Number of deductible deposits processed	13,205	15,483	12,675
Value of deductible deposits	$1.34b	$1.76b	$1.54b
Number of early repayments processed due to natural disaster	275	239	272
Value of early repayments due to natural disaster	$28m	$24m	$24m
Number of other repayments processed	15,869	12,066	11,693
Value of other repayments	$1.60b	$1.18b	$1.16b

Note
(a) Changes from previously published data occurs as additional information becomes available.

Administered payments

All deliverables are achieved through making payments to eligible recipients in accordance with relevant laws.

We paid $16.5 billion in administered payments in 2023–24, $3.2 billion higher than 2022–23. The increase was mainly due to higher fuel tax credit payments following the expiry of the temporary halving of fuel excise. Continued strength in research and development refundable tax offset claims, and an increase in claim amounts for the post, digital and visual effects production (PDV) offset and producer offset, which are part of the Australian screen and digital games production incentives, also contributed to the increase. This was partially offset by lower cashflow boost payments as the final due date for claims for the scheme has passed.

Table 7.28 Administered payments, 2021–22 to 2023–24[(a)]

Payments	2021–22 $m	2022–23 $m	2023–24 $m
Fuel tax credits	7,501	6,986	9,669
Product stewardship for oil program	89	89	91
Junior Minerals Exploration Incentive	4	5	4
Private health insurance rebate	237	250	237
National rental affordability	162	147	127
Superannuation co-contribution scheme	119	128	112
Research and development refundable tax offsets[(b)]	2,716	3,570	3,971
Australian Screen and Digital Games Production Incentives[(c)]	213	486	597
Low income superannuation tax offset	589	664	665
Interest payments on lost superannuation accounts	13	25	53
Seafarer tax offset	9	9	9
Economic response to the Coronavirus – JobKeeper	22	–11	–7
Economic response to the Coronavirus – Cash Flow Boost	257	254	30
Economic response to the Coronavirus – JobMaker Hiring Credit[(d)]	26	2	0
Total administered payments	**11,958**	**12,605**	**15,559**
Distribution of super guarantee charge entitlements	645	684	932
Total[(e)]	**12,603**	**13,289**	**16,491**

Notes

(a) Totals may differ from the sum of components due to rounding.
(b) Only refundable research and development tax offsets are administered payments.
(c) The Digital Games Tax Offset is included for the first time in 2023–24.
(d) Figure for 2023–24 is rounded to the nearest million. The result is –$0.02m.
(e) The total excludes interest on overpayments of tax ($63 million in 2021–22, $246 million in 2022–23 and $459 million in 2023–24).

Appendix 10: Advertising, direct mail, media placement and market research

Advertising activities

During 2023–24, the ATO conducted the following advertising activities:

- ATO recruitment[(a)]
- Director ID (*Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act))
- Employers: help and support
- Fringe benefits tax
- HECS/HELP
- Help and support (Search only)
- Illegal early access to super
- International GST
- myID
- Promoters and tax exploitation program
- Protecting personal information
- Super health check
- Tax and super basics
- Tax Time 2024
- Tax Time New[(b)]
- Tax Time Switch[(b)].

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 (including 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 $16,300 (GST inclusive) made to advertising, direct mail, media placement and market research organisations. Amounts paid during 2023–24 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, 2023–24[(a)(b)]

