Audit report of the 2023–24 annual performance statements

Australian Taxation Office

INDEPENDENT AUDITOR'S REPORT on the 2023–24 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 matters described in the Bases for Qualified Conclusion section of my report, the 2023–24 Annual Performance Statements of the Australian Taxation Office (ATO):

- present fairly ATO's performance in achieving its purposes for the year ended 30 June 2024; 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

In order to assess whether the ATO'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; and
- whether the annual performance statements present fairly the entity's performance in achieving the entity's purposes in the reporting period.

Bases for Qualified Conclusion

Limitation of scope – measures where the ATO was unable to obtain sufficient assurance over the reporting processes supporting the result

The ATO was unable to demonstrate how it gains assurance over the reporting processes supporting the result for five measures, as disclosed in the *Statement by the Accountable Authority*. Accordingly, I have been unable to obtain sufficient appropriate audit evidence that the data used to produce the results for these five measures is presented fairly.

The five measures are:

- Registration – Proportion of companies and individuals registered in the system
- Payment – Proportion of liabilities paid on time by value
- Digital (Inbound) – Proportion of inbound transactions received digitally for key services
- Digital (Outbound) – Proportion of written outbound interactions issued digitally
- Identity Matching – Proportion of data items matched to client identifiers

As a result, I have been unable to conclude whether the reported results present fairly the ATO's performance for these five measures.

Limitation of scope – Measures with a target to reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available

The ATO's performance statements include three measures of tax gaps and one measure of the superannuation guarantee gap. For these four measures, the target is 'Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available'. In my view these targets do not provide an unbiased basis for the measurement and assessment of the entity's performance, as is required under section 16EA(c) of the Rule. The design of the measures does not enable the ATO to evidence the achievement of the targets.

The four measures with these targets are:

- Tax gap – As a proportion of revenue
- Fuel Tax Credits Scheme gap
- Product Stewardship for Oil gap
- Superannuation guarantee gap as a proportion of superannuation guarantee contributions

As a result, I have been unable to conclude whether the reported results present fairly the ATO's performance for these four measures.

Emphasis of Matter – Revised performance measures

I draw attention to the ATO's disclosure of changes to its purposes, key activities and performance measures from those that were originally set out in its 2023–24 Corporate Plan and/or 2023–24 Portfolio Budget Statements, under the heading *Changes to our performance information*. Tables 3.1 through 3.7 of the performance statements detail the changes to key activities, measure descriptions and targets.

My conclusion is not modified in respect of this matter.

Accountable Authority's responsibilities

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

- the preparation of annual performance statements that accurately present the ATO'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 ATO'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 ATO'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.

I plan and perform my procedures 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

Carla Jago

Acting Deputy Auditor-General
Delegate of the Auditor-General

Canberra
3 October 2024

Appendix A — Referencing for Measures in the Bases for Qualified Conclusion paragraph

In preparing the Bases for Qualified Conclusion, I have referred to the following performance measures.

Key Activity	Performance Measure	Target
1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer	Registration – Proportion of companies and 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 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)
1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer	Payment – Proportion of liabilities paid on time by value	88%
3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to	Digital (Inbound) – Proportion of inbound transactions received digitally for key services	95%
3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to	Digital (Outbound) – Proportion of written outbound interactions issued digitally	76%
5: We use data, information and insights to deliver value for our clients and inform decision-making across everything we do	Identity Matching – Proportion of data items matched to client identifiers	95%
1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer	Tax gap – As a proportion of revenue	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available

Key Activity	Performance Measure	Target
2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance	Fuel Tax Credits Scheme gap	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance	Product Stewardship for Oil gap	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance	Superannuation guarantee gap as a proportion of superannuation guarantee contributions	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available

03 Annual performance statement

Statement by the Accountable Authority

As the Accountable Authority of the Australian Taxation Office listed entity, comprising the Commissioner of Taxation (supported by the ATO), the Tax Practitioners Board (TPB), the Australian Charities and Not-for-profits Commission (ACNC) and the ACNC Advisory Board, I present the following annual performance statement for the listed entity. This statement has been prepared as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and covers the period from 1 July 2023 to 30 June 2024.

In my opinion, and having considered the recommendations from the ATO Audit and Risk Committee, the annual performance statement, which reports the ATO's results against its current performance framework, is based on properly maintained records, accurately presents the performance of the entity for the reporting period and complies with subsection 39(2) of the PGPA Act except for the effect of those matters described below where the entity was unable to obtain sufficient assurance over the reporting processes supporting the result:

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

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

The ATO, TPB and ACNC have reviewed the performance framework for the listed entity, including the performance measures included in the annual performance statement, and a number of changes have been made to improve performance reporting to the public and the Parliament. The ATO, TPB and ACNC will continue to work together to improve performance reporting overall, including through the ongoing consideration of the findings of the ANAO audit.

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

Introduction

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

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

The purposes of the Australian Taxation Office are:

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

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

Changes to our performance information

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

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

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

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

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

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

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

Table 3.1 Performance framework, ATO key activities changes

ATO corporate plan 2023–24 – strategic objectives		2023–24 Annual performance statement and Australian Taxation Office corporate plan 2024–25 – key activities	
G1	We build community confidence by sustainably reducing the tax gap and providing assurance across the tax, superannuation and registry systems	1	We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer
G2	We design for better tax, superannuation and registry systems to make it easy to comply and hard not to	2	We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance
C1	Our client experience interactions are well designed, tailored, fair and transparent	3	Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to
C2[(a)]	We work with and through others to deliver efficient and effective tax, superannuation and registry systems	4	We work with and through others to deliver efficient and effective tax, superannuation and registry systems
O1[(a)]	We use data, information and insights to deliver value for our clients and inform decision-making across everything we do	5	We use data, information and insights to deliver value for our clients and inform decision-making across everything we do
O2[(a)]	Our technology and digital services deliver a reliable and contemporary client experience	6	Our technology and digital services deliver a reliable and contemporary client experience
W1	We are a high-performing workforce with a focus on integrity, the right culture, capability and tools to deliver the best client and staff experience	–	Removed as the ATO's workforce capabilities are addressed in the *Australian Taxation Office corporate plan 2024–25* 'Organisational capability' section
F1	We strive for operational excellence to achieve efficiency and quality outcomes	–	Removed as the ATO's financial investment capabilities are addressed in the *Australian Taxation Office corporate plan 2024–25* 'Organisational capability' section

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

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

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

Note

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

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

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

Note

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

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

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

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

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

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

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

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

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

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

Regulator performance

Our key regulatory functions include:

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

The ATO, TPB and ACNC are committed to achieving our purposes in line with the Australian Government's expectations for regulator performance. The performance measures listed in Table 3.8 demonstrate our performance against the 3 principles of regulator best practice and report our achievement against the principles.

Table 3.8 Regulator performance reporting

Regulator best practice principles	ATO	TPB	ACNC
Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings	▪ Lodgment ▪ Tax gap ▪ Payment ▪ Total revenue effects ▪ Debt ▪ Compliance cost ▪ Superannuation Guarantee	▪ Tax practitioner satisfaction ▪ Risk assessments ▪ Sanctions	▪ Registering new charities ▪ Availability: Charity Register; Charity Portal
Risk based and data driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden and leveraging data and digital technology to support those they regulate to comply and grow	▪ Registration ▪ Digital (inbound and outbound) ▪ Tax returns ▪ Identity matching	▪ Tax practitioner satisfaction ▪ Sanctions	▪ Registering new charities ▪ Availability: Charity Register; Charity Portal
Collaboration and engagement: regulators are transparent and responsive communicators implementing regulations in a modern and collaborative way	▪ Working together	▪ Risk assessments	▪ Registering new charities

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

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

Program 1.1 ATO

Purpose

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

Program overview

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

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

Performance summary

The annual performance statement reports on the performance criteria included in the PBS and corporate plan to accurately reflect the performance of the ATO in achieving its purpose. In undertaking our overall assessment of the ATO's performance, we consider:

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

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

There are 15 measures for Program 1.1 to demonstrate how well we are achieving our purpose. We met the performance targets for 12 of these measures. One measure was rated 'substantially achieved' and 2 measures as 'not achieved'.

In 2024–25, we will continue to focus on being responsive to our environment and delivering on our responsibilities in a way that meets community expectations and is in accordance with the law. We will also continue to use a tailored approach to engage with taxpayers to ensure they meet their obligations, particularly those with collectable debt, in the most efficient way for government and the taxpayer.

Performance results and analysis

The achievement of the performance result against the target is assessed against a 3-tier rating scale, as described in Table 3.9. Due to the varied nature of the measures, the respective assessment criteria are defined individually, and performance assessments have been made according to agreed methodologies. The results of these assessments are described in the analysis sections for each performance measure.

