



Observatory on the Protection of Taxpayers' Rights

Below you will find a questionnaire filled in by Duy Dam, Director, Karen Payne Ombudsman at the *Office of Inspector-General of Taxation* and John Bevacqua, Professor at *Monash University*, all three OPTR National Reporters of Australia.

This set of questionnaires comprise the National Reporter's assessment on the country practice during 2022 in the protection of taxpayers' rights, and the level of fulfilment of the minimum standards and best practices on the practical protection of taxpayers' rights identified by Prof. Dr. Philip Baker and Prof. Dr. Pasquale Pistone at the 2015 IFA Congress on "The Practical Protection of Taxpayers' Fundamental Rights".

OPTR - 2022 Questionnaire 1 - Country Practice

Dear National Reporter,

I would like to thank you for your participation in the IBFD's Observatory on the Protection of Taxpayers' Rights (OPTR).

This form collects the information on the practical implementation in domestic law of legal procedures, safeguards and guarantees associated with taxpayers' rights in 82 situations for the practical protection of taxpayers' rights, as monitored by the IBFD Observatory on the Protection of Taxpayers' Rights.

We kindly ask you to assess assertively (yes/no) the level of practical implementation of said procedures, safeguards and guarantees associated with taxpayers' rights in your country. When answering, please bear in mind the actual practice regarding each situation, regardless of whether a given procedure, safeguard or guarantee has been formally adopted in your country.

We would be very grateful if you submit us this questionnaire, duly filled out, by no later than 14 January 2023.

Feel free to contact us for any clarification you may need. We look forward to your valuable contribution to this remarkable project.

Kind regards,

Prof. Dr. Carlos E. Weffe
Scientific Coordinator
IBFD Observatory on the Protection of Taxpayers' Rights.

* Better if filled in using Google Chrome © or Mozilla Firefox ©

Email *

duy.dam@igt.gov.au

Reporters' info

Name: *

Ms Karen Payne, Dr John Bevacqua, Mr Duy Dam

Country: *

Australia

Affiliation *

☐ Taxpayers / Tax Practitioners

☐ Tax Administration

☐ Judiciary

☒ (Tax) Ombudsperson

☒ Academia

☐ Other: _____

Questionnaire 1 - Country Practice

Instructions:

1. Please answer all questions. The form will not allow you to continue/submit your responses until you have answered all questions.
2. For assertive questions, please answer with "yes" or "no" by clicking on the corresponding button.
3. For questions that require you to specify a period of time (namely, Q. 26 and Q. 45), please select the time applicable in your country to carry out the procedures indicated in the questions in practice, within the options provided.
4. For questions with more than one possible answer (namely, Q. 56), please check all necessary boxes to reflect better the practical situation of your country regarding the issue, by clicking on them.
5. When completed, please submit the survey.
6. Once you have submitted the survey, you will receive an email acknowledging your participation in

the OPTR and providing a backup of your answers.

7. The email will also include an "edit your survey" link, in case you want to modify any of your answers. You will receive this email every time you submit partial responses.

8. An option to quit the survey and save your answers is provided at the end of each section.

9. If answering partially, please select "Yes" at the end of the section in which you are to submit your partial answers to the survey. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this survey.

10. For editing your answers, please use the last "edit your response" link provided to you via email. Please bear in mind that this is the only way the system will acknowledge your previous answers. If you use a link other than the last one provided, some (or all) changes might not be retrieved by the system.

11. When clicking on the last "edit your response" link, the system will lead you to the front page of the survey. Click on "Next" as many times as needed to get to the section you want to continue in. Once you have reached said section, please remember to change your answer to the question "Do you want to save your results and quit?" to "No", in order to be able to continue.

Area 1 - Identification of taxpayers, issuing tax returns and communicating with taxpayers

1. Do taxpayers have the right to see the information held about them by the tax authority? *

☒ Yes

☐ No

2. If yes, can they request the correction of errors in the information? *

☐ Not applicable (click here if you answered "No" to the previous question)

☒ Yes

☐ No

3. Is it possible in your country for taxpayers to communicate electronically with the tax authority? *

☒ Yes

☐ No

4. If yes, are there systems in place to prevent unauthorised access to the channel of communication? *

☒ Yes

☐ No

5. In your country, is there a system of "cooperative compliance" / "enhanced relationship" which applies to some taxpayers only? *

☒ Yes

☐ No

6. If yes, are there rules or procedures in place to ensure this system is available to all eligible taxpayers on a non-preferential/non discriminatory/non arbitrary basis? *

☐ Not applicable (click here if you answered "No" to question 5)

☒ Yes

☐ No

7. Are there special arrangements for individuals who face particular difficulties (e.g. the disabled, the elderly, other special cases) to receive assistance in complying with their tax obligations? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 2 - The issue of tax assessment

8. Does a dialogue take place in your country between the taxpayer and the tax authority before the issue of an assessment in order to reach an agreed assessment? *

☐ Yes

☒ No

9. If yes, can the taxpayer request a meeting with the tax officer? *

☒ Not applicable (click here if you answered "No" to question 8)

☐ Yes

☐ No

10. If a systematic error in the assessment of tax comes to light (e.g. the tax authority loses a tax case and it is clear that tax has been collected on a wrong basis), does the tax authority act ex officio to notify all affected taxpayers and arrange repayments to them? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 3 - Confidentiality

11. Is information held by your tax authority automatically encrypted? *

☐ Yes

☒ No

12. Is access to information held by the tax authority about a specific taxpayer accessible only to the tax official(s) dealing with that taxpayer's affairs? *

