

Audit report of the 2024–25  
annual performance statements

Australian Taxation Office



## **INDEPENDENT AUDITOR'S REPORT on the 2024-25 Annual Performance Statements of the Australian Taxation Office**

**To the Minister for Finance**

### ***Qualified Conclusion***

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of my report, the 2024-25 Annual Performance Statements of the Australian Taxation Office:

- present fairly Australian Taxation Office's performance in achieving its purpose for the year ended 30 June 2025; and
- are prepared, in all material respects, in accordance with the requirements of Division 3 of Part 2-3 of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

### ***Audit criteria***

To assess whether the Australian Taxation Office's annual performance statements complied with Division 3 of Part 2-3 of the PGPA Act, I applied the following criteria:

- whether the entity's key activities, performance measures and specified targets are appropriate to measure and assess the entity's performance in achieving its purposes.
- whether the performance statements are prepared based upon appropriate records that properly record and explain the entity's performance.
- whether the annual performance statements present fairly the entity's performance in achieving the entity's purposes in the reporting period.

### ***Basis for Qualified Conclusion***

*Limitation of scope – measures where the Australian Taxation Office was unable to demonstrate assurance over the reliability and verifiability of the reported results*

After performing audit procedures over the underlying data for the below performance measures, the ANAO has identified deficiencies with the integrity of the data and reporting processes. The Australian Taxation Office was unable to demonstrate how it gains assurance over the reliability and verifiability of the data used to report results for the two measures listed below, as disclosed in the *Limitations* section for each measure and in the Statement by the Accountable Authority. As a result, I have been unable to perform procedures to obtain sufficient appropriate audit evidence to conclude whether the reported results present fairly the Australian Taxation Office's performance for these two measures.

The two measures are:

- Registration – Proportion of companies registered in the system

- Registration – Proportion of individuals registered in the system

### ***Emphasis of Matter – Revised performance reporting framework***

I draw attention to the Australian Taxation Office's disclosure of changes to its purposes, key activities, performance measures and targets from those that were originally set out in its 2024–25 Corporate Plan and/or 2024–25 Portfolio Budget Statements, under the heading *Changes to our performance information*. Tables 3.1 through 3.8 of the performance statements detail these changes to the performance reporting framework of the Australian Taxation Office.

My conclusion is not modified in respect of this matter.

### ***Accountable Authority's responsibilities***

As the Accountable Authority of the Australian Taxation Office, the Commissioner of Taxation is responsible under the PGPA Act for:

- the preparation of annual performance statements that accurately present the Australian Taxation Office's performance in the reporting period and comply with the requirements of the PGPA Act and any requirements prescribed by the *Public Governance, Performance and Accountability Rule 2014* (the Rule).
- keeping records about the Australian Taxation Office's performance as required by the PGPA Act, and
- establishing internal controls that the Accountable Authority determines are appropriate to enable the preparation of annual performance statements.

### ***Auditor's responsibilities for the audit of the performance statements***

My responsibility is to conduct a reasonable assurance engagement to express an independent opinion on the Australian Taxation Office's annual performance statements.

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which include the relevant Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Auditing and Assurance Standards Board.

Procedures were planned and performed to obtain reasonable assurance about whether the annual performance statements of the entity present fairly the entity's performance in achieving its purposes and comply, in all material respects, with the PGPA Act and Rule.

The nature, timing and extent of audit procedures depend on my judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the annual performance statements. In making these risk assessments, I obtain an understanding of internal controls relevant to the preparation of the annual performance statements in order to design procedures that are appropriate in the circumstances.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified conclusion.

***Independence and quality control***

I have complied with the independence and other relevant ethical requirements relating to assurance engagements and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

***Inherent limitations***

Because of the inherent limitations of an assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance of the annual performance statements with the PGPA Act and the Rule as it is not performed continuously throughout the period and the assurance procedures performed are undertaken on a test basis. The reasonable assurance conclusion expressed in this report has been formed on the above basis.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Caralee', written in a cursive style.

Dr Caralee McLiesh PSM  
Auditor-General for Australia  
Canberra  
13 October 2025

## Appendix A — Referencing for Measures in the Basis for Qualified Conclusion paragraph

In preparing the Basis for Qualified Conclusion, I have used the following referencing system.

Key Activity	Performance Measure	Target
1: We collect the right amount of tax in the most efficient way for government and the taxpayer	Registration – Proportion of companies registered in the system	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% from the last reporting period (increase or decrease)
1: We collect the right amount of tax in the most efficient way for government and the taxpayer	Registration – Proportion of individuals registered in the system	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 5% from the last reporting period (increase or decrease)



# 3 Annual performance statements



## Statement by the Accountable Authority

As the Accountable Authority of the Australian Taxation Office listed entity, comprising the Commissioner of Taxation (supported by the ATO), the Tax Practitioners Board (TPB), the Australian Charities and Not-for-profits Commission (ACNC) and the ACNC Advisory Board, I present the following annual performance statements for the listed entity. This statement has been prepared as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and covers the period from 1 July 2024 to 30 June 2025.

In my opinion and having considered the recommendations from the Australian Taxation Office Audit and Risk Committee, the annual performance statements, which report the entity's results against its current performance framework, is based on properly maintained records, accurately presents the performance of the entity for the reporting period and comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule), except for the effect of those matters described in the performance statements.

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



**Rob Heferen**

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

# Introduction

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

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

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

## Changes to our performance information

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

### ATO

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

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

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



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

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

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

**Table 3.1 ATO purpose change**

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

**Table 3.2 Enterprise performance framework, ATO key activity changes**

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

**Table 3.3 ATO Key activities and performance measures**

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

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

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

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

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

## TPB

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

**Table 3.5 Program 1.2 TPB Key activity and performance measures**

Key activity
5. Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour.
Performance measures
<ul style="list-style-type: none"> <li>• Tax practitioner satisfaction</li> <li>• Proportion of completed risk assessments</li> <li>• Sanctions are appropriate</li> </ul>

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

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

## ACNC

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

**Table 3.7 Program 1.4 ACNC Key activity and performance measure**

Key activity
6. Maintaining a free and accurate register of Australian Charities (the Charity Register)
Performance measures
<ul style="list-style-type: none"> <li>• Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision</li> <li>• Percentage of time that the Charity Register is available (excluding scheduled maintenance)</li> </ul>

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

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

## Regulator performance

Our key regulatory functions include:

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

The ATO, TPB and ACNC are committed to achieving our purposes in line with the Australian Government's expectations for regulator performance. The performance measures listed in Table 3.9 demonstrate our performance against the 3 principles of regulator best practice consistent with Resource Management Guide – Regulator Performance (RMG 128) and report our achievement against the principles.

**Table 3.9 Regulator performance reporting**

Regulator best practice principles	ATO	TPB	ACNC
<b>Continuous improvement and building trust:</b> regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings	<ul style="list-style-type: none"> <li>• Lodgment/Registration</li> <li>• Tax gap</li> <li>• Payment</li> <li>• Total revenue effects</li> <li>• Debt</li> <li>• Cost of collection</li> <li>• Compliance cost</li> <li>• Service satisfaction</li> <li>• Administered programs</li> </ul>	<ul style="list-style-type: none"> <li>• Tax practitioner satisfaction</li> <li>• Risk assessments</li> <li>• Sanctions are appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Registering new charities</li> <li>• Availability: Charity Register</li> </ul>
<b>Risk based and data driven:</b> 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	<ul style="list-style-type: none"> <li>• Lodgment/Registration</li> <li>• Tax gap</li> <li>• Payment</li> <li>• Total revenue effects</li> <li>• Debt</li> <li>• Cost of collection</li> <li>• Compliance cost</li> <li>• Service satisfaction</li> <li>• Administered programs</li> </ul>	<ul style="list-style-type: none"> <li>• Tax practitioner satisfaction</li> <li>• Sanctions are appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Registering new charities</li> <li>• Availability: Charity Register</li> </ul>
<b>Collaboration and engagement:</b> regulators are transparent and responsive communicators implementing regulations in a modern and collaborative way	<ul style="list-style-type: none"> <li>• Lodgment/Registration</li> <li>• Tax gap</li> <li>• Payment</li> <li>• Total revenue effects</li> <li>• Debt</li> <li>• Compliance cost</li> <li>• Service satisfaction</li> <li>• Administered programs</li> </ul>	<ul style="list-style-type: none"> <li>• Risk assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Registering new charities</li> <li>• Availability: Charity Register</li> </ul>

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](https://treasury.gov.au).



# Program 1.1 ATO

## Purpose

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

## Program overview

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

## Performance summary

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

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

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

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

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

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

## Performance results and analysis

The achievement of the performance result against the target is assessed against a 3-tier rating scale, as described in Table 3.10. Due to the varied nature of the measures, the respective performance rating criteria are defined individually and described in the methodology sections for each performance measure.

**Table 3.10** Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

## Registration – Proportion of companies registered in the system

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

Performance measure	Registration – Proportion of companies registered in the system														
	<ul style="list-style-type: none"><li>A measure to assess the proportion of companies registered on the ATO client register and actively engaged in the Australian tax and superannuation systems by registering for a tax file number (TFN)</li></ul>														
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer														
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25														
2024–25 target	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% from the last reporting period (increase or decrease)														
Results	2024–25	97.4%*	●	Achieved <sup>(a)</sup>											
	2023–24	66.1%	●	Achieved											
	2022–23	66.5%	●	Achieved											
Analysis	This year we revised the methodology for this measure to overcome previous limitations.														
	The previous methodology compared companies with a TFN registered in ATO systems to Australian Securities & Investment Commission (ASIC) registered company data. ASIC data included many companies that do not require a TFN. For example, 'shelf companies' are routinely created and remain dormant. This did not provide a meaningful indicator of TFN adoption by companies.														
	The revised methodology relies only on ATO data, specifically active records on the ATO client register. This approach focuses on companies actively engaged in the tax and superannuation systems, providing a more meaningful and relevant measure of registration performance.														
	The result for 2024–25 was 97.4%. While the result represents a variance greater than the target variance from the previous reporting period of within +/- 2%, this variance has resulted from the change in methodology and is not attributable to the performance of the ATO. A comparison between the results using the new and previous methodology is provided below to evidence the impact of the methodology change. The target for this measure will be reviewed for the 2025–26 year to ensure that it is fit-for-purpose.														
	<table><tr><th>Financial year</th><th>Results using previous methodology</th><th>Results using new methodology</th></tr><tr><td>2024–25</td><td>65.6%</td><td>97.41%</td></tr><tr><td>2023–24</td><td>66.1%</td><td>97.44%</td></tr><tr><td>2022–23</td><td>66.5%</td><td>97.42%</td></tr></table>				Financial year	Results using previous methodology	Results using new methodology	2024–25	65.6%	97.41%	2023–24	66.1%	97.44%	2022–23	66.5%
Financial year	Results using previous methodology	Results using new methodology													
2024–25	65.6%	97.41%													
2023–24	66.1%	97.44%													
2022–23	66.5%	97.42%													

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

<b>Analysis continued</b>	The below table contains historical calculations showing the revised methodology applied retrospectively.		
	<b>Financial year</b>	<b>Client identifier total</b>	<b>TFN total</b>
			<b>Percentage TFN to all identifiers</b>
	2024–25	4,584,192	4,465,620
	2023–24	4,364,808	4,253,158
	2022–23	4,157,164	4,049,844
	2021–22	3,962,264	3,858,143
	2020–21	3,764,897	3,664,631
<p>The TFN is a foundation registration that underpins taxpayer obligations and engagement in the taxation system. The measurement reflects the ATO's registration performance by way of having a high percentage and stable taxpaying population (individuals and companies) registered through the services we provide. The value of the measure is to form the base of various internal reporting and measurements (for example, ABN, GST). It informs population-wide decision making. Our TFN registration risk management team uses it as one of the measurements to monitor trends and analyse the residual populations.</p> <p>We intend to further investigate taxpayers that do not obtain a TFN as outlined in the limitation section below.</p>			
<b>Type of measure</b>	Effectiveness		
<b>Data sources</b>	ATO systems		
<b>Methodology</b>	<p><b>Numerator</b> – Those companies included in the denominator that have an active TFN at the measurement date.</p> <p><b>Denominator<sup>(b)</sup></b> – All active taxpayers with an ASIC-registered company entity type.</p> <p>The proportion is calculated by dividing the numerator by the denominator (multiplied by 100 and expressed as a percentage).</p>		
<b>Limitations</b>	<p>The denominator includes all companies with an active ATO client record, regardless of whether they would be subject to withholding or would benefit from a TFN for lodgment purposes. This may include:</p> <ul style="list-style-type: none"> <li>• corporate trustees of trusts or superannuation funds</li> <li>• companies with a foreign resident withholding (FRW) vendor role.</li> </ul> <p>*The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this measure. As we have identified an enterprise risk relating to the integrity of our registers, we are actively working to strengthen our controls to mitigate any potential integrity risks.</p>		
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	The previous Registration measure is now being reported as 2 separate measures ('Companies' and 'Individuals'). The methodology and data source have been changed to remove third-party data from the calculation of the result.		