Table 3.9 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Registration – Proportion of companies and individuals registered in the system

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

Performance measure	**Registration – Proportion of companies and individuals registered in the system** ▪ A measure to show the proportion of ATO company and individual registrations against relevant agency datasets and monitor for significant variances. This helps to assess that companies and individuals required to participate in the tax and superannuation systems are registered with the ATO. Companies: This element of the measure compares the number of company registrations on ATO systems to the Australian Securities & Investments Commission (ASIC) registered population. Individuals: This element of the measure compares the number of active individual taxpayers (between 15 and 64 years old) currently registered on ATO systems with the equivalent Australian resident population as determined by the Australian Bureau of Statistics (ABS).			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	The ATO aims to ensure that all entities that are required to participate in the tax and superannuation systems are registered on the ATO's client register, allowing a tolerance of 2% (companies) and 5% (individuals) from the last reporting period (increase or decrease)			
Companies				
Results	**2023–24**	**66.1%***	●	**Achieved**
	2022–23	66.5%	●	Achieved
	2021–22	66.1%	●	Achieved
Analysis	The result for the proportion of companies registered in the system is 66.07% (this has been rounded to 66.1%) and meets the target. This measure compares the number of companies registered by the ATO to the number of companies registered by ASIC. However, not all companies registered with ASIC have taxation obligations (or other ATO reporting requirements) due to the nature of their corporate structure or not being operational yet. Due to these known differences in data between the ATO and ASIC, the number of companies registered with both the ATO and ASIC is always expected to be well below 100%.			
Type of measure	Effectiveness			
Data sources	ASIC data, ATO systems			

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

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

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

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

Performance measure	**Lodgment – Proportion of activity statements and income tax returns lodged on time** ▪ A measure to show the number of (a) activity statements lodged on time as a proportion of the anticipated population with a lodgment obligation; and (b) income tax returns lodged on time as a proportion of expected lodgments due under self-assessment			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
Activity statements				
2023–24 target	78%			
Results[(a)]	**2023–24**	**75.6%**	◆	**Not achieved**
	2022–23	72.6%	◆	Not achieved
	2021–22	70.5%	◆	Not achieved
Analysis	On-time lodgment performance for 2023–24 activity statements was 75.6%. This is a 3.0 percentage point increase on the 2022–23 result and 2.4 percentage points below the target of 78.0%. The increase in performance is mainly driven by a change to the on-time lodgment methodology. The changed methodology more accurately reflects forms lodged by taxpayers on or before the due date and up to the end of each month, including a 7-day grace period. This year, the number of activity statements due and lodged on time increased by approximately 2 million. During 2023–24, we identified over 66,000 outstanding activity statements had been despatched to entities that were no longer required to report GST and/or PAYG withholding. Cancelling these activity statements better reflects these taxpayers' obligations and impacted the performance of this measure positively, an improvement of 0.4 percentage points. Small businesses account for almost 85% of this population. We are working with the community to ensure those who have a genuine need to be registered lodge on time. We will also educate taxpayers on how to finalise their lodgment obligations when exiting the tax system.			
Type of measure	Effectiveness			
Data sources	ATO systems			
Methodology	**On-time lodgment population** – This is the original number of activity statements received within 7 days of the due date. **Anticipated activity statement lodgment population** – This is the number of all activity statements with a 'despatched' status. **Due lodgments** – This is derived by subtracting lodgments that are not yet due from the anticipated lodgments population. Early lodged activity statement forms are also included. On-time lodgment is divided by due lodgments to obtain the result (multiplied by 100 and expressed as a percentage). **Performance rating scale** (see below)			
Limitations	Activity statement lodgment performance is measured for the relevant lodgment obligations due at 30 June. The activity statement obligations generally not included within the calculation, as they are not due by that date, are: ▪ April–June quarter statements for quarterly lodgers ▪ some May and/or June monthly statement for monthly lodgers ▪ annual lodgers (less than 0.1% of the total number) due at 30 June – most annual activity statement obligations are not included within the on-time lodgment calculation.			
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Lodgment – Proportion of income tax returns lodged on time' to provide a clearer read of performance.			

Performance rating scale

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

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

Income tax returns				
2023–24 target	83%			
Results[(b)]	**2023–24**	**82.4% (2022–23 returns)**	■	**Substantially achieved**
	2022–23	83.3% (2021–22 returns)	●	Achieved
	2021–22	82.0% (2020–21 returns)	■	Substantially achieved
Analysis	On-time lodgment performance for 2022–23 income tax returns was 82.4%. This is 0.6 percentage points below the target of 83.0% and 0.8 percentage points below last year's result. The performance for both individuals and small businesses declined compared to the prior year (down 1.0 and 0.5 percentage points respectively). While the volume of income tax returns lodged on time increased by 3.5% (from 16.3 million in 2021–22 to 16.9 million in 2022–23), the number of lodgments due increased by 4.6%. There may be several reasons for the decrease in lodgment on time performance for income tax returns compared to last year. These include, but are not limited to, entities that became inactive but failed to lodge their final income tax return. Most taxpayers remain engaged and compliant with their income tax lodgment obligations, with the 5-year performance trend showing on-time lodgments are consistently within the range of 82% to 84%.			
Type of measure	Effectiveness			
Data sources	ATO systems			
Methodology	Income tax return lodgment performance is measured for the relevant lodgment period at the following year end date. For example, the performance reported for 2023–24 is for 2022–23 income tax returns measured at 30 June 2024. **On-time lodgment** – This refers to original income tax returns received by the ATO within 7 days of the due date. **Anticipated lodgment population** – This is all entities in the ATO client register less those entities that: ▪ were classified as 'inactive' through the tax file number reconciliation process ▪ identified as not having an income tax lodgment obligation ▪ were assessed as having a high likelihood they will not be required to lodge. **Due lodgments** are derived by subtracting lodgments not yet due from the anticipated lodgment population. Income tax return forms lodged early are also included. On-time lodgment is divided by due lodgments to obtain the result (multiplied by 100 and expressed as a percentage). **Performance rating scale**			

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

Limitations	Known limitations of the income tax return lodgment performance measure include where: ▪ not all of the lodgment details are available to determine on-time lodgment ▪ the refresh dates for analytical models used to remove inactive taxpayers do not align to the data currency report, resulting in slight discrepancies due to timing ▪ the analytical models may remove taxpayers with a requirement to lodge. The above limitations are not considered material, as it is anticipated this affects less than 0.5% of the population.
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Lodgment – Proportion of income tax returns lodged on time' to provide a clearer read of performance.

Notes

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

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

Tax gap – As a proportion of revenue

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

Performance measure	**Tax gap – As a proportion of revenue** ▪ A measure estimating the difference between what the ATO collects and the amount that would have been collected if every taxpayer was fully compliant with the law		
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available		
Results	**2023–24**	**7.5% (2021–22)** **See page 122 for detailed information**	● **Achieved**
	2022–23	See Part 4 Revenue performance in our 2022–23 annual report for detailed information	● Achieved
	2021–22	See Part 3 Revenue performance in our 2021–22 annual report for detailed information	● Achieved

Analysis

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

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

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

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

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

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

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

For more information refer to page 122.

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

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data[(a)]
Methodology	The tax gap estimate covers all transactional-based and income-based taxes. Information about our tax gap research program is available at ato.gov.au/taxgapresearch. In developing our methods, we engage appropriate key stakeholders and subject matter experts within the ATO and the community, including tax gap experts, researchers, academics, government agencies and taxpayer representative groups. Tax gap is a lag measure, generally 2 years behind the annual report publication year. Changes from previously published estimates occur for a variety of reasons, including improvements to methods, revisions to data and additional information becoming available. Methods used to calculate tax gaps can improve over time. If an alternative method provides a more credible and reliable estimate, that new method should be preferred. All tax gap estimates are assessed for reliability. Details of the principles and approaches we use to measure tax gaps are available at ato.gov.au/taxgapprinciple.
Limitations	The current performance target is difficult to evaluate quantitatively. The ATO is developing an alternative quantitative approach to target setting designed to improve reporting on this measure. The earliest this change can be implemented is for the 2025–26 annual report. Tax gap estimates are affected by factors that the ATO cannot fully control. A range of external economic factors as well as portfolio budget decisions can influence the gap and ideally should be controlled for in any performance measure or target. Assessing the performance of the tax system and its administration requires consideration of all our performance indicators rather than the tax gap estimates in isolation. The tax gap does not include an estimate of the tax forgone because of policy decisions. Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system. Gap estimates may be affected by additional compliance actions undertaken in the year(s) published, which can explain variations in the revised estimates made to prior years. Information used to calculate tax gaps improves over time. As new information comes to hand, previous year gap estimates are revised to reflect new information.
Variation from 2023–24 ATO corporate plan	Nil