☐ Yes

☒ No

13. If yes, must the tax official identify himself/herself before accessing information held about a specific taxpayer? *

☒ Not applicable (click here if you answered "No" to question 12)

☐ Yes

☐ No

14. Is access to information held about a taxpayer audited internally to check if there has been any unauthorised access to that information? *

☒ Yes

☐ No

15. Are there examples of tax officials who have been criminally prosecuted in the last decade for unauthorised access to taxpayers' data? *

☒ Yes

☐ No

16. Is information about the tax liability of specific taxpayers publicly available in your country? *

☒ Yes

☐ No

17. Is "naming and shaming" of non-compliant taxpayers practised in your country? *

☒ Yes

☐ No

18. Is there a system in your country by which the courts may authorise the public disclosure of information held by the tax authority about specific taxpayers (e.g. habeas data or freedom of information)? *

☒ Yes

☐ No

19. Is there a system of protection of legally privileged communications between the taxpayer and its advisors? *

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☒ Yes

☐ No

20. If yes, does this extend to advisors other than those who are legally qualified (e.g. accountants, tax advisors)? *

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☐ Not applicable (click here if you answered "No" to question 19)

☐ Yes

☒ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 4 - Normal audits

21. Does the principle ne bis in idem apply to tax audits (i.e. that the taxpayer can only receive one audit in respect of the same taxable period)? *

☐ Yes

☒ No

22. If yes, does this mean only one audit per tax per year? *

- ☒ Not applicable (click here if you answered "No" to question 21)
- ☐ Yes
- ☐ No

23. Does the principle audi alteram partem apply in the tax audit process (i.e. does the taxpayer have to be notified of all decisions taken in the process and have the right to object and be heard before the decision is finalised)? *

- ☐ Yes
- ☒ No

24. Does the taxpayer have the right to request an audit (e.g. if the taxpayer wishes to get finality of taxation for a particular year)? *

- ☐ Yes
- ☒ No

25. Are there time limits applicable to the conduct of a normal audit in your country (e.g. the audit must be concluded within so many months)? *

- ☐ Yes
- ☒ No

26. If yes, what is the normal limit in months? *

There is no limit (click here if you answered "No" to question 25) ▼

27. Does the taxpayer have the right to be represented by a person of its choice in the audit process? *

☒ Yes

☐ No

28. May the opinion of independent experts be used in the audit process? *

☒ Yes

☐ No

29. Does the taxpayer have the right to receive a full report on the conclusions of the audit at the end of the process? *

☐ Yes

☒ No

30. Are there limits to the frequency of audits of the same taxpayer (e.g. in respect to different periods or different taxes)? *

☐ Yes

☒ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 5 - More intensive audits

31. Is the principle nemo tenetur applied in tax investigations (i.e. the principle against self-incrimination)? *

☐ Yes

☒ No

32. If yes, is there a restriction on the use of information supplied by the taxpayer in a subsequent penalty procedure/criminal procedure? *

- ☒ Not applicable (click here if you answered "No" to question 31)
- ☐ Yes
- ☐ No

33. If yes to nemo tenetur, can the taxpayer raise this principle to refuse to supply basic accounting information to the tax authority? *

- ☒ Not applicable (click here if you answered "No" to question 31)
- ☐ Yes
- ☐ No

34. Is there a procedure applied in your country to identify a point in time during an investigation when it becomes likely that the taxpayer may be liable for a penalty or a criminal charge, and from that time onwards the taxpayer's right not to self-incriminate is recognised? *

- ☐ Yes
- ☒ No

35. If yes, is there a requirement to give the taxpayer a warning that the taxpayer can rely * on the right of non-self-incrimination?

☒ Not applicable (click here if you answered "No" to question 34)

☐ Yes

☐ No

36. Is authorisation by a court always needed before the tax authority may enter and * search premises?

☐ Yes

☒ No

37. May the tax authority enter and search the dwelling places of individuals? *

☒ Yes

☐ No

38. Is a court order required before the tax authority can use interception of * communications (e.g. telephone tapping or access to electronic communications)?

☒ Yes

☐ No

39. Is there a procedure in place to ensure that legally privileged material is not taken in the course of a search? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 6 - Reviews and appeals

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

40. Is there a procedure for an internal review of an assessment/decision before the taxpayer appeals to the judiciary? *

☒ Yes

☐ No

41. Does the taxpayer need permission to appeal to the first instance tribunal? *

☐ Yes

☒ No

42. Does the taxpayer need permission to appeal to the second or higher instance tribunals? *

☐ Yes

☒ No

43. Is it necessary for the taxpayer to bring his case first before an administrative court to quash the assessment/decision, before the case can proceed to a judicial hearing? *

☐ Yes

☒ No

44. Are there time limits applicable for a tax case to complete the judicial appeal process? *

☐ Yes

☒ No

45. If yes, what is the normal time it takes for a tax case to be concluded on appeal? *

There is no limit (click here if you answered "No" to question 44) ▼

46. Are there any arrangements for alternative dispute resolution (e.g. mediation or arbitration) before a tax case proceeds to the judiciary? *

☒ Yes

☐ No

47. Is there a system for the simplified resolution of tax disputes (e.g. by a determination on the file, or by e/filing)? *

☒ Yes

☐ No

48. Is the principle audi alteram partem (i.e. each party has a right to a hearing) applied in all tax appeals? *

☒ Yes

☐ No

49. Does the taxpayer have to pay some/all the tax before an appeal can be made (i.e. solve et repete)? *

☐ Yes

☒ No

50. If yes, are there exceptions recognised where the taxpayer does not need to pay before appealing (i.e. can obtain an interim suspension of the tax debt?) *

☒ Not applicable (click here if you answered "No" to question 49)

☐ Yes

☐ No

51. Does the loser have to pay the costs in a tax appeal? *

☒ Yes

☐ No

52. If yes, are there situations recognised where the loser does not need to pay the costs (e.g. because of the conduct of the other party)? *

☐ Not applicable (click here if you answered "No" to question 51)

☒ Yes

☐ No

53. If there is usually a public hearing, can the taxpayer request a hearing in camera (i.e. ^{*} not in public) to preserve secrecy/confidentiality?