Organisation	Initiative, event or product	Total payments $
Media placement		
Cox Inall Ridgeway	Director ID (CATSI Act) advertising/public relations	155,901
Universal McCann	ATO recruitment advertising[(c)]	829,359
Universal McCann	Director ID (CATSI Act) advertising	63,370
Universal McCann	Employers: help and support advertising campaign	52,239
Universal McCann	Fringe benefits tax advertising campaign	70,815
Universal McCann	HECS/HELP advertising campaign	60,604
Universal McCann	Help and support (Search only) advertising campaign	120,776
Universal McCann	Illegal early access to super advertising campaign	19,579
Universal McCann	International GST advertising campaign	54,035
Universal McCann	Promoters and tax exploitation program advertising campaign	56,109
Universal McCann	Protecting personal information advertising campaign	33,000
Universal McCann	Super health check advertising campaign	21,453
Universal McCann	Tax and super basics advertising campaign	229,533
Universal McCann	Tax Time 2024 advertising campaign	71,197
Universal McCann	Tax Time New advertising campaign[(d)]	50,000
Universal McCann	Tax Time Switch advertising campaign[(d)]	50,000
Total		**1,937,970**
Market research		
3arc Social Pty Ltd	Work-related expenses	127,376
Bastion Insights Pty Ltd	Shadow economy	218,891
Chat House Research Pty Ltd	Employee value proposition	79,959
Ernst & Young	Cryptocurrency	63,217
JWS Research	Goods and services tax (GST)	78,100
JWS Research	Small business communications	145,420
Kantar Public Australia Pty Ltd	myID rebranding	702,065
Total		**1,415,028**

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 $16,300 (GST inclusive) to advertising or direct mail organisations in 2023–24.
(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: Use of formal notice and access powers

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 2023–24, there were:

- 51 occasions in which we needed to gather relevant information using our powers to obtain access without notice
- 33,184 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, 2021–22 to 2023–24[(a)]

Access	2021–22	2022–23	2023–24
With notice	9	10	7
Without notice	17	42	51
Immediate	1	0	0
Total	**27**	**52**	**58**

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, 2021–22 to 2023–24[(a)]

Information-gathering notices	2021–22	2022–23	2023–24
Information or document	31,186	26,455	32,959
Attend and give evidence	128	152	185
Formal offshore requests	45	40	40
Total	**31,359**	**26,647**	**33,184**

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 2024, there were no authorisations for our field intelligence staff to hold assumed identities.

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, while Table 7.33 shows the general categories of offence in 2023–24.

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2023–24

		New requests			Processed requests			
Agencies	**On hand 1 July 2023**	**External**	**ATO-initiated**	**Total new requests**	**Withdrawn**	**Rejected**	**Total requests disclosed**	**On hand 30 June 2024**
Subsection 355-70(1)(item 1) – serious offence								
Australian Commission for Law Enforcement Integrity	0	1	1	2	0	0	2	0
Australian Criminal Intelligence Commission	16	92	4	96	12	0	95	5
Australian Federal Police	32	268	17	285	17	0	277	23
Australian Securities & Investments Commission	1	8	0	8	1	0	7	1
Commonwealth Director of Public Prosecutions	0	0	3	3	1	0	2	0
Corruption and Crime Commission – Western Australia	1	25	0	25	0	0	25	1
County Court of Victoria	1	0	0	0	1	0	0	0
Crime and Corruption Commission – Queensland	8	42	0	42	0	0	46	4
District Court of NSW – Downing Centre	1	0	0	0	1	0	0	0
Independent Broad-based Anti-corruption Commission – Victoria	1	15	0	15	0	0	15	1
Independent Commission Against Corruption – South Australia	0	2	0	2	0	0	2	0
National Anti-Corruption Commission	0	14	1	15	0	0	13	2
New South Wales Crime Commission	13	153	0	153	5	0	154	7
Northern Territory Police Force	3	25	0	25	2	0	25	1
NSW Independent Commission Against Corruption	1	0	0	0	0	0	1	0
NSW Police Force	66	383	26	409	49	1	392	33
NSW Police Integrity Commission	0	1	0	1	0	0	1	0
Queensland Police Service	45	260	34	294	35	0	284	20
South Australia Police	16	97	2	99	4	0	107	4