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

Total revenue effects – Revenue from all compliance activities

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

Performance measure	**Total revenue effects – Revenue from all compliance activities** ▪ A measure of the revenue collected (or overpayments reduced) as a result of ATO activities that aim to positively influence the compliance behaviour of taxpayers			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	$15.7b[a]			
Results	**2023–24**	**$18.5b**	●	**Achieved**
	2022–23	$20.3b	●	Achieved
	2021–22	$14.9b	■	Substantially achieved
Analysis	Total revenue effects is a measure of the additional tax revenues collected as a result of ATO compliance action, including preventative compliance activities, that aim to: ▪ positively change the compliance behaviour of taxpayers ▪ address non-compliance ▪ disrupt or prevent evasion and fraud activities. In 2023–24, the estimated revenue effects from all these activities totalled $18.6 billion. We refunded under $100 million in relation to significant objections and litigation. Subtracting this results in total revenue effects of $18.5 billion, against our target of $15.7 billion. For further information on total revenue effects and 2023–24 performance, see Total revenue effects on page 129.			
Type of measure	Effectiveness			
Data sources	ATO systems, models			
Methodology	The result for total revenue effects is calculated by combining audit actions and incorrect payments stopped, lodgment actions, and prevention and sustained compliance and sustained lodgment. **Audit actions and incorrect claims stopped** – This is the collection of specifically identified liabilities raised and the reduction in overpayments of refunds from our audit and enforcement activities. These amounts are directly connected to the adjustment we make, and payment can occur after we conduct the audit. It includes interest and penalties. **Lodgment actions** – This is defined as revenue from ATO actions intended to secure a lodgment that otherwise would not have been lodged. It also includes default assessments. **Prevention and sustained compliance and sustained lodgment compliance** – This is an estimate of the additional revenue received from taxpayers we influence. They typically represent improved voluntary compliance. When measuring wider revenue effects, we ensure there is a clear connection between our activity and the change in taxpayer behaviour. This connection, and any assumptions that underpin it, must be reasonable and defensible.			
Limitations	Audit actions and incorrect payments stopped: A portion of the cash collected is estimated using historical cash rates. Prevention and sustained compliance and sustained lodgment: Not all compliance activities are currently captured in models. Some of our estimates rely on the use of statistical methods which have inherent variability, and we work to improve the reliability of our methods over time.			
Variation from 2023–24 ATO corporate plan	Nil			

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

Payment – Proportion of liabilities paid on time by value

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

Performance measure	Payment – Proportion of liabilities paid on time by value ■ A measure of the effectiveness of the ATO's debt prevention and broader payment compliance strategies			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	88%			
Results	**2023–24**	**89.6%***	●	**Achieved**
	2022–23	89.9%	●	Achieved
	2021–22	87.8%	■	Substantially achieved
Analysis	At 30 June 2024, the proportion of liabilities paid on time by value was 89.6%. This is a slight decrease on last year's result. However, it indicates the majority of the community who do have capacity to pay continue to meet their payment obligations on time. The ATO continues to shift its approach to restore and maintain Australia's voluntary tax and superannuation payment systems. Timely payment is our priority, with clearly defined consequences for those who don't pay on time.			
Type of measure	Effectiveness			
Data sources	ATO systems			
Methodology	The ATO identifies the number and amount of liabilities raised for a particular financial year that are currently due, and determines whether they have been paid. A liability is deemed to be paid on time if received within 7 days of the due date. The value of payments made on time uses the earlier of the effective date and processed date. The value of tax liabilities raised uses the latter of the effective date and processed date. The value of tax liabilities raised may relate to previous financial years. Payments made on time is divided by tax liabilities raised to obtain the result (multiplied by 100 and expressed as a percentage).			
Limitations	* The ATO has been unable to obtain sufficient assurance over the reporting processes supporting the results for this performance measure. Pre-payment of liabilities may get offset to existing debits rather than retained for a future unreported liability. This results in small adjustments when the data is updated with the liability and matched appropriately.			
Variation from 2023–24 ATO corporate plan	Nil			

Debt – Ratio of collectable debt to net tax collections

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

Performance measure	**Debt – Ratio of collectable debt to net tax collections** ▪ A measure of the effectiveness of the ATO's debt prevention, collection and management strategies			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	Between 7.5% and 8.0%[(a)]			
Results	**2023–24**	**8.4%**	■	**Substantially achieved**
	2022–23	8.6%	■	Substantially achieved
	2021–22	8.5%	◆	Not achieved
Analysis	In 2023–24, the collectable debt to net tax collections ratio was 8.4% and did not meet the target of between 7.5% and 8.0%. This result is a decrease of 0.2 percentage points from the previous year result of 8.6%, however this year we adopted a revised debt calculation method that more accurately reflects the date we receive payment. This has positively impacted our collectable debt holdings and the collectable debt ratio for 2023–24. Without the effects of these changes, the collectable debt to net tax collections ratio result for 2023–24 would have remained stable at 8.6%. The amount of collectable debt increased to $52.8 billion at 30 June 2024, from $50.2 billion at 30 June 2023; an increase of $2.6 billion or 5%. This is the smallest yearly increase seen since prior to the COVID-19 pandemic, demonstrating that we are slowing the growth in collectable debt. In 2023–24, we directed effort and investment into 5 specific areas aimed at reducing the debt ratio: unpaid super guarantee charges; debt arising from ATO audit adjustments; aged, high-value debts; employers with new self-assessed debts; and addressing refund fraud. To ensure more timely payment, we have applied a range of firmer actions, including garnishee actions, directions to pay, director penalty notices and disclosure of business tax debt actions.			
Type of measure	Effectiveness			
Data sources	ATO systems, ATO financial statements			
Methodology	The rolling 12-month average of collectable debt holdings divided by the 12-month rolling net tax collections. **Collectable debt** – This is the average of 12 consecutive monthly ratios, each consisting of a monthly point-in-time collectable debt figure. **Net tax collections** – This is the sum of net tax collections received and processed in the prior 12-month period. The collectable debt is divided by the net tax collections to calculate the result (multiplied by 100 and expressed as a percentage). The revised calculation method uses the effective date of payments, which more closely reflects the date when the payment is received by the ATO and more accurately determines when a tax liability is paid. Previously, the calculation of this measure used the date a payment was processed.			
Limitations	The ratio is driven by external factors and it can be difficult to isolate singular drivers. This ratio cannot be used in isolation and is best viewed as part of a suite of key performance indicators.			
Variation from 2023–24 ATO corporate plan	Nil			

Performance rating scale

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

Note

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

Cost of collection – Cost to collect $100

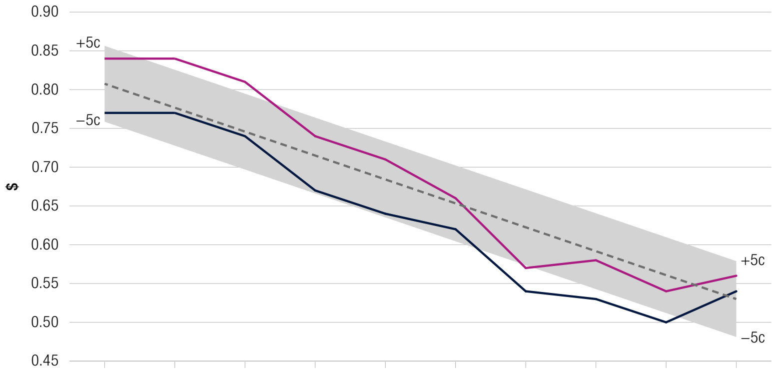
Table 3.16 Cost of collection – Cost to collect $100, 2021–22 to 2023–24

Performance measure	**Cost of collection – Cost to collect $100** ■ A measure to show the trend in the ATO's costs of collections of taxation receipts			
ATO key activity	1: We collect the right amount of tax in accordance with the law in the most efficient way for government and the taxpayer			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	Consistent with pre-pandemic trend[(a)]			
Results	**2023–24**	**$0.56 (incl GST)** **$0.54 (excl GST)**	●	**Achieved**
	2022–23	$0.54 (incl GST) $0.50 (excl GST)	●	Achieved
	2021–22	$0.58 (incl GST) $0.53 (excl GST)	■	Substantially achieved
Analysis	The cost of collection measures the cost of collecting every $100 of tax. The cost to collect $100 increased from $0.54 in 2022–23 to $0.56 in 2023–24 (including GST and its administration costs), and from $0.50 to $0.54 (excluding GST). Costs associated with collecting tax considerably increased in 2023–24 whilst tax collections rose less significantly, resulting in the ratio increase. Costs associated with collecting tax increased by 14%, driven by an increase in budget appropriation to expand tax collection activities. A large proportion of this increase related to addressing tax avoidance in the community. Additionally, we ceased work on the Modernising Business Register program, resulting in resources being reallocated to taxation-focused work to improve tax collection outcomes. Tax collections for 2023–24 have increased by 6%, with most heads of revenue increasing over the year. The biggest contributor to the increase was income taxes, with strength in individuals revenue driven by a stronger than expected labour market and an end to the low and middle income earner tax offset, partly offset by company tax due to lower net-on-assessment collections from the mining sector. GST also contributed to revenue growth. A steady downward trend of the cost of collection ratio is an indicator of efficient and effective tax administration. A sharp increase or decrease within the movement of the ratio is usually a result of internal or external factors and limitations influencing the ratio. As indicated in the graph and accompanying data table below, over time the ATO has seen a gradual downward trend in the cost of collection ratio, indicating improved efficiency and effectiveness of revenue collection processes. This is generally in line with the expected trend, which is a calculated average of the ratio from 2010 of a decrease of 3c.			