**Notes**

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

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

## Registration – Proportion of individuals registered in the system

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

Performance measure	Registration – Proportion of individuals registered in the system			
	• A measure to assess the proportion of individuals registered on the ATO client register and actively engaged in the Australian tax and superannuation systems by registering for a tax file number (TFN)			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 5% from the last reporting period (increase or decrease)			
Results	2024–25	99.1%*	●	Achieved <sup>(a)</sup>
	2023–24	107.6%	●	Achieved
	2022–23	107.8%	●	Achieved
Analysis	This year we revised the methodology for this measure to overcome previous limitations.			
	The previous methodology used ABS population estimates and age-based criteria, which included individuals who may not be required to participate in the tax system.			
	The revised methodology uses only ATO data, specifically active records on the ATO client register against those with an active TFN.			
	The result for 2024–25 was 99.1%. While the result represents a variance greater than the target variance from the previous reporting period of within +/- 5%, this variance has resulted from the change in methodology and is not attributable to the performance of the ATO. A comparison between the results using the new and previous methodology is provided below to evidence the impact of the methodology change. The target for this measure will be reviewed for the 2025–26 year to ensure that it is fit-for-purpose.			
	Financial year		Results using previous methodology	Results using new methodology
	2024–25		107.6%	99.07%
	2023–24		107.6%	99.09%
	2022–23		107.8%	99.12%
	The below table contains historical calculations showing the revised methodology applied retrospectively.			
	Financial year		Client identifier total	TFN total
2024–25		36,210,435	35,873,064	99.07%
2023–24		35,317,565	34,994,520	99.09%
2022–23		34,337,585	34,035,314	99.12%
2021–22		33,313,130	33,043,610	99.19%
2020–21		32,688,802	32,434,276	99.22%

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

<b>Analysis continued</b>	<p>The ATO manages the TFN registration process, providing support to individuals applying for a TFN and processing their applications. Nearly all individuals who are required to participate in the tax system have a TFN, as their employer or financial institution will withhold tax on any payments at the maximum rate if they do not have one.</p> <p>This approach focuses on individuals actively engaged in the tax and superannuation systems, providing a more meaningful and relevant measure of registration performance.</p> <p>The TFN is a foundation registration that underpins taxpayer obligations and engagement in the taxation system. The measurement reflects the ATO's registration performance by way of having a high percentage and stable taxpaying population (individuals and companies) registered through the services we provide. The value of the measure is to form the base of various internal reporting and measurements (for example, ABN, GST). It informs population-wide decision making. Our TFN registration risk management team uses it as one of the measurements to monitor trends and to analyse the residual populations.</p> <p>We intend to further investigate taxpayers who do not obtain a TFN as outlined in the limitation section below.</p>
<b>Type of measure</b>	Effectiveness
<b>Data sources</b>	ATO systems
<b>Methodology</b>	<p><b>Numerator</b> – Those individuals included in the denominator who have an active TFN at the measurement date.</p> <p><b>Denominator</b> – All active taxpayers with an 'Individual' entity type.</p> <p>The proportion is calculated by dividing the numerator by the denominator (multiplied by 100 and expressed as a percentage).</p>
<b>Limitations</b>	<p>The denominator includes all individuals with an active ATO client record, regardless of whether they would be subject to withholding or would benefit from a TFN for lodgment purposes. This may include:</p> <ul style="list-style-type: none"> <li>• foreign directors who require a director ID only</li> <li>• foreign investors or residents with no tax obligations due to the nature of their activities in connection with Australia</li> <li>• individuals registered for administrative purposes only (for example, ARN holders).</li> </ul> <p>*The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this measure. As we have identified an enterprise risk relating to the integrity of our registers, we are actively working to strengthen our controls to mitigate any potential integrity risks</p>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	<p>The 'Registration' measure is now being reported as 2 separate measures ('Companies' and 'Individuals'). The methodology and data source have been changed to remove third-party data from the calculation of the result.</p>

**Note**

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

## Lodgment – Proportion of activity statements lodged on time

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

Performance measure	Lodgment – Proportion of activity statements lodged on time															
	• A measure to show the number of activity statements lodged on time as a proportion of the anticipated population with a lodgment obligation															
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer															
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25															
2024–25 target	78%															
Results <sup>(a)</sup>	2024–25	77.3%	■	Substantially achieved												
	2023–24	75.6%	◆	Not achieved												
	2022–23	72.6%	◆	Not achieved												
Analysis	<p>On-time lodgment performance for 2024–25 activity statements was 77.3%. This is 1.6 percentage points above last year's result, continuing the trend of positive improvement for the fourth year in a row, and 0.7 percentage points below the target of 78.0%.</p> <p>The volume of activity statements lodged on time increased by 7.8%, from 11.7 million in 2023–24 to 12.6 million in 2024–25.</p> <p>The small business taxpayer segment continues to be the main driver of underperformance against this measure. This segment was 4.1 percentage points below the overall activity statement on time lodgment performance of 77.3%.</p> <p>During 2024–25, our continued focus on identifying and end-dating tax roles for entities without a requirement to lodge GST and/or PAYG withholding removed 41,000 outstanding activity statements. This contributed to the improved performance, adding 0.25 percentage points to the result. The small business taxpayer segment accounted for approximately 82% of these cancelled activity statement forms.</p> <p>During 2024–25, a focused program that cancels inactive registrations continued to improve the integrity of the lodgment population and on-time lodgment. Over 130,000 roles for approximately 100,000 taxpayers were end-dated, with over 85,000 being deregistered companies.</p> <p>We continue to engage and work with the community and businesses to ensure:</p> <ul style="list-style-type: none"><li>• those who have a genuine need to be registered lodge on time</li><li>• we support taxpayers to finalise their lodgment obligations when exiting the tax system.</li></ul>															
Type of measure	Effectiveness															
Data sources	ATO systems															
Methodology	<p><b>On-time lodgment population</b> – This is the original number of activity statements received within 7 days of the due date.</p> <p><b>Anticipated activity statement lodgment population</b> – This is the number of all activity statements with a 'despatched' status.</p> <p><b>Due lodgments</b> – This is derived by subtracting lodgments that are not yet due (that is, the due date of the form is 1 July or later in the following reporting period) from the anticipated lodgments population. Early lodged activity statement forms are also included.</p> <p>On-time lodgment is divided by due lodgments to obtain the result (multiplied by 100 and expressed as a percentage and rounded to one decimal point).</p> <p><b>Performance rating scale</b></p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>78% and above</td></tr><tr><td>Substantially achieved</td><td>■</td><td>77% to less than 78%</td></tr><tr><td>Not achieved</td><td>◆</td><td>less than 77%</td></tr></table>				Result	Symbol	Description	Achieved	●	78% and above	Substantially achieved	■	77% to less than 78%	Not achieved	◆	less than 77%
Result	Symbol	Description														
Achieved	●	78% and above														
Substantially achieved	■	77% to less than 78%														
Not achieved	◆	less than 77%														



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

<b>Limitations</b>	<p>Activity statement lodgment performance is measured for the relevant lodgment obligations due at 30 June. The activity statement obligations are generally not included within the calculation (as they are not due by that date) are:</p> <ul style="list-style-type: none"> <li>• April–June quarter statements for quarterly lodgers</li> <li>• some May and/or June monthly statement for monthly lodgers</li> <li>• most annual activity statement obligations; that is, less than 0.1% of the total number of annual activity statements are due at 30 June.</li> </ul>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	<p>This measure has been separated from 'Lodgment – Proportion of income tax returns lodged on time' to provide a clearer read of performance.</p>

**Note**

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

## Lodgment – Proportion of income tax returns lodged on time

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

Performance measure	Lodgment – Proportion of income tax returns lodged on time														
	• A measure to show the number of income tax returns lodged on time as a proportion of expected lodgments due under self-assessment														
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer														
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25														
2024–25 target	83%														
Results <sup>(a)</sup>	2024–25	82.6% (2023–24 returns)	■ Substantially achieved												
	2023–24	82.4% (2022–23 returns)	■ Substantially achieved												
	2022–23	83.3% (2021–22 returns)	● Achieved												
Analysis	<p>On-time lodgment performance for 2023–24 income tax returns was 82.6%. This is 0.2 percentage points above last year and 0.4 percentage points below the target of 83.0%.</p> <p>The volume of income tax returns lodged on time increased by 3.3% (from 16.9 million in 2022–23 to 17.4 million in 2023–24), continuing a 5-year trend.</p> <p>On-time lodgment performance for both the individuals and self-managed superannuation funds taxpayer segments declined by 0.1 percentage points compared to the prior year. All other taxpayer segments improved, particularly small business and public and multinational businesses, which were up 0.7 and 1.7 percentage points respectively compared to last year.</p> <p>Overall, most taxpayers remain engaged and compliant with their income tax lodgment obligations, with the 5-year performance relatively consistent within the range of 82% to 83%.</p>														
Type of measure	Effectiveness														
Data sources	ATO systems														
Methodology	<p>Income tax return lodgment performance is measured for the relevant lodgment period at the following year end date. For example, the performance reported for 2024–25 is for 2023–24 income tax returns (measured at 30 June 2025).</p> <p><b>On-time lodgment</b> – This refers to original income tax returns received by the ATO within 7 days of the due date.</p> <p><b>Anticipated lodgment population</b> – This is all entities in the ATO client register less those that:</p> <ul style="list-style-type: none"><li>• were classified as ‘inactive’ through the tax file number reconciliation process</li><li>• identified as not having an income tax lodgment obligation</li><li>• were assessed as having a high likelihood they will not be required to lodge.</li></ul> <p>Due lodgments are derived by subtracting lodgments not yet due (that is, the due date of the form is 1 July or later in the following reporting period) from the anticipated lodgment population. Income tax return forms lodged early are also included.</p> <p>On-time lodgment is divided by due lodgments to obtain the result (multiplied by 100 and expressed as a percentage and rounded to one decimal point).</p> <p><b>Performance rating scale</b></p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>83% and above</td></tr><tr><td>Substantially achieved</td><td>■</td><td>82% to less than 83%</td></tr><tr><td>Not achieved</td><td>◆</td><td>less than 82%</td></tr></table>			Result	Symbol	Description	Achieved	●	83% and above	Substantially achieved	■	82% to less than 83%	Not achieved	◆	less than 82%
Result	Symbol	Description													
Achieved	●	83% and above													
Substantially achieved	■	82% to less than 83%													
Not achieved	◆	less than 82%													

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

<b>Limitations</b>	<p>Limitations of the income tax return lodgment performance measure include where:</p> <ul style="list-style-type: none"> <li>• not all the lodgment details are available to determine on-time lodgment</li> <li>• 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</li> <li>• the analytical models may remove taxpayers with a requirement to lodge.</li> </ul> <p>These limitations are not considered material, as it is anticipated this affects less than 0.5% of the population.</p>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	<p>This measure has been separated from ‘Lodgment – Proportion of activity statements lodged on time’ to provide a clearer read of performance.</p>

**Note**

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

## Tax gap – As a proportion of revenue

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

Performance measure	Tax gap – As a proportion of revenue			
	<ul style="list-style-type: none"> <li>A measure estimating the difference between what the ATO expects to collect and the amount that would have been collected if every taxpayer was fully compliant with the law</li> </ul>			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	7.4% <sup>(a)</sup>			
Results	2024–25	9.1% (2022–23)	◆	Not achieved
		See page 101 for detailed information		
	2023–24 <sup>(b)</sup>	7.5% (2021–22)	●	Achieved
		See Part 4 Revenue performance in our 2023–24 annual report for detailed information		
	2022–23 <sup>(b)</sup>	7.0% (2020–21)	●	Achieved
		See Part 4 Revenue performance in our 2022–23 annual report for detailed information		
Analysis	<p>For 2022–23, we estimate the headline net tax gap for income and transactional taxes to be \$58.2 billion, or 9.1% of the total theoretical tax base of \$640.5 billion.</p> <p>This is above the target of 7.4%, meaning the target has not been achieved.</p> <p>The tax gap has increased in both 2022–23 and 2021–22 due to higher gap estimates for small business income tax. This gap now accounts for 47% of the total net tax gap, up from 43% in 2020–21.</p> <p>The 3 largest components of the net tax gap are the small business income tax gap, the individuals income tax gap, and the GST gap. Together, these account for more than 80% of the \$58.2 billion net tax gap.</p> <p>Further analysis of the drivers of these gaps is provided in Part 4 on page 102.</p> <p>While the ATO has previously published the tobacco gap estimate, the estimate has been removed from the tax gap performance calculation due to the limited ability of the ATO to influence the performance outcome. The estimate is no longer included in the headline tax gap.</p> <p>As both the most recent and previous year's headline tax gap figures are refreshed each year, the tobacco gap estimate has also been removed from the refreshed 2019–20 to 2021–22 data. The exclusion of tobacco from the published tax gap program therefore does not impact the estimated result or comparison to the established target.</p> <p>The full tax gap program also includes pay as you go withholding and 3 administered programs: Fuel Tax Credits Scheme; Product Stewardship for Oil; and Superannuation Guarantee Scheme. All of these are excluded from the headline tax gap target and estimate. The administered program tax gap estimates have their own performance targets.</p> <p>For more information refer to page 101.</p>			