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2023–24 *continued*

Agencies	On hand 1 July 2023	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 2024
Tasmania Police	4	20	0	20	3	0	18	3
Victoria Police	43	301	22	323	47	0	301	18
Western Australia Police Force	9	102	2	104	3	0	102	8
Total serious offences	**261**	**1,809**	**112**	**1,921**	**181**	**1**	**1,869**	**131**
Subsection 355-70(1)(item 2) – ASIO								
Australian Security Intelligence Organisation	0	7	2	9	0	0	9	0
Subsection 355-70(1)(item 4) – Criminal Assets Confiscation Taskforce								
Australian Federal Police	13	148	7	155	5	0	150	13
Subsection 355-70(1)(item 4) – Fraud Fusion Taskforce								
Australian Criminal Intelligence Commission	0	17	3	20	1	0	19	0
Australian Federal Police	0	0	1	1	0	0	1	0
Australian Securities & Investments Commission	0	0	1	1	0	0	1	0
National Disability Insurance Agency	0	59	22	81	7	0	58	16
National Disability Insurance Scheme Quality and Safeguards Commission	0	1	1	2	0	0	2	0
Services Australia	0	2	2	4	1	0	2	1
Total Fraud Fusion Taskforce	**0**	**79**	**30**	**109**	**9**	**0**	**83**	**17**
Subsection 355-70(1)(item 4) – Illicit Tobacco Taskforce								
Australian Border Force	2	7	1	8	1	0	7	2
Department of Home Affairs	0	0	1	1	0	0	1	0
Total Illicit Tobacco Taskforce	**2**	**7**	**2**	**9**	**1**	**0**	**8**	**2**
Subsection 355-70(1)(item 4) – National Anti-Gang Taskforce								
Australian Federal Police	7	4	0	4	2	0	9	0
Subsection 355-70(1)(item 4) – Phoenix Taskforce								
Attorney-General's Department	0	0	6	6	0	0	6	0
AUSTRAC	0	0	17	17	0	0	17	0
Australian Border Force	0	0	16	16	0	0	16	0
Australian Competition & Consumer Commission	1	0	0	0	0	0	1	0
Australian Criminal Intelligence Commission	0	0	8	8	0	0	8	0
Australian Federal Police	0	0	1	1	0	0	1	0
Australian Finance Security Authority	0	0	1	1	0	0	1	0
Australian Securities & Investments Commission	0	0	14	14	0	0	14	0
Department of Employment and Workplace Relations	0	4	2	6	1	0	5	0
Department of Home Affairs	0	0	1	1	1	0	0	0
Department of Industry, Science and Resources	0	0	5	5	0	0	5	0

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2023–24 *continued*

Agencies	On hand 1 July 2023	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 2024
Department of Mines, Industry Regulation and Safety – WA	0	2	4	6	0	0	5	1
Department of Treasury and Finance – South Australia	0	0	3	3	0	0	3	0
Fair Work Ombudsman	0	3	15	18	0	0	18	0
Labour Hire Authority – Victoria	0	58	20	78	0	0	76	2
Labour Hire Licensing Queensland	0	2	0	2	1	0	1	0
NSW Fair Trading	1	1	0	1	1	0	1	0
NSW Police Force	0	0	6	6	0	0	6	0
Office of Industrial Relations – Queensland	0	5	0	5	0	0	5	0
Office of State Revenue – New South Wales	1	0	2	2	2	0	1	0
Office of State Revenue – South Australia	0	0	2	2	0	0	2	0
Office of State Revenue – Victoria	0	0	6	6	0	0	6	0
Office of State Revenue – Western Australia	1	3	8	11	0	0	12	0
Queensland Building & Construction Commission	0	0	1	1	0	0	1	0
Queensland Police	0	0	1	1	0	0	1	0
Return to Work SA	0	0	6	6	0	0	6	0
Victoria Police	0	1	0	1	0	0	1	0
Western Australia Police Force	0	0	6	6	0	0	6	0
Total Phoenix Taskforce	**4**	**79**	**151**	**230**	**6**	**0**	**225**	**3**
Subsection 355-70(1)(item 4) – Serious Financial Crime Taskforce								
Attorney-General's Department	0	0	10	10	0	0	10	0
AUSTRAC	0	1	41	42	3	0	39	0
Australian Border Force	0	1	13	14	0	0	14	0
Australian Criminal Intelligence Commission	0	2	42	44	2	0	41	1
Australian Federal Police	0	7	75	82	5	0	74	3
Australian Securities & Investments Commission	0	1	34	35	3	0	32	0
Australian Signals Directorate	0	0	2	2	0	0	2	0
Commonwealth Director of Public Prosecutions	0	0	11	11	0	0	11	0
Department of Home Affairs	0	6	39	45	1	0	44	0
Services Australia	0	0	15	15	0	0	15	0
Total Serious Financial Crime Taskforce	**0**	**18**	**282**	**300**	**14**	**0**	**282**	**4**