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

Analysis *continued*

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



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

Including GST — Excluding GST — Trend

Type of measure

Efficiency and effectiveness

Data sources

ATO systems, models

Methodology

There are 2 results reported for this measure. The first includes GST revenue and the cost to administer GST, and the second excludes GST revenue and the cost to administer GST. The cost of tax administration and net tax collections has exclusions in both results.

The cost of tax administration is calculated as total administrative expenditure as per trial balance, with the following expenditure excluded:

- Certain exclusions at Program 1.1: Australian Taxation Office
- Program 1.2: Tax Practitioners Board
- Program 1.3: Australian Business Register
- Program 1.4: Australian Charities and Not-for-profits Commission
- Costs related to superannuation
- Other agency appropriations
- Act of grace payments
- Overseas contributions and assignments
- Resources provided free of charge
- Other – costs that are reimbursed, or not related to taxation collection.

The cost of tax administration is divided by net tax collections to calculate the result, multiplied by 100 and expressed as a dollar value.

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

Limitations	The ratio can be impacted by external and internal factors. **Net tax revenue collections** – These are generally driven by external factors, such as: ▪ overall economic performance of the economy or price effects (inflation) ▪ significant tax rate changes or new taxes ▪ a change in collections timeframes ▪ internal factors under the ATO's control ▪ improvements in taxpayer compliance. **Departmental taxation costs** – These are directly driven by the ATO budget and include external factors outside the ATO's control, such as: ▪ efficiency dividends ▪ increased funding for only a defined period or tax collection work the ATO is expected to 'self-fund'. Internal factors under the ATO's control are: ▪ wage increases through enterprise bargaining ▪ adjustments to staffing numbers enabled by technology solutions ▪ productivity improvements ▪ management of supplier costs or increasing costs of ICT sustainment.
Variation from 2023–24 ATO corporate plan	Nil

Note

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

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

Table 3.17 Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs, 2021–22 to 2023–24[(a)]

Performance measure	**Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs** ▪ An indicator that tracks changes in the cost to individual taxpayers of managing their tax affairs (adjusted to changes in earnings)			
ATO key activity	3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to			
Authority source	2023–24 PBS and ATO corporate plan 2023–24			
2023–24 target	A decrease, or no more than 2% increase over the prior year figure[(b)]			
Results	**2023–24**	**1.9% increase (2022–23 returns)**	●	**Achieved**
	2022–23	5.5% increase (2021–22 returns)	◆	Not achieved
	2021–22	3.6% decrease (2020–21 returns)	●	Achieved
Analysis	This measure tracks the change, in percentage terms, to the costs incurred by individual taxpayers to manage their tax affairs and adjusts the size of the change by average weekly ordinary time earnings (AWOTE)[(a)] to measure it in real terms. Costs include expenses such as fees paid to a recognised tax adviser for preparing and lodging the individual's tax return and purchasing tax reference material. The measure draws data from income tax returns processed during the most recent financial year, which reports on assessable income and expenses incurred or paid in the previous income year. This year's result is derived from data sourced from income tax returns processed in 2023–24, relating to amounts paid by individual taxpayers during the 2022–23 income year. The year-on-year comparison shows the adjusted cost of managing tax affairs increased by 1.9% in the year to June 2024 compared to the previous year. Based on this result, the performance target is considered achieved. The 2022–23 result saw a sharp increase over the prior year attributed to COVID-19 concessions decreasing tax return complexity in the prior year. The 2023–24 result sees a stabilisation of this measure with the removal of the one-off reversal of the COVID-19 related behavioural impacts[(c)]. The result measure has been further supported by a notable increase in the deflator (see Methodology below), as individuals saw higher average incomes in the 2022–23 year when compared to the prior year.			
Type of measure	Efficiency			
Data sources	ATO Individuals tax return data Australian Bureau of Statistics (ABS), Average Weekly Earnings – Persons; Full Time; Adult: Ordinary time earnings (AWOTE) – Original series			
Methodology	We calculate the median for all non-zero amounts in the ATO Individuals tax return data: Item D10 label M, Cost of managing tax affairs – other expenses incurred in managing your tax affairs. We report the median, rather than the average, to mitigate potential data issues. We use the relevant ABS data to calculate a deflator of the annual growth in the AWOTE full-time adult series. The deflator is applied to the median to account for wage growth between income years, thereby measuring the change in real terms. The result is expressed as a percentage change by dividing the adjusted median for the current income year by the adjusted median for the previous income year.			
Limitations	Changes in compliance costs are impacted by policy changes that are outside the ATO's control. We rely on data from external agencies, such as ABS AWOTE data, for this measure. Many items reported at item D10 label M Cost of managing tax affairs – other expenses incurred in managing your tax affairs in the ATO Individuals tax return data may be subject to market factors outside the ATO's control.			
Variation from 2023–24 ATO corporate plan	Nil			

Notes

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

(b) The compliance cost target for 2023–24 was changed to 'a decrease, or no more than 2% increase over the prior year figure'. The target for 2022–23 and 2021–22 was 'remain steady'.

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

Digital – Proportion of inbound transactions received digitally for key services

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

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

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

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

Note

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

Digital – Proportion of written outbound interactions issued digitally

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

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

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

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

Performance measure	Service satisfaction – Client satisfaction with their recent interaction with the ATO ■ A measure of the overall client experience after interacting with the ATO		
ATO key activity	3: Our client experience and interactions are well designed, tailored, fair, transparent and designed to make it easy to comply and hard not to		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	80%		
Results	**2023–24**	**73%**	◆ **Not achieved**
	2022–23	74%	◆ Not achieved
	2021–22	New measure from 2022–23, not previously reported in the annual report	
Analysis	The overall service satisfaction for clients who had a recent interaction with the ATO has declined from 2022–23. The number of responses collected in 2023–24 was 16,748. This represents an increase of 4,278 (34%) responses from the 12,470 responses collected in 2022–23. The groups most likely to respond to voluntary feedback surveys are engaged, satisfied clients and those that are very dissatisfied. The increased response rate and decline in satisfaction in 2023–24 may indicate that client experience is becoming increasingly polarised. Service satisfaction declined in all client segments except the not-for-profit (NFP) segment, which recorded 82% satisfaction in 2023–24. The NFP client segment is relatively small, representing less than 1.5% of survey respondents each year. This increase may reflect the ATO's engagement and advocacy work in this sector, with the introduction of the NFP transparency measures. The top 3 drivers influencing satisfaction are: whether the issue has been resolved; how long it took to reach an outcome; and the process involved. The ATO has an opportunity to increase service satisfaction by streamlining issue processing.		
Type of measure	Output		
Data sources	ATO client experience survey		
Methodology	Results for this measure are derived from a client experience survey sent to a random sample of clients who had a recent interaction with the ATO. Participation is voluntary. Respondents were asked: Which of the following best describes the overall experience of your contact with the ATO on this issue? ■ Unacceptable ■ Acceptable ■ Excellent The result is calculated by adding the number of respondents who rated their experience as Acceptable or Excellent, then dividing by the total number of responses. The result is reported as a percentage. The sample is based on interactions where clients' identities have been verified. Channels include ATO online, inbound phone, outbound phone, Online services for agents, Online services for business, web chat and the Australian Business Register. It excludes general interactions that do not require clients to provide proof of identity, such as visiting ato.gov.au or calling a call centre for general advice. **Performance rating scale**		

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

Limitations	There are inherent respondent biases involved in a survey. Two of the 3 response options (Acceptable/Excellent) are considered positive responses.
Variation from 2023–24 ATO corporate plan	Nil

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

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

Performance measure	Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems ▪ A measure of perceptions of how the ATO works effectively with its partners		
ATO key activity	4: We work with and through others to deliver efficient and effective tax, superannuation and registry systems		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	64/100		
Results	**2023–24**	**64/100**	**Achieved**
	2022–23	69/100	Achieved
	2021–22	68/100	Achieved

Analysis

In 2023–24, the overall result for partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems was 63.5/100 (this has been rounded to 64/100). This is a 5-point decrease on the 2022–23 result and achieves the performance target, which is set at 64/100. The decrease is driven largely by the result for tax professionals. There was also a decrease in the result for digital service providers (DSPs), while the result for APRA-regulated superannuation funds remained steady.

Tax professionals

The yearly average score for tax professionals was 59.19, down from 67.46 in 2022–23. The fourth quarter score was 54, indicating a significant downward trend.