☒ Yes

☐ No

54. Are judgments of tax tribunals published? ^{*}

☒ Yes

☐ No

55. If yes, can the taxpayer preserve its anonymity in the judgment? ^{*}

☐ Not applicable (click here if you answered "No" to question 54)

☒ Yes

☐ No

Do you want to save your results and quit? ^{*}

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 7 - Criminal and administrative sanctions

56. Does the principle ne bis in idem apply in your country to prevent either: *

- ☐ The principle does not apply in my country
- ☐ The imposition of a tax penalty and the tax liability
- ☐ The imposition of more than one tax penalty for the same conduct
- ☒ The imposition of a tax penalty and a criminal liability

57. If ne bis in idem is recognised, does this prevent two parallel sets of court proceedings * arising from the same factual circumstances (e.g. a tax court and a criminal court)?

- ☐ Not applicable (click here if you answered "No" to question 56)
- ☐ Yes
- ☒ No

58. If the taxpayer makes a voluntary disclosure of a tax liability, can this result in a reduced or a zero penalty? *

- ☒ Yes
- ☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

- ☐ Yes
- ☒ No

Area 8 - Enforcement of taxes

59. Is a court order always necessary before the tax authorities can access a taxpayer's bank account or other assets? *

☐ Yes

☒ No

60. Does the taxpayer have the right to request a deferred payment of taxes or a payment in instalments (perhaps with a guarantee)? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 9 - Cross-border situations

61. Does the taxpayer have the right to be informed before information relating to him is exchanged in response to a specific request? *

☐ Yes

☒ No

62. Does the taxpayer have a right to be informed before information is sought from third parties in response to a specific request for exchange of information? *

☐ Yes

☒ No

63. If no to either of the previous two questions, did your country previously recognise the right of taxpayers to be informed and was such right removed in the context of the peer review by the Forum on Transparency and Exchange of Information? *

☒ Not applicable (click here if you answered "No" to either question 61 or question 62)

☐ Yes

☐ No

64. Does the taxpayer have the right to be heard by the tax authority before the exchange of information relating to him with another country? *

☐ Yes

☒ No

65. Does the taxpayer have the right to challenge before the judiciary the exchange of information relating to him with another country? *

☐ Yes

☒ No

66. Does the taxpayer have the right to see any information received from another country that relates to him? *

☐ Yes

☒ No

67. Does the taxpayer have the right in all cases to require a mutual agreement procedure is initiated? *

☐ Yes

☒ No

68. Does the taxpayer have a right to see the communications exchanged in the context of a mutual agreement procedure? *

☐ Yes

☒ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 10 - Legislation

69. Is there a prohibition on retrospective tax legislation in your country? *

☐ Yes

☒ No

70. If no, are there restrictions on the adoption of retrospective tax legislation in your country? *

☐ Not applicable (click here if you answered "Yes" to question 69)

☐ Yes

☒ No

71. Is there a procedure in your country for public consultation before the adopting of all (or most) tax legislation? *

☐ Yes

☒ No

72. Is tax legislation subject to constitutional review which can strike down unconstitutional laws? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 11 - Revenue practice and guidance

73. Does the tax authority in your country publish guidance (e.g. revenue manuals, circulars, etc.) as to how it applies your tax law? *

☒ Yes

☐ No

74. Does your country have a generalised system of advanced rulings available to taxpayers? *

☒ Yes

☐ No

75. If yes, is it legally binding? *

- ☐ Not applicable (click here if you answered "No" to question 74)
- ☒ Yes
- ☐ No

76. If a binding ruling is refused, does the taxpayer have a right to appeal? *

- ☒ Yes
- ☐ No

77. If your country publishes guidance as to how it applies your tax law, can taxpayers acting in good faith rely on that published guidance (i.e. protection of legitimate expectations)? *

- ☐ Not applicable (click here if you answered "No" to question 76)
- ☒ Yes
- ☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

- ☐ Yes
- ☒ No

Area 12 - Institutional framework for protecting taxpayers' rights

78. Is there a taxpayers' charter or taxpayers' bill of rights in your country? *

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☒ Yes

☐ No

79. If yes, are its provisions legally effective? *

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☐ Not applicable (click here if you answered "No" to the previous question)

☐ Yes

☒ No

80. Is there a (tax) ombudsman / taxpayers' advocate / equivalent position in your country? *

☒ Yes

☐ No

81. If yes, can the ombudsman intervene in an on-going dispute between the taxpayer and the tax authority (before it goes to court)? *

- ☐ Not applicable (click here if you answered "No" to question 80)
- ☐ Yes
- ☒ No

82. If yes to a (tax) ombudsman, is he/she independent from the tax authority? *

- ☐ Not applicable (click here if you answered "No" to question 80)
- ☒ Yes
- ☐ No

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OPTR - 2022 Questionnaire 2 - Standards of Protection

Dear National Reporter,

I would like to thank you for your participation in the IBFD Observatory on the Protection of Taxpayers' Rights (OPTR).