Table 7.32 Requesting agencies and ATO-initiated disclosures, 2023–24 *continued*

Agencies	On hand 1 July 2023	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 2024
Subsection 355-70(1)(item 4) – Shadow Economy Taskforce								
AUSTRAC	0	0	10	10	0	0	10	0
Australian Border Force	0	0	49	49	3	0	46	0
Australian Criminal Intelligence Commission	0	0	17	17	2	0	15	0
Australian Federal Police	0	0	5	5	0	0	5	0
Department of Home Affairs	1	0	51	51	2	0	50	0
Fair Work Ombudsman	1	0	37	37	1	0	37	0
Services Australia	1	0	18	18	0	0	19	0
Total Shadow Economy Taskforce	**3**	**0**	**187**	**187**	**8**	**0**	**182**	**0**
Grand total	**290**	**2,151**	**773**	**2,924**	**226**	**1**	**2,817**	**170**

Table 7.33 shows the general categories of offence for disclosures under subsection 355-70(1) (item 1) in 2023–24. 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), 2023–24

Categories	On hand 1 July 2023	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 2024
Anti-Money Laundering and Counter Terrorism Financing Act 2006	1	10	0	10	0	0	9	2
Autonomous Sanctions Act 2011	0	1	0	1	0	0	1	0
Child Protection Acts[(a)]	0	2	0	2	0	0	2	0
Classification of Computer Games and Images Act 1995 (Qld)	0	1	0	1	0	0	1	0
Common Law	1	21	0	21	1	0	18	3
Community Protection (Offender Reporting) Act 2004 (WA)	0	1	0	1	0	0	1	0
Confiscation Acts[(b)]	29	235	2	237	7	0	250	9
Corporations Act 2001	1	8	0	8	1	0	7	1
Crimes and Criminal Code Acts (Commonwealth)[(c)]	65	403	60	463	63	0	435	30
Crimes and Criminal Code Acts (state)[(d)]	109	726	47	773	89	1	733	59
Criminal Code Compilation Act 1913 (WA)	3	43	0	43	2	0	42	2
Criminal Law Consolidations Act 1935 (SA)	6	23	0	23	1	0	27	1

Table 7.33 General categories of offence (subsection 355-70(1)(item 1), 2023–24 *continued*

Categories	On hand 1 July 2023	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 2024
Customs Act 1901	1	14	0	14	1	0	12	2
Drug Misuse and Trafficking Acts[e]	25	170	1	171	11	0	172	13
Drugs Poisons and Controlled Substances Acts[f]	18	133	0	133	3	0	142	6
Firearms Acts[g]	0	7	0	7	0	0	6	1
Income Tax Assessment Act 1936	0	0	1	1	1	0	0	0
Migration Act 1958	0	1	0	1	0	0	1	0
Proceeds of Crime Act 2002	1	3	1	4	0	0	5	0
Security Industry Act 1997 (NSW)	0	2	0	2	0	0	2	0
Sex Offenders Registration Act 2004 (Vic)	0	1	0	1	0	0	1	0
Superannuation Industry (Supervision) Act 1993	0	2	0	2	0	0	2	0
Taxation Administration Act 1953	1	2	0	2	1	0	0	2
Total	**261**	**1,809**	**112**	**1,921**	**181**	**1**	**1,869**	**131**

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 TPB's annual report at tpb.gov.au/annual-report.