As highlighted in the graph above, tax professional perceptions of the ATO have been in decline since early 2023. The drivers for this trend are multi-faceted, and often environmental (outside the control of the ATO). Major ATO-driven factors in the environment that may have impacted the result include the following:

- ATO processing backlogs and thus delays continue to be the subject of issues raised by agents through various channels, impacting their ability to do their work effectively and efficiently for their clients.
- Implementation of client-to-agent linking that has changed the process for onboarding business clients to a practice. We have been working in partnership with tax professionals and industry associations to resolve major irritants, improve in-system guidance and reduce errors in the linking process.
- ATO digital services and Online services for agents. The recent Tax Professionals Digital Experience Survey April 2024 found that 58% of support officers, 42% of BAS agents, and 38% of tax practitioners believe the ATO's digital services do not meet their expectations. Additionally, 65% of tax practitioners needed help when using Online services for agents.
- Practice mail within Online services for agents continues to represent a challenge for tax practitioners. The ATO has increased use of this channel, issuing communications to a whole-of-practice mailbox and not a specific agent or respondent. The function is also limited to 500 pieces of communication, with older messaging overwritten. Chartered Accountants Australia and New Zealand also recently publicly stated substantial improvements should be made to Online services for agents.

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

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

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

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

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

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

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

Identity matching – Proportion of data items matched to client identifiers

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

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

Availability – Key digital systems availability

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

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

Program 1.2 Tax Practitioners Board

The TPB

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

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

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

Purpose

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

Program overview

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

Performance summary

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

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

Performance results and analysis

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

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

Table 3.25 TPB Performance rating scale

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

Tax practitioner satisfaction with reduction in red tape

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

Performance measure	**Tax practitioner satisfaction with reduction in red tape** ■ We strive to make applying for registration and renewing registration a quick and easy process. This measure gauges tax practitioner satisfaction with our registration and renewal of registration, application process.			
TPB key activity	1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour			
Authority source	2023–24 PBS and TPB corporate plan 2023–24			
2023–24 target	71% of tax practitioners are satisfied			
Results	**2023–24**	**73%**	●	**Achieved**
	2022–23	72%	●	Achieved
	2021–22	New measure from 2022–23, not previously reported in the TPB annual report		
Analysis	We achieved this performance measure during 2023–24. 73% of respondents to our Tax Practitioner Biannual Survey indicated that they were satisfied with reduction in red tape. We used tax practitioner feedback to enhance our online forms, website content and IT systems. We improved the online renewal process to make it simpler and more convenient for tax practitioners to submit their renewal application. We are committed to maximising tax practitioner satisfaction with a reduction in red tape when they interact with us. For example, tax practitioners will often contact us via phone with questions regarding online renewal form completion. Based on this information, we considered the feedback and improved the informative text in our online renewal forms to make it simpler and more convenient for all tax practitioners to submit their renewal applications. Our commitment to reduce red tape and deliver outstanding registration services for tax practitioners has improved as demonstrated in the survey results for 2023–24 compared with the previous year, as shown in the table below.			

Tax practitioner satisfaction with reduction in red tape

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

Type of measure	Effectiveness
Data sources	ATO biannual survey results for the question: 'How effective has the TPB been in minimising the burden of maintaining your registration?'
Methodology	Responses rated as 'Very effective' and 'Moderately effective' as a percentage of total responses to the question.
Limitations	The survey is from a self-selected sample with a low response rate, hence may not be a representative sample of the tax practitioner population. Sample size will change through the survey; for example, people might drop out part way through. When reading the percentages, they are calculated based on the number of people that responded to that question specifically.
Variation from 2023–24 TPB corporate plan	New measure for Australian Taxation Office annual performance statement – was previously a TPB measure reported in its annual report.

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

Number of completed risk assessments

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

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

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

Type of measure	Output
Data sources	Data is extracted from Workbench in line with compliance performance measure (PM) data collection procedures
Methodology	Target = Complaints + case leads = >2700 completed complaints and case leads Calculation process: 1. Data collection: Data is extracted from Workbench in line with compliance PM data collection procedures. 2. Results: Final calculation is completed in line with compliance PM data collection procedures. a. Complaints = Number of complaints with 'Closing Date' between 1 July 2023 and 30 June 2024. b. Case leads = Number of case leads with 'Closing Date' between 1 July 2023 and 30 June 2024. Complaint data extracted and finalised in line with compliance process documentation.
Limitations	Officers may backdate 'Complaint Finalised Date'. Power BI updates itself daily and does not keep a record of previous reports and datasets. Manual intervention required – extracting raw data from Workbench, cleaning and processing data in MS Excel.
Variation from 2023–24 TPB corporate plan	New measure for Australian Taxation Office annual performance statement – was previously a TPB measure reported in its annual report

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

Sanctions are appropriate

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

Performance measure	**Sanctions are appropriate** ▪ The number of positive court and tribunal outcomes. This measure validates the disciplinary actions we have taken to regulate tax practitioners.			
TPB key activity	**1: Provide support to tax practitioners, strengthen the regulation of tax practitioners to increase confidence in the integrity of the tax profession and tax system and address tax practitioner risk and compliance behaviour**			
Authority source	2023–24 PBS and TPB corporate plan 2023–24			
2023–24 target	The TPB is committed to pursuing positive court and tribunal outcomes			
Results	**2023–24**	**100%**	●	**Achieved**
	2022–23	100%	●	Achieved
	2021–22	Not previously reported in the ATO or TPB annual report		

Analysis

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

In particular:

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

Federal Court and AAT outcomes

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

Notes

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

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

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

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

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

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

Type of measure	Effectiveness
Data sources	Litigation outcomes spreadsheet: includes number of litigation cases, outcomes, jurisdiction, 'positive' rating Federal Court and Administrative Appeals Tribunal – case decisions
Methodology	Calculation process: 1. Litigation results are recorded in the decisions handed down by the Federal Court and AAT. 2. Legal Unit will: — record results in the 'Litigation outcomes spreadsheet' (includes all cases which are litigated). — apply the definition of what is considered a 'positive' outcome. A 'positive' court and tribunal outcome is identified by: ■ a tribunal decision that substantially affirms the Board's sanction decision, or ■ a Federal Court decision that determines in favour of the Board in relation to a civil penalty application, or ■ a Federal Court decision that determines in favour of the Board in relation to a ADJR application, or ■ a tribunal decision or Federal Court decision that provides clarification on legal issues that we have identified that would benefit from tribunal/court consideration and guidance so that we can apply that guidance and interpretation going forward (this would include decisions where the non-application period is varied as we are still seeking firmer guidance from the tribunal on the factors to be taken into account when determining non-application periods), or ■ a tribunal decision where the Board's decision is varied resulting in an exclusionary period being varied upwards or more serious sanctions being imposed due to new evidence/conduct coming to light in the proceeding, or ■ a tribunal or Federal Court decision due to a settlement entered into between the Board and the other party which takes into account a change in circumstances or further evidence adduced in the proceeding resulting in a just outcome for both parties ■ a tribunal or Federal Court decision resulting in a matter being dismissed upon application by the Board ■ an interlocutory tribunal decision that supports the Board's opposition to a stay application or otherwise grants the stay with conditions imposed ■ a Federal Court review decision of a merits review decision by the AAT if it were to find no error of law in the AAT decision which substantially affirmed the Board's original decision. Note: Risk of bias when determining 'positive' outcome is controlled by closely following the 'positive' definition above.
Limitations	Manual collection, recording and interpretation of results in terms of 'positive' outcomes.
Variation from 2023–24 TPB corporate plan	New measure for Australian Taxation Office annual performance statement – was previously a TPB measure reported in its annual report

Note

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

Program 1.3 Australian Business Registry Services

ABRS

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

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

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

The Commissioner of Taxation is also the Registrar under the:

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

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

Purpose

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

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

Program overview

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

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

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

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

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

Performance summary

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

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

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

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

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

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

Key elements of our strategy to support CATSI directors to apply include:

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

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

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

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

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

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

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

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

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

Performance results and analysis

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

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

Table 3.29 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Increased use of the ABR as the national business dataset

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

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

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

Type of measure	Output
Data sources	ATO systems, ABR Explorer (External vendor – Intech Solutions) and Department of Industry, Science and Resources (DISR) (ABN Lookup searches)
Methodology	There are 3 components reported for this measure, which captures the number of government agencies and unique users accessing and using ABR data. To access non-public ABR data, government agencies must be eligible and have a current terms and conditions or partnership agreement in place. **ABR Explorer –** This counts the number of unique users from partner agencies accessing ABR Explorer. **ABR Identifier Search –** This counts the number of unique partner agencies that access the ABR database by Australian business number (ABN) or Australian company number (ACN). **ABN Lookup –** This measures the use of publicly available data via the ABN Lookup service through web searches or web services by the community (including some government agencies). The data is sourced from VANguard, which is administered by DISR.
Limitations	ABR Identifier Search data is currently limited to the number of 'hits' to the service by an agency, and cannot be broken down by individual user details. Information from VANguard is subject to continued support from DISR. The Community ABN Lookup statistics area is beyond the ATO's control and influence.
Variation from 2023–24 ATO corporate plan	Nil