This form collects the information on developments occurred in 2022 regarding the implementation of 57 minimum standards and 44 best practices, distributed into 86 benchmarks, for the practical protection of taxpayers' rights as monitored by the OPTR.

We kindly ask you to provide an impartial, non-judgmental summary of events occurred in 2022 that in your opinion affect the level of compliance of a given minimum standard/best practice in your country. These events may include, without limitation, legislation enacted, administrative rulings and/or circulars issued, case law and tax administration practices implemented, among others, as requested by this form.

In ALL cases back up your assertions with the relevant documentary materials, and provide full details for identifying the documents related to the reported developments. Either a (soft) copy or internet links to make said documents available (and therefore, quotable) are greatly appreciated.

You are also kindly required to assess whether the events you described represent either a step towards or a step away from the practical implementation of the given minimum standard/best practice in your country. Full instructions are provided below.

This form should be filled in as soon as any of the events mentioned above occurs and edited as many times as necessary to cover all relevant developments occurred in 2022, until no later than 14 January 2023. We appreciate very much your cooperation in this regard.

Feel free to contact us for any clarification you may need. We look forward to your valuable contribution to this remarkable project.

Kind regards,

Prof. Dr Carlos E. Weffe
Scientific Coordinator
IBFD Observatory on the Protection of Taxpayers' Rights.

* Better if filled in using Google Chrome © or Mozilla Firefox ©

Email *

duy.dam@igt.gov.au

Reporters' info

Name: *

Ms Karen Payne, Dr John Bevacqua, Mr Duy Dam

Country: *

Australia

Affiliation *

☐ Taxpayers / Tax Practitioners

☐ Tax Administration

☐ Judiciary

☒ (Tax) Ombudsperson

☒ Academia

☐ Other: _____

Instructions

1. Please answer all questions. The form will not allow you to continue/submit your responses until you have answered all questions.

2. All questions are two or three-tiered (namely, either with parts "MS" and/or "BP", and "S"). They comprise a minimum standard (MS) and /or a best practice (BP), and a "summary of relevant facts in 2021" (S). The latter is a space for providing a summarized account on facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way.

3. Please Indicate, by clicking on the corresponding button, whether there was an improvement or a decrease of the level of compliance of the relevant standard/best practice in your country in 2021. If there were no changes, please indicate so by clicking on the corresponding button.
4. In ALL cases where an assessment of either improvement or decrease is reported, please refer the relevant novelties in the space provided under "summary of relevant facts in 2021", for each question. Please give a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. In case there is nothing to report for a given minimum standard/best practice, please answer "no changes".
5. If any, make additional, non-judgmental commentaries at the space provided under "summary of relevant facts in 2021".
6. In ALL cases back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org and c.weffe@ibfd.org.
7. When completed, please submit the survey.
8. Once you have submitted the survey, you will receive an email acknowledging your participation in the OPTR and providing a backup of your answers.
9. The email will also include an "edit your survey" link, in case you want to modify any of your answers. You will receive this email every time you submit partial responses.
10. An option to quit the survey and save your answers is provided at the end of each section. This survey has 12 sections, as many as those identified by Baker and Pistone in their 2015 IFA General Report.
11. If answering partially, please select "Yes" at the end of the section in which you are to submit your partial answers to the survey. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this survey.
12. For editing your answers, please use the last "edit your response" link provided to you via email. Please bear in mind that this is the only way the system will acknowledge your previous answers. If you use a link other than the last one provided, some (or all) changes might not be retrieved by the system.
13. When clicking on the last "edit your response" link, the system will lead you to the front page of the survey. Click on "Next" as many times as needed to get to the section you want to continue in. Once you have reached said section, please remember to change your answer to the question "Do you want to save your results and quit?" to "No", in order to be able to continue.

Area 1 - Identification of taxpayers, issuing tax returns and communicating with taxpayers

1 (MS). Implement safeguards to prevent impersonation when issuing a unique identification number

★

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

1 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Establishment of Australian Business Registry Services (ABRS) to operationalise a single business registry service, including director identification numbers (director ID). The ABRS website launched on 6 October 2022 with the director ID platform live from 31 March 2022. A director ID is a 15-digit identifier given to a director (or someone who intends to become a director) who has verified their identity with ABRS. Director ID will make it easier for regulators to trace directors' relationships with companies over time. It is a critical tool used to provide transparency of director activity and help to detect potential director involvement in unlawful activity, including illegal phoenix activity.

Single sign out of myGov, an Australian Government portal allowing users to access a range of Government services, was introduced this year with the latest version released in October 2022. This functionality ensures when a client logs out of one session in myGov, all open sessions are closed to enhance overall security of the platform.

Source Commissioner of Taxation, Annual Report 2021-22, p15.

2 (MS). The system of taxpayer identification should take account of religious sensitivities *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

2 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

3 (MS). Impose obligations of confidentiality on third parties with respect to information gathered by them for tax purposes *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

3 (BP). Where tax is withheld by third parties, the taxpayer should be excluded from liability if the third party fails to pay over the tax

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

3 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

4 (MS). Where pre/populated returns are used, these should be sent to taxpayers to correct errors.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

4 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

5 (MS). Provide a right to access to taxpayers to personal information held about them, and a right to correct inaccuracies. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

5 (BP). Publish guidance on taxpayers' rights to access information and correct inaccuracies *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

5 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

6 (MS). Where communication with taxpayers is in electronic form, institute systems to prevent impersonation or interception *

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

6 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

A significant upgrade to myGovID was introduced. The implementation introduced myGovID with biometrics. This technology uses liveness detection to verify whether an individual is real and present, and a face verification service (provided by the Department of Home Affairs) – to enable a user to complete a face verification against their passport image.