Appendix 13: Fraud or evasion exception

Information about fraud or evasion assessments conducted in 2023–24 is shown in Table 7.34. In 2023–24, there were 124 taxpayers subject to a fraud or evasion assessment. This represents around 0.07% of taxpayers subject to an audit-related assessment. Of the 124 taxpayers, 120 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	0.42	38
Small business	53,242	69	0.13	66
Individuals	108,146	16	0.01	16
Public and multinational businesses	714	0	0.00	0
APRA-regulated superannuation funds	13	0	0.00	0
Not-for-profit organisations	380	0	0.00	0
Self-managed superannuation funds	126	0	0.00	0
Total	**171,886**	**124**	**0.07**	**120**

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.

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 2024, there were 113,634 employers registered.

Table 7.35 shows updated figures for tax returns that were lodged by 30 June 2024, where an amount of net income for working holiday makers was declared.

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	$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 15: Climate action in government operations

Ecologically sustainable development and environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires all Commonwealth agencies to report on certain aspects of ecologically sustainable development and environmental performance. The emissions data reported is calculated and determined by the Department of Finance, Climate Action in Government Operations, using ATO 2023–24 consumption data.

The ATO does not receive departmental funding for work that specifically contributes to ecologically sustainable development.

Greenhouse gas emissions inventory

As part of EPBC Act requirements, and in line with the government's Australian Public Service (APS) Net Zero 2030 policy, Commonwealth entities are required to report on emissions from their operations.

The greenhouse gas emissions inventory presents greenhouse gas emissions for the 2023–24 period. Results are based on carbon dioxide equivalent (CO_2-e) emissions. Greenhouse gas emissions have been calculated in line with the APS Net Zero Emissions Reporting Framework.

In tables 7.36 and 7.37:

- 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 7.36 Greenhouse gas emissions inventory – location-based method, 2023–24[a][b]

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)	n/a	13,558.860	1,565.392	**15,124.253**
Natural gas	90.787	n/a	7.047	**97.834**
Solid waste[c][d]	n/a	n/a	1,073.779	**1,073.779**
Refrigerants[c][e]	0.000	n/a	n/a	**0.000**
Fleet and other vehicles	45.449	n/a	11.560	**57.009**
Domestic commercial flights	n/a	n/a	2,764.776	**2,764.776**
Domestic hire car[c][f]	n/a	n/a	5.384	**5.384**
Domestic travel accommodation[c]	n/a	n/a	191.968	**191.968**
Other energy	0.000	n/a	0.000	**0.000**
Total	**136.235**	**13,558.860**	**5,619.906**	**19,315.002**

Notes
(a) Emissions related to electricity usage using the location-based accounting method. CO_2-e = Carbon dioxide equivalent.
(b) Emissions calculated and determined by Department of Finance – Climate Action in Government Operations, using Australian Taxation Office 2023–24 consumption data.
(c) Emission source collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.
(d) Waste data was estimated based on industry average.
(e) Optional emission source for 2023–24 emissions reporting.
(f) Information has been sourced from third-party providers and may be incomplete.

Table 7.37 Electricity greenhouse gas emissions, 2023–24[a][b][c]

Emission source	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Percentage of electricity use
Electricity (location-based approach)	13,558.860	1,565.392	15,124.253	100%
Market-based electricity emissions	11,578.615	1,429.459	13,008.074	69.77%
Total renewable electricity	–	–	–	30.23%
▪ Mandatory renewables[d]	–	–	–	18.72%
▪ Voluntary renewables[e]	–	–	–	11.51%

Notes
(a) Emissions related to electricity usage using both the location-based and the market-based accounting methods. CO_2-e = Carbon dioxide equivalent.
(b) Emissions calculated and determined by Department of Finance – Climate Action in Government Operations, using Australian Taxation Office 2023–24 consumption data.
(c) Electricity does not produce Scope 1 emissions.
(d) Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
(e) Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Appropriations – administered funding

In 2023–24, 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/business/fuel-schemes/Product-stewardship-for-oil-program.