Notes

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

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

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

Program 1.4 Australian Charities and Not-for-profits Commission

The ACNC

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

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

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

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

Purpose

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

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

Program overview

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

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

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

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

Performance summary

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

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

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

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

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

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

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

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

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

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

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

Performance results and analysis

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

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

Table 3.31 Performance rating scale

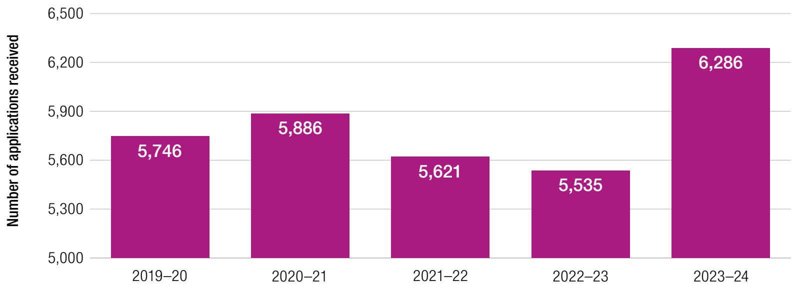
Result	Symbol	Description
Met	●	Target met or exceeded
Partially met	▲	80% or more of the target achieved
Not met	◆	Less than 80% of the target achieved

Registering new charities

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

Performance measure	**Percentage of new eligible charities registered within 15 business days of the ACNC receiving all information necessary to make a decision** ▪ It is important for the ACNC to process new applications from eligible organisations as quickly as possible in order to meet community expectations, to ensure the Charity Register is updated in a timely way, and to support charities wishing to access available benefits and concessions.		
ACNC key activity	1: Maintaining a free and accurate register of Australian charities (the Charity Register)		
Authority source	2023–24 PBS and ACNC corporate plan 2023–24		
2023–24 target	90%		
Results	**2023–24**	**74%** ▲	**Partially met**
	2022–23	Different metric used	
	2021–22		
Analysis	In 2023–24, the ACNC registered 3,014 new charities. The target was partially met, with 2,243 charities (74%) registered within 15 business days of receiving all information necessary to make a decision. This performance result can be attributed to: ▪ a significant increase in the number of registration applications received ▪ the time it has taken for new staff to be recruited and trained. The 2022–23 ACNC annual report highlighted an unexpected increase in registration applications received during May and June 2023 (the average application rate for May and June 2023 was 31.5% higher than the average application rate for the 2021–22 year). Many of these applications were unable to be assessed during 2022–23 and were ‘carried over’ into 2023–24, affecting the ACNC’s ability to meet this measure during the first few months of 2023–24. From the early months of 2024, registration applications increased due to the impact of the Self-Assessing Income Tax Exempt (SAITE) reforms introduced in the 2021–22 Federal Budget, which are being administered by the ATO. The data shows that from April to June 2024, at least 44% of applications received were due to SAITE. The ACNC received 931 applications in May 2024, the highest number ever received in a month.		

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

Analysis *continued*	For the 2023–24 year, the ACNC received 6,286 registration applications, an increase of 751 (14%) compared to 2022–23 and the highest number received since establishment in 2012.  To help address the significant number of registration applications ‘carried over’ into 2023–24, and to prepare for the increase in registration applications due to SAITE, the ACNC: ▪ reviewed and refined existing processes to improve efficiency ▪ employed more staff (with extra support from the ATO in May 2024 in order to do so) ▪ met with several NFP peak bodies to ensure new applications were ’grouped’ via a bulk registration application process to help streamline their assessment ▪ developed guidance and tools to help NFPs identify if they were charitable. The tight labour market and staff recruitment timeframes impacted the ACNC’s ability to quickly employ staff. Staff were progressively brought on board between November 2023 and April 2024. It takes about 6 months for a registration analyst to be fully trained in the complexities of charity law. While the ACNC cannot control the number of applications it receives, it is confident the strategies it has employed will help improve its performance in 2024–25.
Type of measure	Output
Data sources	The ACNC’s case management system (Microsoft Dynamics)
Methodology	The number of new eligible charities registered within 15 business days of the ACNC receiving all information necessary to make a decision, divided by the total number of eligible charities registered.
Limitations	The field for ‘date full information received’ is entered manually by staff, but subject to random quality assurance reviews.
Variation from 2023–24 ACNC corporate plan	Nil

Note

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

Availability of the Charity Register and Charity Portal

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

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

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

Administered programs 1.5 to 1.18

Overview

The ATO administers a range of payments and transfers on behalf of the Australian government, including incentives and rebates delivered through the tax and superannuation systems.

Performance results and analysis

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

The performance results for all administered programs is assessed against a 3-tier rating scale, as described in Table 3.34. Due to the varied nature of the measures, the respective assessment criteria are defined individually, performance assessments have been made according to agreed methodologies. The results of these assessments are described in the analysis sections for each performance measure.

Table 3.34 Performance rating scale

Result	Symbol
Achieved	●
Substantially achieved	■
Not achieved	◆

Program 1.5 Australian Screen and Digital Game Production Incentive

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

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

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

Program 1.6 Junior Minerals Exploration Incentive

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

Performance measure	**All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing** ■ A measure of the timeliness in the ATO deciding on exploration credit applications received during the application period and notifying applicants of the outcome		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	All applicants notified within 28 calendar days of the application period closing		
Results	**2023–24**	**Target met**	● **Achieved**
	2022–23	Target met	Rating not previously reported in the annual report
	2021–22	Target met	
Analysis	The ATO's role in administering the junior minerals exploration incentive (JMEI) is to ensure successful taxpayers are allocated exploration credits in a timely manner. This performance measure sets the processing standard by which the ATO undertakes its role to assess and notify applicants of their JMEI allocation following the application closing date. This is important to enable successful applicants to make timely decisions about raising capital to fund exploration activities. Notifications were issued on 3 July to applicants of the JMEI round which opened on 1 June 2023 and closed on 30 June 2023 for the 2023–24 income year.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the number of calendar days between the JMEI application closing date and the issued date for the outcome for applications received during the application period.		
Limitations	There are no material limitations		
Variation from 2023–24 ATO corporate plan	Nil		

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

Performance measure	**Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued** ▪ A measure of the timeliness of the publication of public reporting data		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Published within 56 calendar days of the application period closing		
Results	**2023–24**	**Target met**	● **Achieved**
	2022–23	Target met	Rating not previously reported in the annual report
	2021–22	Target met	
Analysis	The ATO is required by law to publish certain details of successful JMEI applicants and their JMEI allocation. The ATO ensures that these details are publicly available within an administratively practicable timeframe of 56 calendar days from the date of the application period closing. JMEI allocations were published on data.gov.au and linked to ato.gov.au on 11 July 2023 for the JMEI round that closed on 30 June 2023 for the 2023–24 income year.		
Type of measure	Output		
Data sources	ATO systems		
Methodology	Calculate the calendars days between the between the JMEI application closing date and the date that the successful JMEI applications data is uploaded to data.gov.au.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Nil		

Program 1.7 Fuel Tax Credits Scheme

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

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

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

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data
Methodology	The FTC gap arises from taxpayers not claiming their correct credits. The credits system is voluntary and eligible taxpayers might underclaim or not claim, while other taxpayers might claim more than they are entitled to. This can result in either a positive or a negative gap. The fuel tax credits gap is an estimate, determined using both logistic and linear regressions in a bottom-up, multi-stage regression model. Further detail is available at ato.gov.au/FTCgap. In developing our methods, we engage appropriate key stakeholders and subject matter experts within the ATO and the community, including tax gap experts, researchers, academics, government agencies and taxpayer representative groups. Tax gap is a lag measure, one year behind the annual report publication year. Changes from previously published estimates occur for a variety of reasons, including improvements to methods, revisions to data and additional information becoming available. Methodologies used to calculate tax gaps can improve over time. If an alternative methodology provides a more credible and reliable estimate, that new method should be preferred. All tax gap estimates are assessed for reliability. Details of the principles and approaches we use to measure tax gaps are available at ato.gov.au/taxgapprinciple.
Limitations	The current performance target is difficult to evaluate quantitatively. The ATO is developing an alternative quantitative approach to target setting designed to improve reporting on this measure. The earliest this change can be implemented is for the 2025–26 annual report. Tax gap estimates are affected by factors that the ATO cannot fully control. A range of external economic factors as well as portfolio budget decisions can influence the gap and ideally should be controlled for in any performance measure or target. Assessing the performance of the tax system and its administration requires consideration of all our performance indicators rather than the tax gap estimates in isolation. The tax gap does not include an estimate of the tax forgone because of policy decisions. Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system. Gap estimates may be affected by additional compliance actions undertaken in the year(s) published, which can explain variations in the revised estimates made to prior years. Information used to calculate tax gaps improves over time. As new information comes to hand, previous year gap estimates are revised to reflect new information. The extent of non-detection is unknown and challenging to measure. The estimate does not include the population that may be entitled to fuel tax credits but has not registered for fuel tax credits.
Variation from 2023–24 ATO corporate plan	Nil