Source Commissioner of Taxation, Annual Report 2021-22, pp 34-35

7 (MS). Where a system of "cooperative compliance" operates, ensure it is available on a non-discriminatory and voluntary basis *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

7 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

8 (MS). Provide assistance for those who face difficulties in meeting compliance obligations, including those with disabilities, those located in remote areas, and those unable or unwilling to use electronic forms of communication *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

8 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 2 - The issue of tax assessment

9 (BP). Establish a constructive dialogue between taxpayers and revenue authorities to ensure a fair assessment of taxes based on equality of arms *

☒ No changes

☐ Shifted away

☐ Shifted towards

9 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

10 (BP). Use e-filing to speed up assessments and correction of errors, particularly systematic errors

*

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

10 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

The ATO continues to make use of data matching and prefilling to assist with lodgement and other compliance activities.

In 2021–22, the ATO used its data and analytics technology to pre-fill over 94.5 million pieces of data. It also:

- provided over 441,000 real-time prompts to taxpayers to check amounts in their 2020–21 income tax returns, resulting in an estimated \$45.5 million revenue protected, as well as saving those taxpayers from subsequent compliance action and the risk of penalties
- sent over one million targeted messages to clients to consider the tax consequences of their crypto asset sales
- provided over 250,000 real-time prompts to taxpayers to check amounts in their business activity statements
- piloted a program that prompted over 1,400 self-preparing sole traders to check amounts reported in their 2020–21 tax return where the amounts differed to the small business benchmark – 25% of those prompted adjustments as a result provided small businesses access to their business transactions.'

Source: Commissioner of Taxation Annual Report 2021-22, p 32.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 3 - Confidentiality

11 (MS). Provide a specific legal guarantee for confidentiality, with sanctions for officials who make unauthorised disclosures (and ensure sanctions are enforced). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

11 (BP). Encrypt information held by a tax authority about taxpayers to the highest level attainable. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

11 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

12 (MS). Introduce an offence for tax officials covering up unauthorised disclosure of confidential information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

12 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

13 (MS). Restrict access to data to those officials authorised to consult it. For encrypted data, use digital access codes. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

13 (BP). Ensure an effective fire-wall to prevent unauthorised access to data held by revenue authorities. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

13 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

14 (MS). Audit data access periodically to identify cases of unauthorised access. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

14 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

15 (MS). Introduce administrative measures emphasizing confidentiality to tax officials. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

15 (BP). Appoint data protection/privacy officers at senior level and local tax offices. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

15 (S). Summary of relevant facts in 2022

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16 (MS). If a breach of confidentiality occurs, investigate fully with an appropriate level of seniority by independent persons (e.g. judges). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

16 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

17 (MS). Provide remedies for taxpayers who are victims of unauthorised disclosure of confidential information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

17 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

18 (MS). Exceptions to the general rule of confidentiality should be explicitly stated in the law, narrowly drafted and interpreted. *

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

18 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

In 2022, the Treasury Laws Amendment (2022 Measures No.1) Act 2022 (Cth) was passed which, amongst other things, lowered the Commissioner's tax information reporting threshold for Australian corporate tax entities from \$200 million total income to \$100 million. The changes are intended to apply from the 2022-23 financial year onwards.

The effect of the threshold being lowered is that the Commissioner will be required, by law, to publish the corporate tax entity's Australian Business Number (ABN), total income, taxable income and income tax payable for the financial year corresponding to the income year.

19 (MS). If "naming and shaming" is employed, ensure adequate safeguards (e.g. judicial * authorisation after proceedings involving the taxpayer).

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

19 (BP). Require judicial authorisation before any disclosure of confidential information by * revenue authorities

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

19 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

20 (MS). No disclosure of confidential taxpayer information to politicians, or where it might be used for political purposes. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

20 (BP). Parliamentary supervision of revenue authorities should involve independent officials, subject to confidentiality obligations, examining specific taxpayer data, and then reporting to Parliament. *

- ☐ No changes
- ☒ Shifted away
- ☐ Shifted towards

20 (S). Summary of relevant facts in 2022

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In April 2022, following the dissolution of Parliament to allow for a Federal Election to take place, the House of Representatives Standing Committee on Tax and Revenue, which previously had oversight of the Australian Taxation Office and other taxation matters, ceased to exist. The new Government has not made any announcements in relation to whether the Committee would be reconstituted.

21 (MS). Freedom of information legislation may allow a taxpayer to access information about himself. However, access to information by third parties should be subject to stringent safeguards: only if an independent tribunal concludes that the public interest in disclosure outweighs the right of confidentiality, and only after a hearing where the taxpayer has an opportunity to be heard. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

21 (S). Summary of relevant facts in 2022

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22 (MS). If published, tax rulings should be anonymised and details that might identify the taxpayer removed. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

22 (BP). Anonymize all tax judgments and remove details that might identify the taxpayer *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

22 (S). Summary of relevant facts in 2022

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23 (MS). Legal professional privilege should apply to tax advice. *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

23 (BP). Privilege from disclosure should apply to all tax advisors (not just lawyers) who supply similar advice to lawyers. Information imparted in circumstances of confidentiality may be privileged from disclosure. *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

23 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

24 (MS). Where tax authorities enter premises which may contain privileged material, arrangements should be made (e.g. an independent lawyer) to protect that privilege. *