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

Type of measure	Effectiveness												
Data sources	ATO systems, models, economic data <sup>(c)</sup>												
Methodology	<p>The tax gap estimate covers all transactional-based (other than tobacco duty) and all income-based taxes. Information about our tax gap research program is available at <a href="https://ato.gov.au/taxgapresearch">ato.gov.au/taxgapresearch</a>.</p> <p>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.</p> <p>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.</p> <p>Methods used to calculate tax gaps can improve over time. If we make changes to our method, we explain what they are and how they impact our estimates.</p> <p>All tax gap estimates are assessed for reliability.</p> <p>Details of the principles and approaches we use to measure tax gaps are available at <a href="https://ato.gov.au/taxgapprinciple">ato.gov.au/taxgapprinciple</a>.</p> <p><b>Performance rating scale</b></p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>&lt;=7.4%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>&gt;7.4% to &lt;=8.8%</td></tr><tr><td>Not achieved</td><td>◆</td><td>&gt;8.8%</td></tr></table>	Result	Symbol	Description	Achieved	●	<=7.4%	Substantially achieved	■	>7.4% to <=8.8%	Not achieved	◆	>8.8%
Result	Symbol	Description											
Achieved	●	<=7.4%											
Substantially achieved	■	>7.4% to <=8.8%											
Not achieved	◆	>8.8%											
Limitations	<p>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.</p> <p>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.</p> <p>Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system.</p> <p>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.</p> <p>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.</p> <p>Tax gap targets are developed in advance of the estimation of the tax gap headline measure. When a method change is known in advance, the target setting will include any compensating adjustments, to ensure the tax gap measure and tax gap target are aligned to enable meaningful comparison.</p> <p>When a change to method might occur after the target setting, this variation will be documented in the annual performance statements commentary.</p>												
Variation from Australian Taxation Office corporate plan 2024–25	The target has been updated to '7.4%' to provide a clearer read of performance. The methodology has been changed to remove the tobacco excise from the tax gap result.												

**Notes**

- (a) The tax gap target changed to '7.4%' in 2024–25, from 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available' in 2023–24 and 2022–23.
- (b) The performance result and assessment for prior years is based on the estimated result at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.
- (c) Further details are available at [ato.gov.au/taxgapprinciple](https://ato.gov.au/taxgapprinciple).

## Total revenue effects – Revenue from all compliance activities

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

Performance measure	Total revenue effects – Revenue from all compliance activities			
	<ul style="list-style-type: none"> <li>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</li> </ul>			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	\$16.0b <sup>(a)</sup>			
Results	2024–25	\$18.5b	●	Achieved
	2023–24	\$18.5b	●	Achieved
	2022–23	\$20.3b	●	Achieved
Analysis	<p>In 2024–25, the total revenue effects estimate of \$18.5 billion exceeded the \$16 billion target by approximately \$2.5 billion (16%). The target is based on compliance activities the ATO is resourced to undertake, as well as annual revenue commitments associated with specific government commitments.</p> <p>This strong performance reflects our continued commitment to ensuring taxpayers pay the right amount of tax and aligns directly with our purpose to collect tax so that government can deliver services for the Australian community.</p> <p>During 2024–25, we delivered on all specifically-funded compliance programs that contribute to total revenue effects. These programs include personal income tax, shadow economy, GST compliance, Serious Financial Crime Taskforce, Phoenix Taskforce, Tax Avoidance Taskforce and the Counter Fraud Program. Revenue outcomes from these programs contributed around \$9.9 billion in total revenue effects, with a further \$8.6 billion attributed to our base-funded compliance activities.</p> <p>Our compliance strategies, which include preventative actions, audits and reviews and lodgment enforcement, are designed to maintain high levels of compliance across the tax and superannuation systems while also allowing us to focus on areas that are either out of tolerance or at risk of moving out of tolerance. When we perform these activities, we not only focus on correcting the return but also undertake actions with the taxpayer to influence future behaviour and lock in future compliance where we can.</p> <p>Our sustained compliance estimates have increased in 2024–25, demonstrating effectiveness at improving longer-term taxpayer compliance. For more information, refer to page 106 – Revenue performance, Total revenue effects.</p>			
Type of measure	Effectiveness			
Data sources	ATO systems, models			
Methodology	<p>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.</p> <p><b>Audit actions and incorrect claims stopped</b> – This is the collection of specifically-identified liabilities raised and the reduction in overpayments of refunds from our compliance activities. These amounts are directly connected to the adjustment we make, and payment can occur after we conduct the audit. It includes interest and penalties.</p> <p><b>Lodgment actions</b> – 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.</p> <p><b>Prevention and sustained compliance and sustained lodgment</b> – This is an estimate of the additional revenue received from taxpayers we influence. They typically represent improved voluntary compliance. When measuring sustained compliance, we ensure there is a clear connection between our activity and the change in taxpayer behaviour. This connection, and any assumptions that underpin it, must be reasonable and defensible.</p>			



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

<b>Limitations</b>	<p>Audit actions and incorrect claims stopped: A portion of the cash collected is estimated using collections on matched similar liabilities.</p> <p>Prevention and sustained compliance and sustained lodgment: Not all compliance activities are currently captured in models.</p> <p>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.</p>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	Nil

**Note**

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

## Payment – Proportion of liabilities paid on time by value

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

Performance measure	<b>Payment – Proportion of liabilities paid on time by value</b> <ul style="list-style-type: none"> <li>A measure of the effectiveness of the ATO's debt prevention and broader payment compliance strategies</li> </ul>			
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	88.0%			
Results	2024–25	89.4%	●	Achieved
	2023–24	89.6%	●	Achieved
	2022–23	89.9%	●	Achieved
Analysis	<p>At 30 June 2025, the proportion of liabilities paid on time by value was 89.4%. This is a 0.2 percentage point decrease on last year's result of 89.6%, which itself was a decrease at 30 June 2023.</p> <p>This outcome demonstrates that the majority of the community who do have capacity to pay continue to meet their payment obligations on time. The year-on-year decrease does, however, mean that we need to continue to monitor payment performance. A key component of the ATO Payment Strategy is to drive on-time payment and avoid an increase in collectable debt.</p>			
Type of measure	Effectiveness			
Data sources	ATO systems			
Methodology	<p>The ATO identifies the number and amount of liabilities raised for a particular financial year that are currently due and determines whether they have been paid. A liability is deemed to be paid on time if received within 7 days* of the due date. The value of payments made on time uses the earlier of the effective date and processed date. The value of tax liabilities raised uses the latter of the effective date and processed date. The value of tax liabilities raised may relate to previous financial years.</p> <p>Payments made on time is divided by tax liabilities raised to obtain the result (multiplied by 100 and expressed as a percentage).</p> <p>* The grace period to determine whether a liability is paid on time is extended to 14 days at the end of the calendar year, to account for processing time over the ATO shutdown period.</p>			
Limitations	Pre-payment of liabilities may be offset to existing debits rather than retained for a future unreported liability. This results in small adjustments when the data is updated with the liability and matched appropriately.			
Variation from Australian Taxation Office corporate plan 2024–25	Nil			

## Debt – Ratio of collectable debt to net tax collections

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

Performance measure	Debt – Ratio of collectable debt to net tax collections														
	• A measure of the effectiveness of the ATO's debt prevention, collection and management strategies														
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer														
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25														
2024–25 target	Between 6.5% and 7.0% <sup>(a)</sup>														
Results	2024–25	8.1%	◆ Not achieved												
	2023–24	8.4%	■ Substantially achieved												
	2022–23	8.6%	■ Substantially achieved												
Analysis	<p>In 2024–25, the collectable debt to net tax collections ratio was 8.1% and did not meet the target of between 6.5% and 7.0%. This result is a decrease of 0.3 percentage points from the previous year result of 8.4%.</p> <p>The amount of collectable debt increased to \$54.2 billion at 30 June 2025, from \$52.8 billion at 30 June 2024; an increase of \$1.5 billion (2.8%). This is the smallest yearly increase since the period pre-pandemic, and a positive sign we are slowing the growth of collectable debt.</p> <p>In 2024–25, we continued to focus on improving efficiency and effectiveness through better work practices and procedures, using data and analytics to drive strategic case selection for firmer action and, where taxpayers fail to respond, prioritise stronger legal actions, including wind-ups. We also commenced a firmer and faster approach for repeated audit raised liabilities for superannuation guarantee charge and pay as you go (PAYG) withholding, where taxpayers receive a firmer action warning letter as the first action.</p> <p>Economic conditions continue to present challenges for taxpayers in meeting their obligations, particularly small businesses. We will continue to exercise judgment in ensuring treatments are appropriate to the taxpayer's circumstances.</p>														
Type of measure	Effectiveness														
Data sources	ATO systems, ATO financial statements														
Methodology	<p>The ratio of collectable debt to net tax collection is the average of 12 consecutive monthly ratios, calculated each month by dividing collectable debt by the rolling net tax collections (multiplied by 100 and expressed as a percentage). The collectable debt is the monthly point-in-time collectable debt figure, and net tax collections is the sum of net tax collections received and processed in the prior 12-month period.</p> <p>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.</p> <p><b>Performance rating scale</b></p> <table><thead><tr><th>Result</th><th>Symbol</th><th>Description</th></tr></thead><tbody><tr><td>Achieved</td><td>●</td><td>6.5% to 7.0%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>7.1% to 7.5%</td></tr><tr><td>Not achieved</td><td>◆</td><td>7.6% and above</td></tr></tbody></table>			Result	Symbol	Description	Achieved	●	6.5% to 7.0%	Substantially achieved	■	7.1% to 7.5%	Not achieved	◆	7.6% and above
Result	Symbol	Description													
Achieved	●	6.5% to 7.0%													
Substantially achieved	■	7.1% to 7.5%													
Not achieved	◆	7.6% and above													
Limitations	<p>The ratio is driven by external factors, and it can be difficult to isolate specific drivers.</p> <p>This ratio cannot be used in isolation and is best viewed collectively with the entire suite of enterprise-level performance measures.</p>														
Variation from Australian Taxation Office corporate plan 2024–25	Nil														

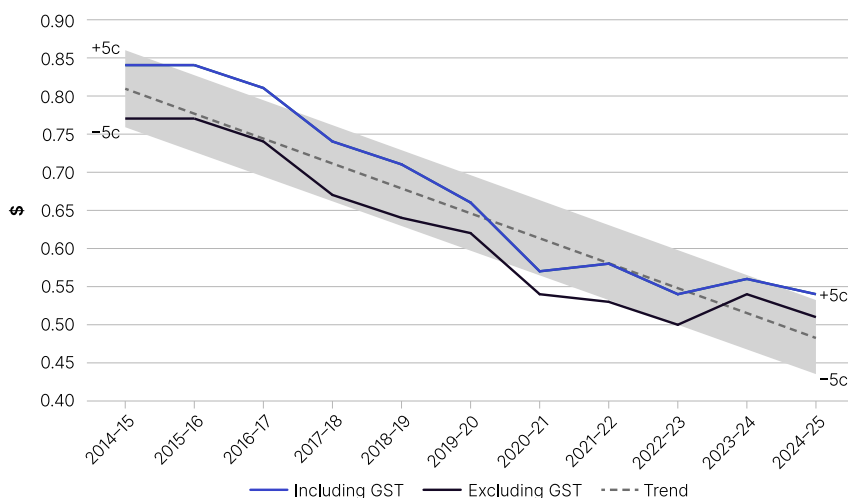
**Note**

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

## Cost of collection – Cost to collect \$100

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

Performance measure	Cost of collection – Cost to collect \$100		
	• A measure to show the trend in the ATO's costs of collections of taxation receipts		
ATO key activity	1: We collect the right amount of tax in the most efficient way for government and the taxpayer		
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	+/- 5c from previous year <sup>(a)</sup>		
Results	2024–25	<b>\$0.54 (incl GST)</b> <b>\$0.51 (excl GST)</b>	● Achieved
	2023–24	\$0.56 (incl GST) \$0.54 (excl GST)	● Achieved
	2022–23	\$0.54 (incl GST) \$0.50 (excl GST)	● Achieved
Analysis	<p>The cost of collection measures the cost of collecting every \$100 of tax.</p> <p>The cost to collect \$100 decreased from \$0.56 in 2023–24 to \$0.54 in 2024–25 (including GST and its administration costs), and from \$0.54 to \$0.51 (excluding GST). Costs associated with collecting tax remained similar to last year while tax collections rose by 4%, resulting in the ratio decrease.</p> <p>Costs associated with collecting tax were relatively stable, with an increase of only 1%.</p> <p>Tax collections for 2024–25 have increased by 4.2%, with most heads of revenue increasing over the year. The largest contributor was income taxes, with strength in superannuation fund taxes driven by capital gains and lower foreign exchange losses, and individual taxes supported by strong business and investment income. GST and excise also contributed to revenue growth.</p> <p>A steady downward trend of the cost of collection ratio can be an indicator of efficient and effective tax administration. A sharp increase or decrease within the movement of the ratio is usually a result of internal or external factors and limitations influencing the ratio.</p> <p>As indicated in the graph below, over time the ATO has seen a gradual downward trend in the cost of collection ratio, indicating improved efficiency and effectiveness of revenue collection processes. This is generally in line with the expected trend, which is a calculated average of the ratio from 2010 of a decrease of 3c.</p> <p>The ratio shifted notably with the impacts of the pandemic and a buoyant domestic economy. The ratio has since flattened and is now returning to pre-pandemic values, with effort on taxation-focused work stabilising the ratio this year, moving back towards the trend line over time.</p>		