Notes

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

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

Program 1.8 National Rental Affordability Scheme

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

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

Note

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

Program 1.9 Product Stewardship for Oil

Table 3.40 Product Stewardship for Oil gap, 2021–22 to 2023–24[a]

<table>
<tr><th>Performance measure</th><th colspan="3">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</th></tr>
<tr><td>ATO key activity</td><td colspan="3">2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance</td></tr>
<tr><td>Authority source</td><td colspan="3">2023–24 PBS and ATO corporate plan 2023–24</td></tr>
<tr><td>2023–24 target</td><td colspan="3">Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available</td></tr>
<tr><td rowspan="3">Results</td><td>2023–24</td><td>0.9% or $1.3m (2022–23)</td><td>● Achieved</td></tr>
<tr><td>2022–23[b][c]</td><td>0.8% or $1.1m (2021–22)</td><td>Rating not previously reported in the annual report</td></tr>
<tr><td>2021–22</td><td colspan="2">New measure from 2022–23, not previously reported in the annual performance statement</td></tr>
<tr><td>Analysis</td><td colspan="3">The current performance target is difficult to evaluate quantitatively. The ATO considers ‘as low as practicable’ is determined by the current operating environment. We consider a gap of under 1% over the medium term is as low as practicable. We consider the medium term covers the period 2017–18 to 2022–23 given the lags in estimating the tax gap.

We have assessed the result as ‘Achieved’, as we are confident that the Product Stewardship for Oil (PSO) program is delivering a credit to the correct recyclers as the policy intention. There is extensive oversight of the very small population, which ensures compliance is high. We are able to cross-reference high-quality data on importation as a check in the process. To maintain the integrity of our ATO systems, we have stringent risk control on the entry point to ensure eligibility of new registrants. All other risk control and assurances processes in place are working appropriately.

The tax gap for PSO is steady and low. We can reasonably expect this to continue.</td></tr>
<tr><td>Type of measure</td><td colspan="3">Effectiveness</td></tr>
<tr><td>Data sources</td><td colspan="3">ATO systems, models, economic data</td></tr>
<tr><td>Methodology</td><td colspan="3">The PSO program has 2 sides. These are:
■ a levy on producers of new oils and synthetic equivalents that helps fund the program
■ a benefit paid to recyclers of used oils and synthetic equivalents.

There is a separate gap analysis for each one. The results are then combined to form a total program compliance gap.

The PSO levy gap analysis compares the amount raised from ATO and Department of Home Affairs clearances of oils and lubricants that attract the levy, against data on these products that are produced or imported into Australia from the Australian Petroleum Statistics.

The PSO benefit analysis uses our industry compliance results to inform the program benefit gap. We apply a small uplift to allow for non-detection for oil recyclers that are not subject to compliance activity in a given year. This analysis incorporates overclaims and missed claims by taxpayers.

Further detail is available at ato.gov.au/PSOgap.</td></tr>
</table>

Table 3.40 Product Stewardship for Oil gap, 2021–22 to 2023–24[(a)] *continued*

Limitations	We calculate the PSO levy estimate with reference to the compliance levels indicated by the fuel excise gap analysis. We assume compliance levels are similar for PSO producers, given these segments share key producers. The current performance target is difficult to evaluate quantitatively. The ATO is developing an alternative quantitative approach to target setting designed to improve reporting on this measure. The earliest this change can be implemented is for the 2025–26 annual report. Tax gap estimates are affected by factors that the ATO cannot fully control. A range of external economic factors as well as portfolio budget decisions can influence the gap and ideally should be controlled for in any performance measure or target. Assessing the performance of the tax system and its administration requires consideration of all our performance indicators rather than the tax gap estimates in isolation. The tax gap does not include an estimate of the tax forgone because of policy decisions. Tax gap estimates are best viewed as a trend over time. A single point estimate is unlikely to provide sufficient insight into the performance of the system. Gap estimates may be affected by additional compliance actions undertaken in the year(s) published, which can explain variations in the revised estimates made to prior years. Information used to calculate tax gaps improves over time. As new information comes to hand, previous year gap estimates are revised to reflect new information. The extent of non-detection is unknown and challenging to measure.
Variation from 2023–24 ATO corporate plan	Nil

Notes

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

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

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

Program 1.10 Research and Development Tax Incentive

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

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

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

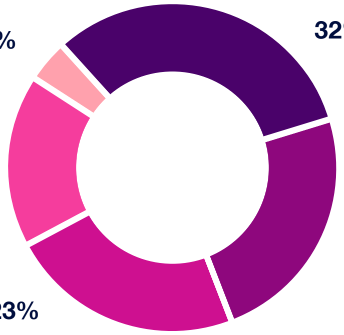
Performance measure	**Research and Development Tax Incentives (RDTI) offset claims are amended when Industry Innovation and Science Australia advises the ATO that RDTI registration has been revoked** ▪ A measure of the ATOs effectiveness in ensuring that company income tax returns are appropriately amended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

Program 1.11 Low Income Superannuation Tax Offset

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

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

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

Analysis *continued*	In 2023–24, 96% of payments made after 60 days resulted from the following limitations:  ▪ **Data quality and matching difficulties:** Reported data must be matched and linked to an individual to establish entitlements. Data difficulties can arise and cause delays in establishing entitlement. The ATO continuously works with superannuation funds and others to support the quality (including for identity matching) and timeliness of the information reported. ▪ **Data exchange issue:** (noted above) Used by the ATO to confirm eligible individuals. This limitation has now been resolved. ▪ **Fund/payment destination:** LISTO entitlements are paid to individuals' superannuation funds. However, in some cases, there are changes to the status of an individual's fund not yet recorded on ATO systems, and our initial payment attempts are unsuccessful due to the account being inactive. Currently, these are only identified after an attempt is made to make the payment. Where this occurs, reasons for failed payments are addressed, and the payment occurs in a subsequent monthly payment batch process. Changes were made to address this issue during 2023–24, reducing the instances of inactive links contributing to not meeting the performance measure. ▪ **Non lodgers:** If an individual does not lodge an income tax return, the ATO determines their eligibility based on other available information. This process commences 12 months after the end of the relevant income year. The 60-day performance measure begins when the ATO has all the relevant information. However, the current measure assumes the ATO held all relevant data at the end of the financial year, whereas this is not always the case. An internal request to review/correct this has been raised.
Type of measure	Output
Data sources	ATO systems
Methodology	Under the LISTO program, interest is automatically payable if the individual's original contributions are not paid to their superannuation fund within 60 days of determining that the individual has an entitlement. From ATO systems, we identify the total number of: ▪ interest payments made under the LISTO program ▪ payments made to superannuation funds under the LISTO program. Our performance against this measure is calculated as the number of cases where interest is not payable divided by the total number of payments made under the program (multiplied by 100 and expressed as a percentage).
Limitations	There are no material limitations.
Variation from 2023–24 ATO corporate plan	Nil

Note

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

Program 1.12 Private Health Insurance Rebate

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

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

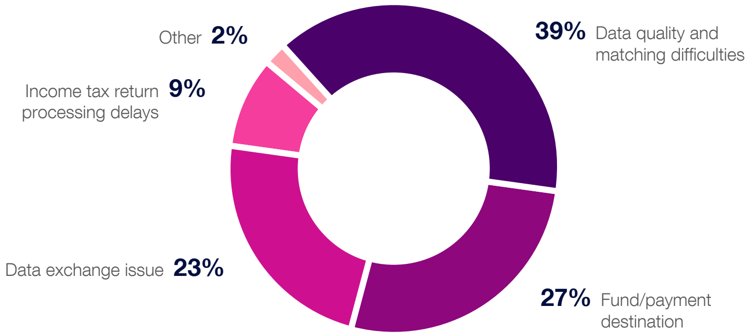
Note
(a) Results indicator is not applicable – the target has been removed.