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

24 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

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- ☐ Yes
- ☒ No

Area 4 - Normal audits

25 (MS). Audits should respect the following principles: (i) Proportionality. (2) Ne bis in idem (prohibition of double jeopardy). (3) Audi alteram partem (right to be heard before any decision is taken). (4) Nemo tenetur se detegere (principle against self/incrimination). Tax notices issued in violation of these principles should be null and void. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

25 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

26 (MS). In application of proportionality, tax authorities may only request for information that is strictly needed, not otherwise available, and must impose least burdensome impact on taxpayers. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

26 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

27 (BP). In application of ne bis in idem the taxpayer should only receive one audit per taxable period, except when facts that become known after the audit was completed. *

- ☒ No changes
- ☐ Shift away
- ☐ Shift towards

27 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

28 (MS). In application of audi alteram partem, taxpayers should have the right to attend * all relevant meetings with tax authorities (assisted by advisors), the right to provide factual information, and to present their views before decisions of the tax authorities become final.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

28 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

29 (MS). In application of nemo tenetur, the right to remain silent should be respected in * all tax audits.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

29 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

30 (BP). Tax audits should follow a pattern that is set out in published guidelines. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

30 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

31 (BP). A manual of good practice in tax audits should be established at the global level. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

31 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

32 (BP). Taxpayers should be entitled to request the start of a tax audit (to obtain finality). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

32 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

33 (MS). Where tax authorities have resolved to start an audit, they should inform the taxpayer

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

33 (BP). Where tax authorities have resolved to start an audit, they should hold an initial meeting with the taxpayer in which they spell out the aims and procedure, together with timescale and targets. They should then disclose any additional evidence in their possession to the taxpayer.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

33 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

34 (MS). Taxpayers should be informed of information gathering from third parties. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

34 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

35 (BP). Reasonable time limits should be fixed for the conduct of audits. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

35 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

36 (MS). Technical assistance (including representation) should be available at all stages of the audit by experts selected by the taxpayer. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

36 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

37 (MS). The completion of a tax audit should be accurately reflected in a document, notified in its full text to the taxpayer.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

37 (BP). The drafting of the final audit report should involve participation by the taxpayer, with the opportunity to correct inaccuracies of facts and to express the taxpayer's view.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

37 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

38 (BP). Following an audit, a report should be prepared even if the audit does not result in additional tax or refund. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

38 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 5 - More intensive audits

39 (BP). More intensive audits should be limited to the extent strictly necessary to ensure an effective reaction to non-compliance. *

☒ No changes

☐ Shifted away

☐ Shifted towards

39 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

40 (MS). If there is point in an audit when it becomes foreseeable that the taxpayer may * be liable for a penalty or criminal charge, from that time the taxpayer should have stronger protection of his right to silence, and statements from the taxpayer should not be used in the audit procedure.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

40 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

41 (MS). Entering premises or interception of communications should be authorised by * the judiciary.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

41 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

42 (MS). Authorisation within the revenue authorities should only be in cases of urgency, * and subsequently reported to the judiciary for ex-post ratification.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

42 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

43 (MS). Inspection of the taxpayer's home should require authorisation by the judiciary and only be given in exceptional cases. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

43 (BP). Where tax authorities intend to search the taxpayer's premises, the taxpayer should be informed and have an opportunity to appear before the judicial authority, subject to exception where there is evidence of danger that documents will be removed or destroyed. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

43 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

44 (BP). Access to bank information should require judicial authorisation. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

44 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

45 (BP). Authorisation by the judiciary should be necessary for the interception of telephone communications and monitoring of internet access. Specialised offices within the judiciary should be established to supervise these actions. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

45 (S). Summary of relevant facts in 2022

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46 (MS). Seizure of documents should be subject to a requirement to give reasons why seizure is indispensable, and to fix the time when documents will be returned; seizure should be limited in time. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

46 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

47 (BP). If data are held on a computer hard drive, then a backup should be made in the presence of the taxpayer's advisors and the original left with the taxpayer. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

47 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

48 (MS). Where invasive techniques are applied, they should be limited in time to avoid a disproportionate impact on taxpayers. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

48 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

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☐ Yes

☒ No

Area 6 - Reviews and appeals

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

49 (BP). E-filing of requests for internal review to ensure the effective and speedy handling of the review process. *

☒ No changes

☐ Shifted away

☐ Shifted towards

49 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

50 (MS). The right to appeal should not depend upon prior exhaustion of administrative reviews. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

50 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

51 (BP). Reviews and appeals should not exceed two years. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

51 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

52 (MS). Audi alteram partem should apply in administrative reviews and judicial appeals. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

52 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

53 (MS). Where tax must be paid in whole or in part before an appeal, there must be an effective mechanism for providing interim suspension of payment. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

53 (BP). An appeal should not require prior payment of tax in all cases. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

53 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

54 (BP). The state should bear some or all of the costs of an appeal, whatever the outcome.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

54 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

55 (MS). Legal assistance should be provided for those taxpayers who cannot afford it. *

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

55 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

14 grants awarded by the Australian Taxation Office to support the National Tax Clinic program. The National Tax Clinic Program is a government-funded initiative to help people who may not be able to afford professional advice and representation with their tax affairs. The program is available to eligible individuals, small businesses, not-for-profit organisations and charities. Information about the National Tax Clinic program is available at ato.gov.au/nationaltaxclinic.

From July to October each year the ATO Tax Help Program assists eligible clients in lodging or amending returns. Assistance through this program was available face-to-face, over the phone or online.