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

Type of measure	Efficiency and effectiveness
Data sources	ATO systems, models
Methodology	<p>There are 2 ratios reported for this measure. The first includes GST collections and the cost to administer GST, and the second does not. The cost of tax administration and adjusted net tax collections has exclusions in both results.</p> <p>The cost of tax administration is calculated as total departmental expenditure as per trial balance, with the following expenditure excluded:</p> <ul style="list-style-type: none"> <li>• certain exclusions at Program 1.1 Australian Taxation Office</li> <li>• Program 1.2 Tax Practitioners Board</li> <li>• Program 1.3 Australian Business Register</li> <li>• Program 1.4 Australian Charities and Not-for-profits Commission</li> <li>• costs related to superannuation</li> <li>• other agency appropriations</li> <li>• Act of Grace payments</li> <li>• overseas contributions and assignments</li> <li>• resources provided free of charge</li> <li>• other – costs that are reimbursed, or not related to taxation collection.</li> </ul> <p>Adjusted net taxation collections exclude the following items:</p> <ul style="list-style-type: none"> <li>• Super guarantee charge</li> <li>• SMSF levy</li> <li>• other non-tax revenue.</li> </ul> <p>The cost of tax administration is divided by adjusted net tax collections to calculate the result (multiplied by 100 and expressed as a dollar value).</p>
Limitations	<p>The ratio can be impacted by external and internal factors.</p> <p><b>Adjusted net tax collections</b> – These are generally driven by external factors, such as:</p> <ul style="list-style-type: none"> <li>• overall economic performance of the economy or price effects (inflation)</li> <li>• significant tax rate changes or new taxes</li> <li>• a change in collections timeframes</li> <li>• internal factors under the ATO's control</li> <li>• improvements in taxpayer compliance.</li> </ul> <p><b>Departmental taxation costs</b> – These are directly driven by the ATO budget and include external factors outside the ATO's control, such as:</p> <ul style="list-style-type: none"> <li>• efficiency dividends</li> <li>• increased funding for only a defined period or tax collection work the ATO is expected to 'self-fund'.</li> </ul> <p>Internal factors under the ATO's control are:</p> <ul style="list-style-type: none"> <li>• wage increases through enterprise bargaining</li> <li>• adjustments to staffing numbers enabled by technology solutions</li> <li>• productivity improvements</li> <li>• management of supplier costs or increasing costs of ICT sustainment.</li> </ul>
Variation from Australian Taxation Office corporate plan 2024–25	Nil

**Note**

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

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

**Table 3.20** Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs, 2022–23 to 2024–25<sup>(a)</sup>

Performance measure	Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs			
	<ul style="list-style-type: none"> <li>An indicator that tracks changes in the cost to individual taxpayers of managing their tax affairs (adjusted to changes in earnings)</li> </ul>			
ATO key activity	2: Deliver fair, secure and transparent taxpayer interactions to make it easy to comply and hard not to			
Authority source	2024–25 PBS Program 1.1 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	A decrease, or no more than 2% increase over the prior year figure <sup>(b)</sup>			
Results	2024–25	2.0% decrease (2023–24 returns)	●	Achieved
	2023–24	1.9% increase (2022–23 returns)	●	Achieved
	2022–23	5.5% increase (2021–22 returns)	◆	Not achieved
Analysis	<p>This measure tracks the change, in percentage terms, to the costs incurred by individuals to manage their tax affairs and adjusts the size of the change by average weekly ordinary time earnings (AWOTE) to measure it in real terms. Costs include expenses such as fees paid to a recognised tax adviser for preparing and lodging the individual's tax return and purchasing tax reference material.</p> <p>The measure draws data from income tax returns processed during the most recent financial year, which reports on assessable income and expenses incurred or paid in the previous income year. This year's result is derived from data sourced from income tax returns processed in 2024–25, relating to amounts paid by individual taxpayers during the 2023–24 income year.</p> <p>The year-on-year comparison shows the adjusted cost of managing tax affairs decreased by 2.0% in the year to June 2025 compared to the prior year. Based on this result, the performance target is considered achieved. The 2024–25 result returns the measure to a decrease after 2 years of increases.</p> <p>The measure result has been further supported by a continued high increase in the deflator (see Methodology below), as individuals saw higher average income growth in the 2023–24 income year when compared to prior years.</p>			
Type of measure	Effectiveness			
Data sources	<p>ATO Individuals tax return data</p> <p>Australian Bureau of Statistics (ABS), Average Weekly Earnings – Persons; Full Time; Adult: Ordinary time earnings (AWOTE) – Original series</p>			
Methodology	<p>We calculate the median for all non-zero amounts in the ATO Individuals tax return data: Item D10 label M, Cost of managing tax affairs – other expenses incurred in managing your tax affairs.</p> <p>We report the median, rather than the average, to mitigate potential data issues.</p> <p>We use the relevant ABS data to calculate a deflator of the annual growth in the AWOTE full-time adult series. The deflator is applied to the median to account for wage growth between income years, thereby measuring the change in real terms.</p> <p>The result is expressed as a percentage change by dividing the adjusted median for the current income year by the adjusted median for the previous income year.</p>			
Limitations	<p>Changes in compliance costs are impacted by policy changes that are outside the ATO's control.</p> <p>We rely on data from external agencies, such as ABS AWOTE data, for this measure.</p> <p>Many items reported at item D10 label M Cost of managing tax affairs – other expenses incurred in managing your tax affairs in the ATO Individuals tax return data may be subject to market factors outside the ATO's control.</p>			
Variation from Australian Taxation Office corporate plan 2024–25	Nil			

### Notes

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

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



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

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

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

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

Type of measure	Output												
Data sources	ATO client experience survey												
Methodology	<p>Results for this measure are derived from a client experience survey sent to a random sample of taxpayers who had a recent interaction with the ATO. Participation is voluntary. Respondents were asked: Which of the following best describes the overall experience of your contact with the ATO on this issue?</p> <ul style="list-style-type: none"><li>• Unacceptable</li><li>• Acceptable</li><li>• Excellent</li></ul> <p>The result is calculated by adding the number of respondents who rated their experience as Acceptable or Excellent, then dividing by the total number of responses. The result is reported as a percentage.</p> <p>The sample is based on interactions where taxpayers' identities have been verified. Channels include ATO online, inbound phone, outbound phone, Online services for agents, Online services for business, web chat and the Australian Business Register. It excludes general interactions that do not require taxpayers to provide proof of identity, such as visiting <a href="https://ato.gov.au">ato.gov.au</a> or contacting a call centre for general advice.</p> <p><b>Performance rating scale</b></p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>80%–100%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>75–79%</td></tr><tr><td>Not achieved</td><td>◆</td><td>&lt;75%</td></tr></table>	Result	Symbol	Description	Achieved	●	80%–100%	Substantially achieved	■	75–79%	Not achieved	◆	<75%
Result	Symbol	Description											
Achieved	●	80%–100%											
Substantially achieved	■	75–79%											
Not achieved	◆	<75%											
Limitations	<p>There are inherent respondent biases involved in a survey.</p> <p>Two of the 3 response options (Acceptable/Excellent) are considered positive responses.</p>												
Variation from Australian Taxation Office corporate plan 2024–25	Nil												

## Program 1.2 Tax Practitioners Board

### The TPB

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

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

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

While the TPB is included in the Australian Taxation Office outcome and program structure, it operates independently in delivering its statutory functions and produces its own annual report to meet legislative reporting requirements in subsection 60–130(1) of the TASA. The TPB’s annual report is available at [tpb.gov.au/annual-report](http://tpb.gov.au/annual-report). The TPB’s 3 key strategic performance measures are also included in the Australian Taxation Office listed entity’s annual performance statements in the Commissioner of Taxation’s annual report, as outlined below.

### Purpose

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

### Program overview

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

# Performance summary

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

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

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

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

# Performance results and analysis

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

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

**Table 3.22** TPB Performance rating scale

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

## Tax practitioner satisfaction

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

Performance measure	Tax practitioner satisfaction <ul style="list-style-type: none"><li>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</li></ul>						
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour						
Authority source	2024–25 PBS Program 1.2 and Australian Taxation Office corporate plan 2024–25						
2024–25 target	71%						
Results	2024–25	63%	■	Substantially achieved			
	2023–24	73%	●	Achieved			
	2022–23	72%	●	Achieved			
Analysis	We substantially achieved this measure in 2024–25.						
	Tax practitioner satisfaction is assessed based on biannual survey data. As the table below shows, our latest survey results from April 2025 indicated that 63% of respondents were satisfied with the TPB's effectiveness in reducing the registration burden. We note that while the latest result did not meet the target, it showed a significant improvement on the 56% October 2024 result.						
	We are committed to improving our tax practitioner services, including registration. We recognise that the survey data may reflect tax practitioner sentiment more generally, taking into account the pace of regulatory reform and the change to annual registration.						
	We support tax professionals with guidance about reforms and continuing professional education webinars.						
	We remain focused on assisting practitioners to understand their professional and ethical requirements. We rely on practitioner feedback received through several channels to enable us to continuously improve online products, renewal forms and website content.						
	<b>Tax practitioner satisfaction</b>						
	How effective has the TPB been in minimising the burden of maintaining your registration?	Survey respondents satisfied					
		October 2022	May 2023	October 2023	April 2024	October 2024	April 2025
	Percentage of tax practitioners responding that we have been 'very effective' or 'moderately effective'	70%	72%	75%	73%	56%	63%
Type of measure	Effectiveness						
Data sources	ATO biannual survey results for the question: How effective has the TPB been in minimising the burden of maintaining your registration?						
Methodology	Responses rated as 'very effective' and 'moderately effective' as a percentage of total responses to the question.						
Limitations	The survey is from a self-selected sample with a low response rate, hence may not be a representative sample of the tax practitioner population.						
Variation from Australian Taxation Office corporate plan 2024–25	Nil						