Program 1.13 Superannuation Co-contribution Scheme

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

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

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

Analysis *continued*	In 2023–24, 98% of payments made after 60 days resulted from the following limitations:  ▪ **Data quality and matching difficulties:** Reported data needs to be matched and linked to an individual to establish entitlements. Data difficulties can arise and cause delays in establishing entitlement. The ATO continuously works with superannuation funds and others to support the quality (including for identity matching) and timeliness of the information reported. ▪ **Data exchange issue:** (noted above) Used by the ATO to confirm eligible individuals. This limitation has now been resolved. ▪ **Fund/payment destination:** (noted above) A fix has been implemented to reduce instances of this limitation. ▪ **Income tax return (ITR) processing:** While the 60-day period starts when the ATO has all relevant information, remittance of the co-contribution entitlement does not occur until the individual's income tax return has been fully processed. If this takes longer than the service standard, it will miss the monthly payment batch process, resulting in payment after 60-days.
Type of measure	Output
Data sources	ATO systems
Methodology	Under the Super Co-contribution Scheme, interest is automatically payable if the individual's original co-contributions are not paid to their superannuation fund within 60 days. From ATO systems, we identify the total number of: ▪ interest payments made under the scheme ▪ payments made to superannuation funds under the scheme. Our performance against this measure is calculated as the number of cases where interest is not payable divided by the total number of payments made under the scheme (multiplied by 100 and expressed as a percentage).
Limitations	There are no material limitations.
Variation from 2023–24 ATO corporate plan	Nil

Program 1.14 Superannuation Guarantee Scheme

Performance summary

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

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

Performance measure	**Superannuation guarantee gap as a proportion of superannuation guarantee contributions** ▪ This measure is an estimate of the difference between the amount of superannuation guarantee paid, and the amount that would be paid assuming full compliance		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available		
Results	**2023–24**	**6.3% or $5,157m (2021–22)**	**Substantially achieved**
	2022–23[(b)]	6.7% or $4,836m (2020–21)	Rating not previously reported in the annual report
	2021–22[(b)]	6.3% or $4,412m (2019–20)	
Analysis	This year we introduced a new methodology for calculating the Superannuation Guarantee (SG) gap. Volatility in data for 2021–22 meant the reliability rating for the existing top-down method would reduce to below 'low', meaning we would not have confidence that published estimates would be meaningful. A new bottom-up method has been developed using random enquiry data that has a Medium reliability. Applying this method to prior years has had the effect of increasing the estimates for all previous years. Below are the following net gap results, for the new methodology:		

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

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

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

The level of amendments due to ATO actions increased in 2020–21 and again in 2021–22, after declining quite sharply in 2019–20 due in part to COVID-19. The use of single touch payroll (STP) and Member Account Transaction Service (MATS) information has enabled more targeted detection of non-compliance and implementation of preventative and corrective strategies.

The results show a short-term improvement in the net SG gap (decrease in the current year), but the results are still above the pre-COVID levels so there has been no medium-term improvement in the SG gap. As a result, the measure is rated as substantially achieved.

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

Type of measure	Effectiveness
Data sources	ATO systems, models, economic data
Methodology	We use a 3-step method to estimate the superannuation guarantee gap. Step 1: Estimate unreported superannuation guarantee amount Step 2: Estimate for errors not detected Step 3: Calculate the superannuation guarantee gross gap and net gap The gross gap represents the estimated gap if we did not undertake compliance activities. The net gap includes the impact from our compliance activities, such as reviews and audits, and from employer voluntary adjustments. Further detail is available at ato.gov.au/SGgapmethodology.
Limitations	The assumptions we use to construct our estimate are informed by actual data and expert opinion. The following caveats and limitations apply when interpreting this tax gap estimate: ▪ The precision of the estimate is limited by the sample size. ▪ The true extent of nondetection is unknown and is challenging to measure. We assume there will be errors and omissions in our compliance activities due to factors outside our control and limitations in operational capability and capacity. An uplift factor must be used. ▪ The true extent and distribution of hidden wages is challenging to measure. We assume there is shadow economy behaviour in this population. An uplift factor must be used. ▪ Changes from previously published estimates occur for a variety of reasons, including improvement to methods, revisions to data and additional information becoming available. ▪ Tax gap estimates are best viewed as a trend over time. Further detail on limitations is available at ato.gov.au/SGgaplimitations.
Variation from 2023–24 ATO corporate plan	Nil

Notes:

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

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

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

Performance measure	**Value of superannuation guarantee charge raised (including penalties and interest)** ▪ A measure of the value of superannuation guarantee charge raised (including penalties and interest)		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$1,017m		
Results	**2023–24**	**$1,912.1m**	● **Achieved**
	2022–23	$1,243.5m	Rating not previously reported in the annual report
	2021–22	$1,059.9m	
Analysis	There was a significant increase in the superannuation guarantee charge raised this year ($1,912.1 million) compared to last year's figure of $1,243.5 million. This is due to an increase in ATO compliance action and 'nudge' messaging, and employers voluntarily lodging super guarantee amounts.		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Value of superannuation guarantee charge collected' to provide a clearer read of performance.		

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

Performance measure	**Value of superannuation guarantee charge collected** ▪ A measure of the value of superannuation guarantee charge collected		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$594m		
Results	**2023–24**	**$1,092.6m**	● **Achieved**
	2022–23	$778.5m	Rating not previously reported in the annual report
	2021–22	$712.7m	
Analysis	There was a significant increase in superannuation guarantee charge collected in 2023–24, with collections of $1,092.6 million compared to the previous year's figure of $778.5 million. This is due to a number of factors including increased recovery actions, increased ATO compliance, 'nudge' messaging and an increase in voluntary disclosures.		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	This measure has been separated from 'Value of superannuation guarantee charge raised (including penalties and interest)' to provide a clearer read of performance.		

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

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

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

Performance measure	**Value of superannuation guarantee charge debt on hand** ■ A measure of the value of superannuation guarantee charge debt that has not been collected from employers after liabilities have been raised due to non-compliance		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$3.7b		
Results	**2023–24**	**$3.7b**	● **Achieved**
	2022–23	$3.3b	Rating not previously reported in the annual report
	2021–22	$3.1b	
Analysis	The value of superannuation guarantee charge debt on hand increased from $3,343 million in 2022–23 to $3,697 million (rounded to $3.7 billion) this year. This result was expected, given the increase in superannuation guarantee charge raised during the year.		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is a data item extracted from the end-of-year ATO financial statements.		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Variation to measure name to include 'charge'. This measure has been separated from 'Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue' to provide a clearer read of performance.		

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

Performance measure	**Value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue** ▪ A measure of the amount of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	$177m		
Results	**2023–24**	**$447.4m**	■ **Substantially achieved**
	2022–23	$214.5m	Rating not previously reported in the annual report
	2021–22	$104.9m	
Analysis	The value of superannuation guarantee charge debt irrecoverable at law or uneconomical to pursue increased from $214.5 million in 2022–23 to $447.4 million in 2023–24. The return to normal collection activities following the COVID-19 pandemic has resulted in increases in identification of debts that are uneconomical to pursue or irrecoverable at law.		
Type of measure	Effectiveness		
Data sources	ATO financial statements		
Methodology	The value is a data item extracted from the end-of-year ATO financial statements. **Performance rating scale**		
Limitations	There are no material limitations.		
Variation from 2023–24 ATO corporate plan	Variation to measure name to include 'charge'. This measure has been separated from 'Value of superannuation guarantee charge debt on hand' to provide a clearer read of performance.		

Performance rating scale:

Result	Symbol	Description
Achieved	●	The difference between the target and result is within one standard deviation away from the average of 5 recent years
Substantially achieved	■	Between one and 2 standard deviations away from the average of 5 recent years
Not achieved	◆	More than 2 standard deviations away from the average of 5 recent years

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

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

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

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

Program 1.15 Interest on unclaimed superannuation accounts paid

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

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

Program 1.16 Interest on Overpayment and Early Payments of Tax

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

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

Program 1.17 Bad and Doubtful Debts and Remissions

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

Performance measure	**Ratio of debt uneconomical to pursue to net tax collections** ▪ A measure of the ratio of debt determined to be uneconomical to pursue as a proportion of year-to-date net tax collections		
ATO key activity	2: We deliver on government commitments, implement programs and provide assurance to drive improved tax, superannuation and registry system performance		
Authority source	2023–24 PBS and ATO corporate plan 2023–24		
2023–24 target	Below 1%		
Results	**2023–24**	**0.6%**	● **Achieved**
	2022–23	0.2%	Rating not previously reported in the annual report
	2021–22	0.2%	
Analysis	At 30 June 2024, the ratio of uneconomical to pursue debts to net cash collections was 0.6%. This is an increase of 0.4 percentage points from last year. The return to normal collection activities following the COVID-19 pandemic has resulted in increases in the identification of debts that are uneconomical or irrecoverable at law.		
Type of measure	Effectiveness		
Data sources	ATO systems, ATO financial statements		
Methodology	Data for debt not pursued is extracted from ATO systems, while the year-to-date net tax collection figure is obtained from ATO financial statements. The result is based on the amount of debt the ATO has not pursued (on the basis that is uneconomical to do so) as a percentage of net tax collections. The sum of total net non-pursuit (uneconomical) amounts processed is divided by the sum of net tax collections. The net non-pursuit amount accounts for any debt amounts cancelled or re-raised.		
Limitations	This ratio cannot be viewed in isolation and is best viewed as part of a suite of measures.		
Variation from 2023–24 ATO corporate plan	Nil		

Program 1.18 Seafarer Tax Offset

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

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