Source: Commissioner of Taxation, Annual Report 2021-22, p 125.

56 (MS). Taxpayers should have the right to request the exclusion of the public from a tax appeal hearing. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

56 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

57 (MS). Tax judgments should be published. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

57 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

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☐ Yes

☒ No

Area 7 - Criminal and administrative sanctions

58 (MS). Proportionality and ne bis in idem should apply to tax penalties. *

☒ No changes

☐ Shifted away

☐ Shifted towards

58 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

59 (BP). Where administrative and criminal sanctions may both apply, only one procedure ^{*} and one sanction should be applied.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

59 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

60 (BP). Voluntary disclosure should lead to reduction of penalties. ^{*}

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

60 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

61 (MS). Sanctions should not be increased simply to encourage taxpayers to make voluntary disclosures. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

61 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

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☐ Yes

☒ No

Area 8 - Enforcement of taxes

Please provide separately (via optr@ibfd.org and c.weffe@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Please be particularly aware of regulations on the COVID-19 pandemic. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

62 (MS). Collection of taxes should never deprive taxpayers of their minimum necessary for living. *

☒ No changes

☐ Shifted away

☐ Shifted towards

62 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

63 (BP). Authorisation by the judiciary should be required before seizing assets or bank accounts *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

63 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

64 (MS). Taxpayers should have the right to request delayed payment of arrears. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

64 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

65 (BP). Bankruptcy of taxpayers should be avoided, by partial remission of the debt or structured plans for deferred payment. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

65 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

66 (MS). Temporary suspension of tax enforcement should follow natural disasters. *

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- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

66 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

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- ☐ Yes
- ☒ No

Area 9 - Cross-border situations

67 (MS). The requesting state should notify the taxpayer of cross-border requests for information, unless it has specific grounds for considering that this would prejudice the process of investigation. The requested state should inform the taxpayer unless it has a reasoned request from the requesting state that the taxpayer should not be informed on grounds that it would prejudice the investigation. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

67 (BP). The taxpayer should be informed that a cross-border request for information is to be made. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

67 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

68 (BP). Where a cross-border request for information is made, the requested state should also be asked to supply information that assists the taxpayer.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

68 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

69 (BP). Provisions should be included in tax treaties setting specific conditions for exchange of information.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

69 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

70 (MS). If information is sought from third parties, judicial authorisation should be necessary.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

70 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

71 (BP). The taxpayer should be given access to information received by the requesting state. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

71 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

72 (BP). Information should not be supplied in response to a request where the originating cause was the acquisition of stolen or illegally obtained information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

72 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

73 (BP). A requesting state should provide confirmation of confidentiality to the requested state. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

73 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

74 (MS). A state should not be entitled to receive information if it is unable to provide independent, verifiable evidence that it observes high standards of data protection. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

74 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

75 (BP). For automatic exchange of financial information, the taxpayer should be notified of the proposed exchange in sufficient time to exercise data protection rights. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

75 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

76 (BP). Taxpayers should have a right to request initiation of mutual agreement procedure.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

76 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

77 (MS). Taxpayers should have a right to participate in mutual agreement procedure by being heard and being informed as to the progress of the procedure. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

77 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

- ☐ Yes
- ☒ No

Area 10 - Legislation

78 (MS). Retrospective tax legislation should only be permitted in limited circumstances which are spelt out in detail. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

78 (BP). Retrospective tax legislation should ideally be banned completely. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

78 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

79 (BP). Public consultation should precede the making of tax policy and tax law. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

79 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

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☐ Yes

☒ No

Area 11 - Revenue practice and guidance

80 (MS). Taxpayers should be entitled to access all relevant legal material, comprising legislation, administrative regulations, rulings, manuals and other guidance. *

☒ No changes

☐ Shifted away

☐ Shifted towards

80 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

81 (MS). Where legal material is available primarily on the internet, arrangements should be made to provide it to those who do not have access to the internet. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

81 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

82 (MS). Binding rulings should only be published in an anonymised form *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

82 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

83 (MS). Where a taxpayer relies upon published guidance of a revenue authority which subsequently proves to be inaccurate, changes should apply only prospectively. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

83 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

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☐ Yes

☒ No

Area 12 - Institutional framework for protecting taxpayers' rights

84 (MS). Adoption of a charter or statement of taxpayers' rights should be a minimum standard. *

☒ No changes

☐ Shifted away

☐ Shifted towards

84 (BP). A separate statement of taxpayers' rights under audit should be provided to taxpayers who are audited. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

84 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

On September 26, 2022, the ATO commenced public consultation that is informing its review of the Taxpayers' Charter. The consultation closed on 24 October 2022 with the ATO receiving over 30 feedback submissions from a diverse range of stakeholders. The aim of reviewing the Taxpayers' Charter is to ensure it is contemporary and continues to meet expectations about what taxpayers can expect from the ATO and what the ATO expects from taxpayers in their administration of the tax, super and registry systems.

Source: Our Taxpayers' charter is open for consultation | Australian Taxation Office (ato.gov.au)

85 (BP). A taxpayer advocate or ombudsman should be established to scrutinise the operations of the tax authority, handle specific complaints, and intervene in appropriate cases. Best practice is the establishment of a separate office within the tax authority but independent from normal operations of that authority. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

85 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

86 (BP). The organisational structure for the protection of taxpayers' rights should operate *
at local level as well as nationally.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

86 (S). Summary of relevant facts in 2022

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org. Thank you.