## Proportion of completed risk assessments

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

Performance measure	Proportion of completed risk assessments			
	• The proportion of higher-risk complaints and case leads with a compliance or corrective treatment. We target our compliance activities based on the risk posed to consumers, the tax profession and the tax system. Our risk assessment process determines where we need to apply our resources to be effective			
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour			
Authority source	2024–25 PBS Program 1.2 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	90% of matters are risk assessed <sup>(a)</sup>			
Results	2024–25	96%	●	Achieved
	2023–24	2,283	■	Substantially achieved
	2022–23	New measure from 2023–24, not previously reported in the annual performance statements		
Analysis	<p>We achieved this performance measure during 2024–25.</p> <p>In 2024–25, 96% of all newly identified serious misconduct cases (with a risk rating of significant, high or extreme) were risk assessed and escalated for compliance treatment.</p> <p>In 2024–25, the TPB received 13,417 complaints and referrals directly or indirectly through the ATO and partner agencies. All referrals are considered by the TPB and provide valuable intelligence about the health of the tax and regulatory system. Consistent with being a data- and risk-based agency, our mitigation and treatment focuses on serious misconduct.</p> <p>TPB treatments are proportionate to risks, having regard to our priorities and resources. Mitigation includes early engagement, policy guidance programs to address systematic issues, and targeted investigations.</p>			
Type of measure	Effectiveness			
Data sources	Data is extracted from Workbench in line with compliance performance measure (PM) data collection procedures			
Methodology	<p>Target = The percentage of total complaints + case leads that show a risk of significant, high or extreme that have been finalised with a corrective or compliance treatment.</p> <p><b>Calculation Process:</b></p> <ol style="list-style-type: none"><li>1. Data Collection – Data is extracted from Workbench in line with compliance PM data collection procedures.</li><li>2. Results – Final calculation is completed in line with compliance PM data collection procedures.<ol style="list-style-type: none"><li>(a) Complaints = Number of complaints with a risk rating of significant, high or extreme and a 'Complaint finalised date' between 1 July 2024 and 30 June 2025.</li><li>+ </li><li>(b) Case leads = Number of case leads with a risk rating of significant, high or extreme and a 'Case lead finalised date' between 1 July 2024 and 30 June 2025.</li><li>= Total completed.</li></ol></li></ol> <p>Target is the percentage of total completed with an outcome of 'Escalated to a new or existing case' + the outcome of 'Nudge issued' (excludes no further action [NFA] outcomes).</p>			
Limitations	<p>'Complaint finalised date' may be backdated to accurately reflect the actual date of finalisation. This adjustment is sometimes necessary due to delays in updating the case management system in a timely manner.</p> <p>Power BI updates daily and a record of previous reports and datasets is not retained.</p> <p>Manual intervention required – extracting raw data from Workbench, cleansing and processing data in MS Excel.</p>			
Variation from Australian Taxation Office corporate plan 2024–25	<p>Name changed from 'Number of completed risk assessments'.</p> <p>Methodology changed to report on the percentage of higher-risk cases that have been finalised with a corrective or compliance treatment.</p>			

### Note

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

## Sanctions are appropriate

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

Performance measure	Sanctions are appropriate		
	<ul style="list-style-type: none"> <li>The number of positive court and tribunal outcomes. This measure validates the disciplinary actions we have taken to regulate tax practitioners</li> </ul>		
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour		
Authority source	2024–25 PBS Program 1.2 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	The TPB is committed to pursuing positive court and tribunal outcomes		
Results	2024–25	95%	■ Substantially achieved
	2023–24	100%	● Achieved
	2022–23	100%	● Achieved
Analysis	<p>We substantially achieved this performance measure during 2024–25.</p> <p>We determine this performance measure with a target of 100% positive outcomes, meaning outcomes that either affirm or substantially affirm the TPB's decision, or provide clarification of the law. This assessment is based on the range of decisions from the courts and Administrative Review Tribunal (ART) that evaluate the TPB's investigations and sanctions.</p> <p>In 2024–25, the TPB's decisions were reviewed in 20 ART and court matters, with 19 decisions favouring the Board in full. These included 2 cases before the Federal Court of Australia, 13 interlocutory matters and 5 final decisions of the ART.</p> <p>The Federal Court handed down a decision favourable to the TPB in the matter of Jayden Van Dyke, ordering him to pay a pecuniary penalty of \$1.8 million and the TPB's costs – the highest penalty imposed on an unregistered adviser in a TPB civil penalty case.</p> <p>The Federal Court also sentenced unregistered adviser Jessa Dabalos (formerly Jessa Van Stroe) to a 12-month term of imprisonment for contempt of court. Ms Dabalos prepared and lodged income tax returns for a fee on 365 occasions in breach of a permanent injunction ordered by the court on 3 May 2022.</p> <p>The ART published 5 final decisions in matters involving the TPB, 4 of which affirmed the TPB decisions. The remaining decision varied the TPB's decision to terminate and impose a 2-year exclusion period to a suspension for approximately the same amount of time.</p> <p>We obtained strong interlocutory application results, with the ART refusing all 10 stay applications, 2 confidentiality applications and one reinstatement application opposed by the TPB. We typically opposed stay applications in higher-risk cases where clients or the community may be at risk.</p> <p>Judicial and tribunal reviews support confidence in the system and ensure the Board is acting fairly and lawfully and can give clarity to law and policy.</p>		

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

Type of measure	Effectiveness
<b>Data sources</b>	Litigation outcomes spreadsheet – includes number of litigation cases, outcomes, jurisdiction, 'positive' rating Federal Court of Australia and Administrative Review Tribunal – case decisions
<b>Methodology</b>	<p>Target = 100% of court and tribunal outcomes are 'positive'<sup>(a)</sup>.</p> <p>Calculation process:</p> <ol style="list-style-type: none"> <li>1. Litigation results are recorded in the decisions handed down by the Federal Court and ART.</li> <li>2. Legal Unit will <ol style="list-style-type: none"> <li>(a) record results in the 'Litigation outcomes spreadsheet' (includes all cases which are litigated)</li> <li>(b) apply the definition of what is considered a 'positive' outcome.</li> </ol> </li> </ol> <p>A 'positive' court and tribunal outcome is identified by:</p> <ol style="list-style-type: none"> <li>(a) a tribunal decision that substantially affirms the Board's sanction decision, or</li> <li>(b) a Federal Court decision that determines in favour of the Board in relation to a civil penalty application, or</li> <li>(c) a Federal Court decision that determines in favour of the Board in relation to a ADJR application, or</li> <li>(d) a tribunal decision or Federal Court decision that provides clarification on legal issues that we have identified that would benefit from tribunal/court consideration and guidance so that we can apply that guidance and interpretation going forward (this would include decisions where the non-application period is varied as we are still seeking firmer guidance from the tribunal on the factors to be taken into account when determining non-application periods), or</li> <li>(e) a tribunal decision where the Board's decision is varied resulting in an exclusionary period being varied upwards or more serious sanctions being imposed due to new evidence/conduct coming to light in the proceeding, or</li> <li>(f) a tribunal or Federal Court decision due to a settlement entered into between the Board and the other party which takes into account a change in circumstances or further evidence adduced in the proceeding resulting in a just outcome for both parties</li> <li>(g) a tribunal or Federal Court decision resulting in a matter being dismissed upon application by the Board</li> <li>(h) an interlocutory tribunal decision that supports the Board's opposition to a stay application or otherwise grants the stay with conditions imposed</li> <li>(i) a Federal Court review decision of a merits review decision by the ART if it were to find no error of law in the AAT decision which substantially affirmed the Board's original decision.</li> </ol>
<b>Limitations</b>	Manual collection, recording and interpretation of results in terms of 'positive' outcomes.
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	Nil

**Note**

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



# Program 1.3 Australian Business Registry Services

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

Table 3.26 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

## Increased use of the ABR as the national business dataset

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

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

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

<b>Analysis</b>	<p>At 30 June 2025, 577 agencies were using ABR data to support their functions. This exceeded our performance target of 550 agencies. Efforts to increase awareness and improve ABR data use with our partner agencies continue.</p> <p>We conducted 62 usage training sessions for ABR Explorer, consisting of 69 unique agencies and 288 participants, to demonstrate the value of ABR data.</p> <p>We have strengthened the partnership agreement to clarify agency responsibilities regarding data sharing and data ethics, and we introduced an annual review process. The rollout will commence in 2025–26.</p> <p>We engaged with 66 local government agencies to use ABR data, providing industry snapshots to support recovery and response efforts relating to disasters affecting Queensland and New South Wales.</p> <p>Around 3.3 billion community ABN Lookup searches were conducted in 2024–25. This was a 19% increase over the 2.77 billion recorded in 2023–24 and it exceeded the target. The year-to-year use of the service is subject to fluctuation as it is based on community interest driven by environmental factors, and outside the ATO's control.</p>
<b>Type of measure</b>	Output
<b>Data sources</b>	ATO systems, ABR Explorer (External vendor – Intech Solutions) and Department of Industry, Science and Resources (DISR) (ABN Lookup searches)
<b>Methodology</b>	<p>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.</p> <p><b>ABR Explorer</b> – This counts the number of unique users from partner agencies accessing ABR Explorer.</p> <p><b>ABR Identifier Search</b> – This counts the number of unique partner agencies that access the ABR database by ABN or Australian company number (ACN).</p> <p><b>ABN Lookup</b> – 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.</p>
<b>Limitations</b>	<p>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.</p> <p>Information from VANguard is subject to continued support from DISR. The Community ABN Lookup statistics area is beyond the ATO's control and influence.</p>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	Nil

**Notes**

- (a) The government agencies target for 2024–25 increased to '550'. The target for 2023–24 was '535 using ABR Explorer' and '22 using ABR Identifier'.
- (b) The community target for 2024–25 increased to '2.5 billion ABN Lookups'. The target for 2023–24 was '2.3 billion ABN Lookup searches', and it was '2.0 billion ABN Lookup searches' in 2022–23.

# Program 1.4 Australian Charities and Not-for-profits Commission

## The ACNC

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

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

The ACNC Act establishes the ACNC Advisory Board. The role of the Board is to support and advise the ACNC Commissioner. Members of the ACNC Advisory Board are appointed by the relevant minister.

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

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

## Purpose

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

## Program overview

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

## Performance summary

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

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

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

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

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

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

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

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

To manage the impacts of SAITE, we have:

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

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

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

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

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

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

## Performance results and analysis

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

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

**Table 3.28** Performance rating scale

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

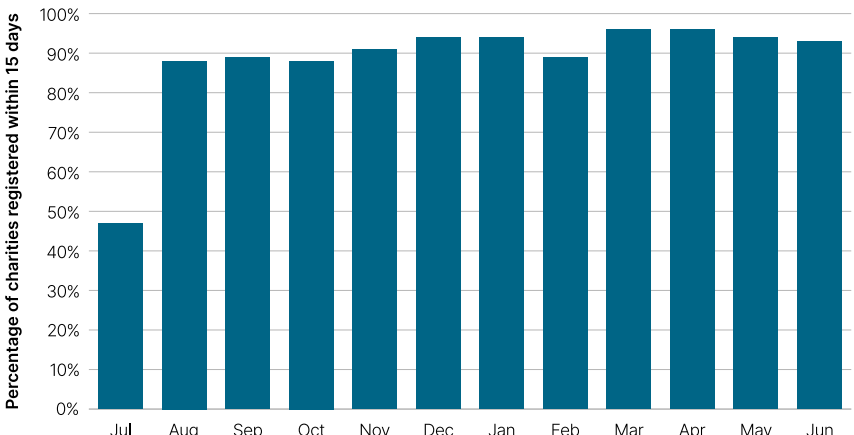
## Registering new charities

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

Performance measure	Percentage of new eligible charities registered within 15 business days of ACNC receiving all information necessary to make a decision			
	<ul style="list-style-type: none"><li>It is important for the ACNC to process new applications from eligible organisations as quickly as possible to meet community expectations, to ensure the Charity Register is updated in a timely way, and to support charities wishing to access available benefits and concessions</li></ul>			
ACNC key activity	1: Maintaining a free and accurate register of Australian charities (the Charity Register)			
Authority source	2024–25 PBS Program 1.4 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	90% <sup>(a)</sup>			
Results	2024–25	86%	▲	Partially met
	2023–24	74%	▲	Partially met
	2022–23	Different metric used		
Analysis	<p>We registered 4,621 new charities this year, the highest number ever registered by the ACNC in any year.</p> <p>We partially met our target, registering 86% of charities (3,994 charities) within 15 business days of receiving all information necessary to make a decision. This was a significant improvement on the previous year, where we registered 74% of charities within the standard.</p> <p>We continued to receive a high number of applications in 2024–25. At least 51% of our applications were due to SAITE.</p>			

Year	Number of applications received
2019–20	5,746
2020–21	5,886
2021–22	5,621
2022–23	5,535
2023–24	6,286
2024–25	6,279

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

<p><b>Analysis continued</b></p>	<p>Our overall performance was impacted by our July results. In the previous annual report, we highlighted that we received 931 applications in May 2024, the highest number ever received in a month. Despite our best efforts, some of these applications were unable to be assessed by June 2024 and were 'carried over' into 2024–25.</p> <p>Since August 2024, the lowest monthly result has been 88%. We exceeded our target for 7 months of the year due to the initiatives listed in our performance summary.</p>  <p>While we cannot control the number of applications we will receive, we are confident these initiatives will place us in a strong position to meet this target in 2025–26.</p>
<p><b>Type of measure</b></p>	<p>Output</p>
<p><b>Data sources</b></p>	<p>The ACNC's case management system (Microsoft Dynamics)</p>
<p><b>Methodology</b></p>	<p>The number of new eligible charities registered within 15 business days of the ACNC receiving all information necessary to make a decision, divided by the total number of eligible charities registered.</p>
<p><b>Limitations</b></p>	<p>The field for 'date full information received' is entered manually by staff, but subject to random quality assurance reviews.</p>
<p><b>Variation from Australian Taxation Office corporate plan 2024–25</b></p>	<p>The target changed from 'at or above previous year's result' to '90%'.</p>

**Note**

(a) The eligible charities registered target for 2024–25 changed to '90%'. The target was 'at or above previous year's results' in the Australian Taxation Office corporate plan 2024–25.