Appendix 16: Corrections

The following errors appeared in our 2022–23 annual report.

Key focus areas

Implement targeted strategies to address collectable debt

The number of director penalty notices and garnishee notices was incorrectly reported.

As printed on page 13:

Our awareness campaigns and firmer action warning notices were followed by director penalty notices (~~17,901~~ **in respect of 17,459 company liabilities**), disclosure of business tax debts to credit reporting agencies (867), garnishees (~~2,934~~ **2,924**), or legal recovery action. We intentionally prioritised the recovery of super guarantee debts, high-risk debts and other high-value debt cases, and fraud-related debts such as those raised through Operation Protego.

Program 1.9 Product Stewardship for Oil

The 2022–23 result for Program 1.9 Product Stewardship for Oil – Product Stewardship for Oil gap in Table 3.28 was incorrect.

As printed on page 74:

Table 3.28 Product Stewardship for Oil gap, 2020–21 to 2022–23

Performance measure	Product Stewardship for Oil gap	
Source	2022–23 PBS and ATO corporate plan 2022–23	
2022–23 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available	
Results	**2022–23**	**0.6% or ~~$85m~~ $0.85m**
	2021–22	New measure from 2022–23, not previously reported in the annual performance statement
	2020–21	

Program 1.11 Low Income Superannuation Tax Offset

The 2022–23 result for Program 1.11 Low Income Superannuation Tax Offset – Proportion of original contributions paid within 60 days in Table 3.35 was incorrect.

As printed on page 76:

Table 3.35 Proportion of original contributions paid, 2020–21 to 2022–23

Performance measure	Proportion of original contributions paid within 60 days	
Source	2022–23 PBS and ATO corporate plan 2022–23	
2022–23 target	97%	
Results	**2022–23**	~~99.97%~~ **97.29%**
	2021–22	New measure from 2022–23, not previously reported in the annual performance statement
	2020–21	

Excise and other indirect taxes

The result of fuel tax credits claimed by taxpayers as a result of undertaking activities aimed at improving levels of willing participation within the tax and superannuation systems, was incorrectly reported.

As printed on page 96:

In 2022–23, we raised excise liabilities of $5.3 million from correct reporting activities and collected $2.0 million in cash (including collections from liabilities raised in previous years).

For excise transfers (predominantly fuel tax credits), our compliance activities resulted in adjustments in favour of taxpayers of $105.1 million, and adjustments in favour of revenue of $64.8 million. Of adjustments in favour of revenue, we collected $47.5 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 ~~**$4.5 million**~~ **$45.4 million** in fuel tax credits has been claimed by taxpayers.

Payments for advertising, direct mail, media placement and market research

The following information in Table 7.28 Amounts paid to advertising, direct mail, media placement and market research organisations, 2022–23 was incorrect.

As printed on page 241:

Table 7.28 Amounts paid to advertising, direct mail, media placement and market research organisations, 2022–23

Organisation	Initiative, event or product	Total payments $
Media placement		
…		
Universal McCann	ATO recruitment advertising	~~937,193~~ 977,907
…		
Total		~~6,014,435~~ 6,055,149

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	312–317
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	310
17AJ(d)	List of requirements.	Mandatory	297–301
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	1
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	3–5
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	44, 51, 75, 82, 87
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	140
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	140
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	140
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	n/a