## Availability of the Charity Register

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

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

**Note**

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

# Administered programs 1.5 to 1.21




## Program overview

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

## Performance results and analysis

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


**Table 3.31** Performance rating scale

Result	Symbol
Achieved	
Substantially achieved	
Not achieved	



## Program 1.5 Australian Screen and Digital Game Production Incentive

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

Performance measure	Refundable film and digital games tax offset claims are subject to ATO risk detection processes		
	<ul style="list-style-type: none"><li>A measure of ATO performance of facilitating the claim of offsets through company income tax returns by operating a refund integrity detection process designed to identify erroneous, fraudulent and invalid claims</li></ul>		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.5 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Refundable film and digital games tax offset claims are subject to risk detection processes		
Results	2024–25	Target met	 Achieved
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	<p>The ATO actively manages the risk of non-compliance with tax laws that govern refundable film and digital games tax offsets. We apply risk detection processes on all companies that have claimed a refundable film or digital games tax offset in their income tax return to identify ineligible claims for further scrutiny.</p> <p>We continuously monitor our risk detection processes to ensure they function as intended and are being applied to company income tax returns. During 2024–25, these controls operated to identify returns that required manual verification of the refundable film or digital games tax offset claimed. The ATO performed sample testing to confirm the controls operated as designed.</p> <p>In 2024–25, we processed around \$906 million in refundable film and digital games claims, underscoring the importance of our role to maintain the integrity of this program.</p>		
Type of measure	Effectiveness		
Data sources	Administrative data		
Methodology	Review ATO documentation on risk detection processes for refundable film and digital games tax offsets and examine a sample of taxpayer claimed offsets to determine whether the processes were designed to identify inappropriate claims and operated as intended.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure from ‘ATO systems’ to ‘Administrative data’.		

## Program 1.6 Junior Minerals Exploration Incentive

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

Performance measure	<b>All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing</b> <ul style="list-style-type: none"> <li>A measure of the timeliness in the ATO deciding on exploration credit applications received during the application period and notifying applicants of the outcome</li> </ul>		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.6 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	All applicants notified within 28 calendar days of the application period closing		
Results	2024–25	Target met	<div> <div></div> <div>Achieved</div> </div>
	2023–24	Target met	<div> <div></div> <div>Achieved</div> </div>
	2022–23	Target met	Rating not previously reported in the annual report
Analysis	<p>The ATO's role in administering the junior minerals exploration incentive (JMEI) is to ensure successful applicants are allocated exploration credits in a timely manner. This performance measure sets the processing standard by which we undertake our role to assess and notify applicants of their JMEI allocation following the application closing date. This is important to enable successful applicants to make timely decisions about raising capital to fund exploration activities.</p> <p>Notifications were issued on 12 July 2024 to applicants of the final JMEI round, which opened on 4 June 2024 and closed on 30 June 2024 for the 2024–25 income year.</p> <p>This program has not been extended beyond its legislative end for the 2024–25 financial year. We will no longer be reporting on this performance measure in future financial years.</p>		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the number of calendar days between the JMEI application closing date and the issued date for the outcome for applications received during the application period.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

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

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

## Program 1.7 Fuel Tax Credits Scheme

**Table 3.35** Fuel Tax Credits Scheme gap, 2022–23 to 2024–25<sup>(a)</sup>

Performance measure	<b>Fuel Tax Credits Scheme gap</b> <ul style="list-style-type: none"> <li>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.</li> </ul>		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.7 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	4% <sup>(b)</sup>		
Results	2024–25	3.7% or \$345m (2023–24)	● Achieved
	2023–24 <sup>(c)</sup>	4.3% or \$322m (2022–23)	● Achieved
	2022–23 <sup>(c)</sup>	2.6% or \$175m (2021–22)	Rating not previously reported in the annual report
Analysis	<p>The slight downward trend in the tax gap reflects a reduction in fraudulent claims and errors linked to the temporary fuel excise reduction. These issues were highlighted in last year's annual report as key contributors to the previous year's tax gap estimate.</p> <p>The 2023–24 tax gap estimate of 3.7% shows a gradual decline, indicating a positive trend in voluntary compliance. This improvement is supported by better detection and treatment of non-compliance.</p> <p>The tax gap measures both under- and over-claiming of fuel tax credits. Some taxpayers underclaim due to poor record-keeping, uncertainty about their entitlements, or the complexity of the rules. Others over-claim because of flawed apportionment methods, system errors, misunderstandings or fraud.</p> <p>To address this, the ATO focuses on helping taxpayers claim correctly. This includes:</p> <ul style="list-style-type: none"> <li>publishing clear guidance and web content</li> <li>developing tools and calculators</li> <li>offering simplified claiming methods</li> <li>providing certainty through product and class rulings</li> <li>taking targeted compliance action when needed.</li> </ul> <p>The continued decline in the tax gap highlights the growing effectiveness of the ATO's approach – particularly in detecting and addressing fraud, and in promoting early engagement with advisers and software providers on technology-based claiming systems.</p>		
Type of measure	Effectiveness		
Data sources	ATO systems, models, economic data		
Methodology	<p>The fuel tax credits (FTC) gap arises from taxpayers not claiming their correct credits. The credits system is voluntary and eligible taxpayers might under-claim or not claim, while other taxpayers might claim more than they are entitled to. This can result in either a positive or a negative gap.</p> <p>The FTC gap is an estimate, determined using both logistic and linear regressions in a bottom-up, multi-stage regression model. Further detail is available at <a href="https://ato.gov.au/FTCgap">ato.gov.au/FTCgap</a>.</p> <p>In developing our methods, we engage with appropriate key stakeholders and subject matter experts from the ATO and the community, including tax gap experts, researchers, academics, government agencies and taxpayer representative groups.</p> <p>Tax gap is a lag measure, one year behind the annual report publication year. Changes from previously published estimates occur for a variety of reasons, including improvements to methods, revisions to data and additional information becoming available.</p> <p>Methodologies used to calculate tax gaps can improve over time. If an alternative methodology provides a more credible and reliable estimate, that new method should be preferred.</p> <p>All tax gap estimates are assessed for reliability.</p> <p>Details of the principles and approaches we use to measure tax gaps are available at <a href="https://ato.gov.au/taxgapprinciple">ato.gov.au/taxgapprinciple</a>.</p>		

**Table 3.35 Fuel Tax Credits Scheme gap, 2022–23 to 2024–25<sup>(a)</sup> *continued***


<b>Limitations</b>	<p>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.</p> <p>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.</p> <p>Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system.</p> <p>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.</p> <p>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.</p> <p>The extent of non-detection is unknown and challenging to measure.</p> <p>The estimate does not include the population that may be entitled to fuel tax credits but has not registered for fuel tax credits.</p> <p>This population does not include a small number of taxpayers who claimed credits for domestic electricity generation.</p>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	<p>The target has been updated to '4%' to provide a clearer read of performance.</p>

**Notes**

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

## Program 1.8 National Rental Affordability Scheme

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

Performance measure	Information on how to claim the National Rental Affordability Scheme offset is accurate and accessible		
	<ul style="list-style-type: none"><li>A measure demonstrating the ATO is performing one of its roles as co-administrator of the National Rental Affordability Scheme (NRAS) by helping taxpayers to understand their rights and obligations regarding the NRAS tax offset</li></ul>		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.8 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Information on how to claim the NRAS offset is accurate and accessible		
Results	2024–25	Target met	 Achieved
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	<p>The performance measure for this program has changed to better reflect the ATO's role in administering the NRAS. This new performance measure provides clear insight about our role to help entities understand their rights and obligations in relation to the NRAS.</p> <p>We maintained an online NRAS resource at <a href="https://ato.gov.au/nras">ato.gov.au/nras</a>, providing details for entities about eligibility criteria and information on how to claim the NRAS offset. During 2024–25, this was reviewed and confirmed as accurate with no legislative changes required.</p> <p>The 2025–26 income year will be the final year in which entities can claim a NRAS offset in their tax return. The final reporting year for this performance measure will be 2025–26.</p>		
Type of measure	Output		
Data sources	ATO website and administrative data		
Methodology	Analysis of ATO documentation and data relating to the accessibility and accuracy of information about the NRAS on the ATO website.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	The previous measure has been replaced with a revised measure that better reflects the ATO's role in administering this program.		

## Program 1.9 Product Stewardship for Oil

**Table 3.37** Product Stewardship for Oil gap, 2022–23 to 2024–25<sup>(a)</sup>

Performance measure	Product Stewardship for Oil gap														
	• This measure is an estimate of the difference between the amounts of petroleum-based oil levy collected and benefits paid and those amounts that would be collected and paid assuming full compliance with the law														
ATO key activity	4: Administer a range of payments and transfers on behalf of government														
Authority source	2024–25 PBS Administered Program 1.9 and Australian Taxation Office corporate plan 2024–25														
2024–25 target	1% <sup>(b)</sup>														
Results	2024–25	1.1% or \$2.1m (2023–24)	■ Substantially achieved												
	2023–24 <sup>(c)</sup>	0.9% or \$1.3m (2022–23)	● Achieved												
	2022–23 <sup>(c)</sup>	0.6% or \$0.9m (2021–22)	Rating not previously reported in the annual report												
Analysis	<p>The Product Stewardship for Oil (PSO) program continues to be effective, even though the 2023–24 tax gap has slightly increased to 1.1%, just above the 1% target. This increase is largely due to a rise in the levy rate. While the PSO-related tax gap has grown over the past 3 years, it remains very low overall.</p> <p>The ATO evaluates the performance of the PSO program using a range of indicators beyond the tax gap estimate. These include:</p> <ul style="list-style-type: none"><li>• monitoring and assurance of the largest PSO benefit claimants</li><li>• review of all new registrations and first-time claims</li><li>• oversight of excise revenue collections</li><li>• automated risk profiling and intervention for higher-risk claims.</li></ul> <p>These measures collectively support the integrity of the program and align with the very low tax gap estimate observed.</p> <p>In addition, the ATO provides education and support to PSO program participants – both benefit claimants and PSO levy payers – to help ensure correct entitlements are claimed. This also promotes the effective collection, recycling and reuse of waste oil streams.</p>														
Type of measure	Effectiveness														
Data sources	ATO systems, models, economic data														
Methodology	<p>The 2 components of the PSO program are:</p> <ul style="list-style-type: none"><li>• a levy on producers of new oils and synthetic equivalents that helps fund the program</li><li>• a benefit paid to recyclers of used oils and synthetic equivalents.</li></ul> <p>There is a separate gap analysis for each component. The results are then combined to form a total program compliance gap.</p> <p>The PSO levy gap analysis compares the amount raised from ATO and Department of Home Affairs clearances of oils and lubricants that attract the levy against data from the Australian Petroleum Statistics on these products that are produced or imported into Australia.</p> <p>The PSO benefit analysis uses our industry compliance results to inform the program benefit gap. We apply a small uplift to allow for non-detection for oil recyclers that are not subject to compliance activity in a given year. This analysis incorporates over-claims and missed claims by taxpayers.</p> <p>Further detail is available at <a href="https://ato.gov.au/PSOgap">ato.gov.au/PSOgap</a>.</p> <p><b>Performance rating scale</b></p> <table><tr><th>Result</th><th>Symbol</th><th>Description</th></tr><tr><td>Achieved</td><td>●</td><td>&lt;=1%</td></tr><tr><td>Substantially achieved</td><td>■</td><td>&gt;1% to &lt;=3%</td></tr><tr><td>Not achieved</td><td>◆</td><td>&gt;3%</td></tr></table>			Result	Symbol	Description	Achieved	●	<=1%	Substantially achieved	■	>1% to <=3%	Not achieved	◆	>3%
Result	Symbol	Description													
Achieved	●	<=1%													
Substantially achieved	■	>1% to <=3%													
Not achieved	◆	>3%													

**Table 3.37 Product Stewardship for Oil gap, 2022–23 to 2024–25<sup>(a)</sup> *continued***

<b>Limitations</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system.</p> <p>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.</p> <p>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.</p> <p>The extent of non-detection is unknown and challenging to measure.</p>
<b>Variation from Australian Taxation Office corporate plan 2024–25</b>	<p>The target has been updated to '1%' to provide a clearer read of performance.</p>

**Notes**

- (a) When we estimate tax gaps each year, we revise the estimates for the previous years using the latest information about lodgments and amendments received since the previous estimate was calculated. This ensures our tax gap estimates reflect our best estimation.
- (b) The target was changed from 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available' in 2023–24 to '1%' in 2024–25.
- (c) The performance result and assessment for prior years is based on the estimated result at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.



## Program 1.10 Research and Development Tax Incentive

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

Performance measure	Research and Development Tax Incentives (R&DTI) refundable claims are subject to R&DTI specific risk detection processes			
	<ul style="list-style-type: none"><li>A measure to demonstrate we perform our role to manage the risk of non-compliance in relation to claims of refundable R&amp;DTI offsets claimed on company income tax returns.</li></ul>			
ATO key activity	4: Administer a range of payments and transfers on behalf of government			
Authority source	2024–25 PBS Administered Program 1.10 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	R&DTI refundable claims are subject to risk detection processes <sup>(a)</sup>			
Results	2024–25	Target met	●	Achieved
	2023–24	100%	●	Achieved
	2022–23	New measure from 2023–24, not previously reported in the annual performance statements		
Analysis	<p>The ATO actively manages the risk of non-compliance with tax laws that govern refundable R&amp;DTI offsets. The measure demonstrates the ATO has processes and controls in place to help identify where fraudulent and ineligible claims of refundable R&amp;DTI offsets are made by taxpayers in their company income tax return.</p> <p>The ATO monitors the operation of these processes and controls to ensure they are working as intended and performing to expected standards. Where deficiencies are found, the ATO reviews and implements changes to improve its performance.</p> <p>During 2024–25, we reviewed our controls and confirmed they operated as expected.</p>			
Type of measure	Effectiveness			
Data sources	Administrative data			
Methodology	Analysis of ATO documentation and data relating to the operation of the ATO's risk detection processes for refundable R&DTI offsets and its design to identify inappropriate claims.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure from ATO systems to administrative data.			

**Note**

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

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

Performance measure	Research and Development Tax Incentives (R&DTI) offset claims are amended when the Department of Industry, Science and Resources advises the ATO that R&DTI registration has been revoked			
	<ul style="list-style-type: none"><li>A measure to demonstrate we perform our role to amend company income tax returns as required where the Department of Industry, Science and Resources (DISR) notifies the ATO it has changed a company's R&amp;DTI registration due to a negative finding or revocation, impacting the company's claim for an R&amp;DTI offset.</li></ul>			
ATO key activity	4: Administer a range of payments and transfers on behalf of government			
Authority source	2024–25 PBS Administered Program 1.10 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	100%			
Results	2024–25	93%	◆	Not achieved
	2023–24	95%	◆	Not achieved
	2022–23	New measure from 2023–24, not previously reported in the annual performance statements		
Analysis	<p>The ATO aims to ensure all company income tax returns that have claimed a R&amp;DTI offset are amended when DISR issues a negative finding or revokes a company's R&amp;DTI registration. We apply processes to monitor impacted company tax returns when a relevant notification is received from DISR to ensure they are appropriately amended either by the company or the ATO.</p> <p>In the 2024–25 financial year, a total of 28 company income tax returns were required to be amended by a date falling within the financial year following decisions taken by DISR. Of these returns, 26 were amended and 2 could not be amended as DISR's decisions were received outside legislative timeframes to amend. Accordingly, the ATO amended all company income tax returns that were within its power to amend.</p> <p>During 2024–25, the ATO has improved its internal processes and controls to help ensure that, where it is within the ATO's powers, appropriate amendments are made to company income tax returns, following decisions taken by DISR.</p>			
Type of measure	Effectiveness			
Data sources	Administrative data, third-party data			
Methodology	Calculate the percentage of company income tax returns that were appropriately amended from those that were required to be amended by a date falling within the financial year as a result of a decision taken by the DISR.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	<p>Change to the data source for this measure from ATO systems and third-party data to administrative data and third-party data.</p> <p>The updated measure name clarifies that DISR performs the functions of Industry Innovation and Science Australia to make and advise the ATO of revocations and findings related to R&amp;DTI registrations.</p>			

## Program 1.11 Low Income Superannuation Tax Offset

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

Performance measure	Proportion of original contributions paid within 60 days <ul style="list-style-type: none"> <li>A measure that demonstrates we are making payments to superannuation funds under the Low Income Superannuation Tax Offset program in a timely manner</li> </ul>		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.11 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	97%		
Results	2024–25	98.68%	● Achieved
	2023–24	98.08%	● Achieved
	2022–23 <sup>(a)</sup>	97.29%	Rating not previously reported in the annual report
Analysis	<p>Low income superannuation tax offset (LISTO) is a superannuation entitlement for eligible individuals, intended to help boost their super balance. Under the program, the ATO establishes if an individual is eligible to receive a payment. If so, payments to their superannuation fund should occur within 60 days.</p> <p>In 2024–25, 100% of LISTO payments were made to eligible individuals. The proportion of original contributions paid within 60 days was 98.68%, an increase from 98.08% the previous year and achieving the target of 97%.</p> <p>The ATO reviews its administration of the program on an ongoing basis, to identify and resolve factors that drive delays in payments.</p> <p>Factors contributing to payments not made within the 60-day timeframe include:</p> <ul style="list-style-type: none"> <li>data from superannuation funds not matching and linking to an individual</li> <li>beneficiaries and funds not notifying the ATO of their current active accounts</li> <li>where manual intervention is required when automated processes are unable to be used.</li> </ul> <p>The steady increase in the proportion of LISTO contributions paid within 60 days indicates improved ATO processes and systems for establishing an individual's eligibility and subsequently remitting payments to their superannuation fund.</p>		
Type of measure	Output		
Data sources	ATO systems		
Methodology	<p>Under the LISTO program, interest is automatically payable if an individual's original contributions are not paid to their superannuation fund within 60 days of determining they have an entitlement.</p> <p>Using ATO systems, we identify the total number of:</p> <ul style="list-style-type: none"> <li>interest payments made under the LISTO program</li> <li>payments made to superannuation funds under the LISTO program.</li> </ul> <p>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).</p>		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

**Note**

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

## Program 1.12 Private Health Insurance Rebate

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

Performance measure	Private health insurance rebates are subject to risk preventative and corrective processes		
	<ul style="list-style-type: none"><li>A measure to demonstrate we perform our role as tax regulator and co-administrator to manage the risk of non-compliance with the tax laws that govern the private health insurance rebate (PHIR).</li></ul>		
ATO key activity	4: Administer a range of payments and transfers on behalf of the Australian Government		
Authority source	2024–25 PBS Administered Program 1.12 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Private health insurance rebates are subject to risk preventative and corrective processes		
Results	2024–25	Target met	Achieved
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	<p>The ATO actively manages the risk of non-compliance with legislation governing the PHIR. We maintain risk controls and treatments that prevent and address inappropriate PHIR claims in individual tax returns to ensure taxpayers claim only the rebate amount to which they are entitled.</p> <p>We obtain data directly from private health insurers and use it to:</p> <ul style="list-style-type: none"><li>pre-fill private health insurance information in individual income tax returns before lodgment to help individuals report the correct amounts</li><li>detect discrepancies between reported and actual data once a return is lodged, triggering potential corrective action</li><li>determine the correct entitlement for the rebate based on the taxpayer’s circumstances and the data provided.</li></ul> <p>We conduct ongoing monitoring of these controls and treatments to ensure they operate reliably and as designed.</p> <p>In 2024–25, these controls and treatments operated as intended to pre-fill returns and identify individual income tax returns that required adjusting and/or further manual review to determine the correct PHIR entitlement.</p>		
Type of measure	Effectiveness		
Data sources	Administrative data and third-party data		
Methodology	Analysis of ATO documentation and data relating to the operation of the ATO’s preventative and corrective processes that are used by the ATO to address misreported private health insurance related information on individual income tax returns.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Change to the data source for this measure from ATO financial statements to administrative data and third-party data.		

## Program 1.13 Superannuation Co-contribution Scheme

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

Performance measure	Proportion of original co-contributions paid within 60 days <ul style="list-style-type: none"> <li>A measure that demonstrates the ATO is making payments to superannuation funds under the Superannuation Co-contribution Scheme in a timely manner</li> </ul>		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.13 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	97%		
Results	2024–25	98.56%	● Achieved
	2023–24	97.43%	● Achieved
	2022–23	98.84%	Rating not previously reported in the annual report
Analysis	<p>Superannuation co-contribution is a superannuation entitlement where the government may make a co-contribution up to \$500 to eligible individuals that have made personal (after-tax) contributions to their superannuation. Under the program, the ATO establishes if an individual is eligible to receive a payment. If so, payments to their superannuation fund should occur within 60 days.</p> <p>In 2024–25, 100% of superannuation co-contribution payments were made to eligible individuals. The proportion of original co-contributions paid within 60 days under the Superannuation Co-contribution Scheme was 98.56%, an increase from 97.43% last year and achieving the target of 97%.</p> <p>The ATO is constantly reviewing how it administers the program, to identify and resolve factors that drive delays in payments.</p> <p>Factors contributing to payments made outside of the 60-day timeframe include:</p> <ul style="list-style-type: none"> <li>data from superannuation funds not matching and linking to an individual</li> <li>beneficiaries and funds not notifying the ATO of their current active accounts</li> <li>where manual intervention is required when automated processes are unable to be used.</li> </ul> <p>The steady increase in the proportion of co-contributions paid within 60 days indicates improved ATO processes and systems for establishing an individual's eligibility and subsequently remitting the payments to their superannuation fund.</p>		
Type of measure	Output		
Data sources	ATO systems		
Methodology	<p>Under the Superannuation Co-contribution Scheme, interest is automatically payable if an individual's original co-contributions are not paid to their superannuation fund within 60 days.</p> <p>Using ATO systems, we identify the total number of:</p> <ul style="list-style-type: none"> <li>interest payments made under the scheme</li> <li>payments made to superannuation funds under the scheme.</li> </ul> <p>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).</p>		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

## Program 1.14 Superannuation Guarantee Scheme

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

Performance measure	Superannuation guarantee gap as a proportion of superannuation guarantee contributions <ul style="list-style-type: none"><li>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</li></ul>						
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community						
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25						
2024–25 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available						
Results	2024–25	6.0% or \$6,245m (2022–23)		■	Substantially achieved		
	2023–24 <sup>(a)</sup>	6.3% or \$5,157m (2021–22)		■	Substantially achieved		
	2022–23 <sup>(a)</sup>	5.1% or \$3,619m (2020–21)		Rating not previously reported in the annual report			
Analysis	The net superannuation guarantee (SG) gap for 2022–23 is estimated to be around \$6.2 billion or around 6.0% of theoretical contributions.						
		2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
	Theoretical contributions (\$m)	\$62,915	\$66,101	\$69,983	\$72,481	\$81,292	\$104,845
	Net gap (\$m) <sup>(b)</sup>	\$3,687	\$3,885	\$4,447	\$5,035	\$5,330	\$6,245
	Net gap (%) <sup>(b)</sup>	5.9%	5.9%	6.4%	6.9%	6.6%	6.0%
	Theoretical contributions represent the amount of SG we estimate should be collected on behalf of employees. It increases with wages in the economy and our estimations of unreported contributions, and it is sensitive to changes in legislation. In 2022–23, theoretical contributions grew substantially due to an increase in the statutory minimum rate to 10.5% and the removal of the \$450 per month minimum threshold for employer contributions.						
	The net SG gap has been gradually increasing in dollar terms from \$3.7 billion to \$6.2 billion across 2017–18 to 2022–23, but relative to theoretical contributions it has remained steady between 5.9% and 6.9%. Notably, there is an increase in the size of the net gap during the pandemic period (2019–20 to 2021–22), reflecting the external environment as well as the ATO's reallocation of compliance resources during this period.						
	The level of amendments due to ATO actions increased in 2021–22 and 2022–23, after declining in 2019–20 and 2020–21 due in part to the impacts of the pandemic. The use of Single Touch Payroll (STP) and Member Account Transaction Service (MATS) information has enabled more targeted detection of non-compliance and implementation of preventative and corrective strategies.						
	The latest year result of 6.0% is 0.6 percentage points below the revised 2021–22 result. We caution against interpreting these results as demonstrating an improvement because:						
	<ul style="list-style-type: none"><li>one year is insufficient to confirm a trend in improving performance</li><li>the latest year estimate may be revised next year as more up-to-date information becomes available</li><li>given there has been no medium-term improvement in the SG gap, we conservatively rate this measure as substantially achieving the target.</li></ul>						
	The current performance target is difficult to evaluate quantitatively. The ATO is developing an alternative quantitative approach to target setting, designed to improve reporting on this measure. The earliest this change can be implemented is for 2025–26.						