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	43–118
17AD(c)(ii)	**Report on Financial Performance**		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	178–180
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	180–184
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.	178
17AD(d)	**Management and Accountability**		
Corporate Governance			
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	VI, 140–141
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud 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 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 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	137–152
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	188
Audit Committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	143
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	144–145
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	144–145
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	144–145
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	144–145
External Scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	146–149
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	146–147, 265–268
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	147–149
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	n/a

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	153
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including: 1. full-time employees 2. part-time employees 3. gender 4. staff location	Mandatory	154–168
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including: 1. staffing classification level 2. full-time employees 3. part-time employees 4. gender 5. staff location 6. employees who identify as Indigenous.	Mandatory	154–168
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	170
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	170
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	171
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	175
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	171–172
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	185
Purchasing			
17AG(6)	An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory	185

PGPA Rule reference	Description	Requirement	Page
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	185–186
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	185
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	185
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	186
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	186–187
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	187
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy contracts		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	185–187
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

PGPA Rule reference	Description	Requirement	Page
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	187–188
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	187–188
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	188
Financial Statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	189–254
Executive Remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	171–174
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	281
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	188
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	149–150
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	147
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	294–296
17AH(2)	Information required by other legislation	Mandatory	
	▪ Fringe benefits tax		23, 26, 120–121, 126
	▪ Risk management		142–146
	▪ Reporting on tax administration		152
	▪ Work health and safety		176–177
	▪ Carer recognition		177
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	▪ Payments for advertising, direct mail, media placement and market research		282
	▪ Information provided to law enforcement agencies		285–289
	▪ Working holiday maker		291

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, 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 or to some form of insolvency administration.
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.
departing Australia superannuation payment (DASP)	The payment of a superannuation balance for an eligible temporary resident leaving Australia.
digital service provider (DSP)	Anyone who develops and delivers digital services to the community, including software developers, gateway providers, third-party providers, system implementers and clearing houses.
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	An Australian resident who controls net assets of over $30 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 the Relationship Authorisation Manager (RAM) and replaced AUSkey in 2020.
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 super fund (SMSF) auditors and other organisations to interact with the ATO.
Online services for DSPs	A modern and secure platform for digital service providers (DSPs) 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.
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.
Relationship Authorisation Manager (RAM)	A digital service that can be used by individuals and businesses to set up and manage relationships across government online services. RAM allows people to manage who is authorised to act on their behalf online.

Secure Internet Gateway (SIG)	Software that provides organisations with cybersecurity protection at the perimeter between their networks and the internet. Designed to prevent cyberattacks, data leaks, advanced threats and other malicious activities.
self-managed super 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	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 resulting from our taxpayer engagement activities. It is a combination of audit yield and wider revenue effects.
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.

Abbreviations

AASB	Australian Accounting Standards Board
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
ART	Administrative Review Tribunal
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 backgrounds
CBD	central business district
CDDA	Compensation for Detriment caused by Defective Administration
CHIATO	Carers, Helpers and Interested others in the ATO
COO	Chief Operating Officer
COVID-19	coronavirus disease 2019
CPA	Certified Practicing Accountants
DASP	Departing Australia superannuation payment
director ID	director identification number
DSP	digital service provider
EEGO	Energy Efficiency in Government Operations
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*
GST	goods and services tax
HELP	Higher Education Loan Program
HR	human resources
ICT	information and communication technology
IGTO	Inspector-General of Taxation and Taxation Ombudsman
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
MBR	Modernising Business Registers program
MYEFO	Mid-Year Economic and Fiscal Outlook
NABERS	National Australian Built Environment Rating System
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*
PID Act	*Public Interest Disclosure Act 2013*
PS Act	*Public Service Act 1999*
RAM	Relationship Authorisation Manager
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
SIG	Secure Internet Gateway
SMSF	self-managed super 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
WET	wine equalisation tax
WHS Act	*Work Health and Safety Act 2011*

Key resources

Our key resources for 2023–24 include:

- ABN Lookup
- ATO corporate plan
- 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.

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