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

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data
Methodology	<p>We use the following 3-step method to estimate the SG gap:</p> <ul style="list-style-type: none"> <li>• Step 1: Estimate unreported SG amount</li> <li>• Step 2: Estimate for errors not detected</li> <li>• Step 3: Calculate the SG gross gap and net gap.</li> </ul> <p>The gross gap represents the estimated gap if we did not undertake compliance activities.</p> <p>The net gap includes the impact from our compliance activities, such as reviews and audits, and from employer voluntary adjustments.</p> <p>Further detail is available at <a href="https://ato.gov.au/SGgapmethodology">ato.gov.au/SGgapmethodology</a>.</p>
Limitations	<p>The assumptions we use to construct our estimate are informed by actual data and expert opinion. The following caveats and limitations apply when interpreting this tax gap estimate:</p> <ul style="list-style-type: none"> <li>• the precision of the estimate is limited by the sample size</li> <li>• the true extent of non-detection is unknown and is challenging to measure. We assume there will be errors and omissions in our compliance activities due to factors outside our control and limitations in operational capability and capacity. An uplift factor must be used</li> <li>• 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</li> <li>• changes from previously published estimates occur for a variety of reasons, including improvement to methods, revisions to data and additional information becoming available</li> <li>• tax gap estimates are best viewed as a trend over time.</li> </ul> <p>Further detail on limitations is available at <a href="https://ato.gov.au/SGgaplimitations">ato.gov.au/SGgaplimitations</a>.</p>
Variation from Australian Taxation Office corporate plan 2024–25	Nil

**Notes**

- (a) The performance result and assessment for prior years is based on the estimated result and methodology at a point in time and published in the relevant annual report. The 2024–25 Part 4 content of this report includes refreshed estimates for these prior years based on additional information available outside of the reporting year.
- (b) The prior year estimates have been revised using the latest information about lodgments and amendments received since the previous estimate was calculated.

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

Performance measure	Value of superannuation guarantee charge raised (including penalties and interest)		
	<ul style="list-style-type: none"> <li>A measure of the value of superannuation guarantee charge raised (including penalties and interest)</li> </ul>		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	\$1,099m <sup>(a)</sup>		
Results	2024–25	\$1,725.2m	● Achieved
	2023–24	\$1,912.1m	● Achieved
	2022–23	\$1,243.5m	Rating not previously reported in the annual report
Analysis	<p>In 2024–25, the superannuation guarantee charge (SGC) raised (including penalties and interest) was \$1,725.2 million and achieved the target of \$1,099 million. This result was 10% lower than the 2023–24 result, primarily due to fewer audits being completed. SGC raised is driven by both ATO compliance work and employers lodging SGC statements voluntarily if they have failed to pay direct to superannuation funds by the legislated due dates.</p> <p>ATO compliance work includes:</p> <ul style="list-style-type: none"> <li>the ATO actioning employee-notified complaints about unpaid superannuation</li> <li>ATO-initiated audit work</li> <li>ATO programs that target employers that may have an outstanding obligation and encourage them to lodge SGC statements.</li> </ul> <p>In recent years, compliance work has raised around 60% of the primary SGC and most of the penalties.</p>		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge collected' to provide a clearer read of performance.		

**Note**

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



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

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

**Note**

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

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

Performance measure	Value of superannuation guarantee charge entitlements distributed to individuals or superannuation funds			
	<ul style="list-style-type: none"> <li>A measure of the value of superannuation guarantee charge entitlements distributed to individuals or superannuation funds</li> </ul>			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	\$578m <sup>(a)</sup>			
Results	2024–25	\$1,100.1m	●	Achieved
	2023–24	\$932.5m	●	Achieved
	2022–23	\$683.9m		Rating not previously reported in the annual report
Analysis	<p>Superannuation guarantee charge (SGC) entitlements distributed in 2024–25 was \$1,100.1 million, an 18% increase compared to the 2023–24 result and achieved the target of \$578 million.</p> <p>This result is the highest since 2020–21, the final year of the superannuation guarantee amnesty where employers were incentivised to lodge and pay outstanding superannuation guarantee obligations. SGC distributions are driven by SGC collections.</p>			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	Nil			

**Note**

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

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

Performance measure	Value of superannuation guarantee charge debt on hand <ul style="list-style-type: none"><li>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</li></ul>			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	\$4,000m <sup>(a)</sup>			
Results	2024–25	\$3,952m	●	Achieved
	2023–24	\$3,697m	●	Achieved
	2022–23	\$3,343m	Rating not previously reported in the annual report	
Analysis	The value of superannuation guarantee charge debt on hand increased from \$3,697 million in 2023–24 to \$3,952 million in 2024–25 and achieved the target of \$4,000 million. This was expected given the value of superannuation guarantee charge liabilities raised during the year.			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.			
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue' to provide a clearer read of performance.			

**Note**

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

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

Performance measure	Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue			
	• A measure of the amount of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue			
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community			
Authority source	2024–25 PBS Administered Program 1.14 and Australian Taxation Office corporate plan 2024–25			
2024–25 target	\$183m <sup>(a)</sup>			
Results	2024–25	\$231.4m	◆	Not achieved
	2023–24	\$447.4m	■	Substantially achieved <sup>(b)</sup>
	2022–23	\$214.5m	Rating not previously reported in the annual report	
Analysis	The value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue was \$231.4 million in 2024–25, which did not meet the target of less than \$183 million. The increased firmer and stronger actions resulting from implementation of the ATO Payment Strategy has resulted in increases in the identification of debts that are uneconomical to pursue or irrecoverable at law. This includes businesses that have reviewed their circumstances as a result of these debt actions and taken steps to close down, which impacts the recovery of some debts.			
Type of measure	Effectiveness			
Data sources	ATO financial statements			
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.			
	From 2024–25, the performance rating scale has been updated. The previous rating scale is available in Table 3.51 (page 112) in the <i>Commissioner of Taxation annual report 2023–24</i> .			
	Performance rating scale			
	Result	Symbol	Description	
	Achieved	●	Less than \$183 million	
	Substantially achieved	■	More than the target but less than 110% of target	
Not achieved	◆	More than 110% of the target		
Limitations	There are no material limitations.			
Variation from Australian Taxation Office corporate plan 2024–25	This measure has been separated from 'Value of superannuation guarantee charge debt on hand' to provide a clearer read of performance.			

**Note**

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

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

## Program 1.15 Interest on unclaimed superannuation accounts paid

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

Performance measure	Value of interest payments processed (unclaimed superannuation money)		
	<ul style="list-style-type: none"> <li>A measure of the value of interest paid on any unclaimed superannuation money (USM) account that is either claimed by the account owner or proactively paid by the ATO</li> </ul>		
ATO key activity	3: Manage our responsibilities in the superannuation system to support the future retirement savings of the community		
Authority source	2024–25 PBS Administered Program 1.15 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Not reasonably practicable <sup>(a)</sup>		
Results	2024–25	\$64.4m	Not applicable
	2023–24	Not reported in the 2023–24 annual performance statements	
	2022–23	\$24.6m	Rating not previously reported in the annual report
Analysis	<p>The value of USM credit interest paid during the 2024–25 financial year was \$64.4 million. The ATO calculates and pays interest as required by the relevant legislation when USM is either claimed by the account holder or proactively paid by the ATO.</p> <p>This measure does not have a target as the ATO does not wholly determine the amount of interest to be paid. It is calculated based on:</p> <ul style="list-style-type: none"> <li>the value of the USM account balance</li> <li>the number of days the USM account balance was held by the ATO</li> <li>the Consumer Price Index interest rate applicable for each financial year.</li> </ul> <p>This will be the last year this performance measure is reported as it is not relevant to, or driven by, ATO performance. A more meaningful measure and target has been designed and included in the <i>Australian Taxation Office corporate plan 2025–26</i>, with performance against the measure to be reported in the 2025–26 annual performance statements.</p>		
Type of measure	Output		
Data sources	ATO financial statements		
Methodology	The value of USM interest is calculated based on the total value of all processed USM interest transactions less the value of any cancelled or amended transactions. This measure will calculate the total value of interest payments made on any unclaimed superannuation account that is either claimed by the account owner or proactively paid by the ATO from 1 July 2013 onwards.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	Nil		

**Note**

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

## Program 1.16 Interest on Overpayment and Early Payments of Tax

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

Performance measure	The ATO applies interest on overpayments and early payments of tax when required		
	• A measure to demonstrate the ATO performs its role to apply interest on overpayments and early payments when and in the manner required by the <i>Taxation (Interest on Overpayments and Early Payments) Act 1983</i>		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.16 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	The ATO applies interest on overpayment and early payments of tax when required		
Results	2024–25	Target met	● Achieved
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	<p>The performance measure for this program has changed to better reflect our activities to apply interest on overpayments and early payments. This new performance measure provides clear insight about the role we perform to apply interest on overpayments and early payments.</p> <p>The ATO applies interest on overpayments and early payments as required under the <i>Taxation (Interest on Overpayments and Early Payments) Act 1983</i> (T(IOEP)A). This generally includes:</p> <ul style="list-style-type: none"><li>interest on early payments applied when payments are made toward eligible tax liabilities more than 14 days before the due date</li><li>interest on overpayments applied when entitlement to interest conditions set out in the T(IOEP)A are met.</li></ul> <p>We use automated systems to identify transactions eligible for the application of interest under the T(IOEP)A and determine whether they can be processed automatically or require manual review and processing. These systems and processes are subject to sample-based reviews and system design testing to ensure they perform as required.</p> <p>Monitoring and testing conducted throughout 2024–25 provided assurance that the systems and processes operated as intended to apply interest in compliance with the requirements of the T(IOEP)A.</p> <p>Information about interest on early payments is available at <a href="https://ato.gov.au/interestonearlypayments">ato.gov.au/interestonearlypayments</a>.</p> <p>Information about interest on overpayments is available at <a href="https://ato.gov.au/interestonoverpayments">ato.gov.au/interestonoverpayments</a>.</p>		
Type of measure	Output		
Data sources	Administrative data		
Methodology	Review of ATO documentation on the ATO's processes, systems and controls that apply interest on overpayments and early payments when required and examine a sample of transactions to determine whether interest was applied as intended.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	The previous measure has been replaced with a revised measure that better reflects the ATO's role in administering this program.		

## Program 1.17 Bad and Doubtful Debts and Remissions

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

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

**Note**

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

## Program 1.18 Seafarer Tax Offset

**Table 3.52** Accurate information is made available to taxpayers eligible to claim the seafarer tax offset, 2022–23 to 2024–25

Performance measure	Accurate information is made available to taxpayers eligible to claim the seafarer tax offset		
	<ul style="list-style-type: none"><li>A measure to demonstrate we perform our role to make available accurate content to help companies understand their rights and obligations in relation to the seafarer tax offset.</li></ul>		
ATO key activity	4: Administer a range of payments and transfers on behalf of government		
Authority source	2024–25 PBS Administered Program 1.18 and Australian Taxation Office corporate plan 2024–25		
2024–25 target	Accurate information is made available to taxpayers eligible to claim the seafarer tax offset		
Results	2024–25	Target met	● Achieved
	2023–24	New measure from 2024–25, not previously reported in the annual performance statements	
	2022–23		
Analysis	<p>The performance measure for this program has changed to better reflect our activities to co-administer the seafarer tax offset. This new performance measure better reflects our role to help companies understand their rights and obligations in relation to the offset.</p> <p>We launched the resource <a href="https://ato.gov.au/seafarertaxoffset">ato.gov.au/seafarertaxoffset</a> in June 2025 that includes details on eligibility criteria and step-by-step instructions on how to claim the seafarer tax offset.</p> <p>We review and maintain the resource content so it remains correct and up to date, with no legislative changes, broken links or accuracy-related feedback requiring amendment.</p> <p>The ATO performs a limited role for the seafarer tax offset, co-administering the program with the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts. In 2024–25, no taxpayers claimed the offset.</p>		
Type of measure	Output		
Data sources	ATO website and administrative data		
Methodology	Analysis of ATO documentation and data relating to the accuracy of information about the seafarer tax offset on the ATO website.		
Limitations	There are no material limitations.		
Variation from Australian Taxation Office corporate plan 2024–25	The previous measure has been replaced with a revised measure that better reflects the ATO's role in administering this program.		



## Program 1.20 Hydrogen Production Tax Incentive<sup>(a)</sup>

**Table 3.53** Hydrogen Production Tax Incentive

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

**Notes**

(a) This is a newly established program. The incentive is announced as commencing from 1 July 2027.

(b) Performance measure will be reported from 2025–26.

## Program 1.21 Critical Minerals Production Tax Incentive<sup>(a)</sup>

**Table 3.54** Critical Minerals Production Tax Incentive

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

**Notes**

(a) This is a newly established program. The incentive is announced as commencing from 1 July 2027.

(b) Performance measure will be reported from 2025–26.