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Please find attached a PDF of the Commissioner of Taxation Annual Report 2021-22 which is referenced. You will be able to find the text, or information, drawn upon through the page references noted in our responses in Questionnaire 2.

A digital version of the Annual Report is provided through the Australian Government's Transparency Portal: [Australian Taxation Office Annual Report 2021-22 | Transparency Portal](#)

I trust this is helpful.

Kind regards

Duy

Duy Dam
Director – Review and Engagement
Office of the Inspector-General and Taxation Ombudsman



Australian Government

Australian Taxation Office

Commissioner of Taxation
annual report

2021 22

Contact

Mail

Director, Annual Report
Enterprise Strategy and Design
Australian Taxation Office
PO Box 9977
Civic Square ACT 2608

Phone (02) 6216 1111

Email annualreport@ato.gov.au

Annual report ato.gov.au/annualreport

Website ato.gov.au

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Australian Taxation Office

Commissioner of Taxation
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Commissioner's review

I am pleased to report on our performance for 2021–22.

Over the last few years, the ATO has played an essential role in supporting the community through a challenging period. The government entrusted us to deliver more than \$164 billion in vital stimulus to Australians through JobKeeper, Cash Flow Boost and Early Release of Super. We also supported the community through COVID-19 lockdowns and natural disasters by giving taxpayers more time to lodge and pay. Throughout this time, we shifted our workforce and systems to rapidly respond to community needs.

A critical challenge for the ATO in 2021–22 was maintaining the support and assistance provided to the community in past years, while normalising client engagement activities as states and territories implemented roadmaps out of lockdown and economies moved towards recovery.

Against this backdrop we continued to deliver, and I am proud to report that in 2021–22 we:

- collected gross tax of \$648.5 billion, and provided refunds of \$132.9 billion, with net tax collections of \$515.6 billion – up \$64.2 billion (14.2%) from 2020–21
- achieved total revenue effects – an estimate of the additional tax revenue that comes from all our activities including audit actions, preventative and sustained compliance – of \$15.5 billion against a performance target of \$15 billion
- delivered Tax Time 2021, receiving over 14.3 million individual current-year income tax returns, resulting in over 10.8 million refunds
- helped secure future outcomes in collecting tax from multinational corporations through a \$1 billion settlement with Rio Tinto
- supported whole-of-government service delivery with the launch of the director identification number (Director ID), to prevent false and fraudulent behaviours – at 30 June 2022 nearly 640,000 Director IDs had been issued
- upheld the integrity of the system by stopping around \$1.7 billion (between mid-April and 30 June 2022) in suspected fraudulent refunds through Operation Protego, our investigation into the largest GST fraud in history.

We also delivered on our key government commitments, including raising billions of dollars in tax liabilities through our funded taskforces. These include: the Tax Avoidance Taskforce (\$3.49 billion in tax liabilities and \$1.93 billion in cash collections); shadow economy program (\$1.2 billion in compliance liabilities); Serious Financial Crime Taskforce (\$473.8 million in liabilities and \$79.9 million in cash collections); and the joint-agency Phoenix Taskforce (\$222.6 million in liabilities and \$156.3 million in cash collections).

As the economy recovers, one of our key priorities is to address the collectable debt that has accrued over the past 3 years. This has increased from \$26.5 billion at 30 June 2019 to \$44.8 billion at 30 June 2022.

From November 2021, we resumed firmer and stronger actions for taxpayers resistant to managing their debts and engaging with the ATO. Our approach continues to be one of transparency; ensuring clients are aware of their obligations, what they need to do, the assistance available to them – and actions we may take if they choose not to engage with us. We have worked closely with our industry stakeholder groups to promote these messages, to ensure they are well informed to meet their client and member needs.

Of course, at the heart of everything we do is our people. I am pleased to report our workforce engagement scores have remained ahead of our pre-pandemic results and consistently outperform other agencies of our size. In the latest APS Employee Census, the vast majority of our workforce recommended the ATO as a good place to work; an indicator 10 percentage points higher than the APS average. It is clear our people are proud to work at the ATO and have a strong sense of purpose about the work we do.



Looking forward

We have a strong sense of what we can – and must – achieve in the next year. Following the pandemic response, we have regrouped and are now normalising and reinvesting in our business-as-usual activities. An internal recalibration has helped us to refocus and ensure we are investing resources in our highest-priority work.

We have identified 7 key focus areas essential to our vision of being a leading tax, superannuation and registry administration, and contributing to the economic and social wellbeing of Australians.

The focus areas comprise:

- implementing targeted strategies to address collectable debt
- enabling data and digital investments through sustained efficiencies
- expanding the use of Single Touch Payroll data
- improving small business tax performance
- delivering innovative business registry services
- transitioning to the new data centre
- managing cybersecurity.

Data underpins our client service, our early intervention activities, and our goal of prevention rather than correction. We're simplifying interactions and embedding what we can into natural systems, so people can get things right up front, with minimal intervention from us.

In 2022–23, we will further expand the use of Single Touch Payroll data, to simplify employer reporting obligations and address superannuation guarantee non-compliance. To improve small business tax performance, we are collaborating with partners to enable seamless tax reporting from business source systems. Additionally, our roll-out of innovations for Australian Business Registry Services continues to make it simpler for businesses to interact with government.

Having one of the largest data stores in Australia is a significant responsibility. We need to keep our data safe and secure, as data volumes continue to grow. This drives our focus on cybersecurity and the transition to a new data centre. Keeping our systems safe and protecting the personal information entrusted to us by taxpayers is paramount.

I am proud of the effort and achievements of the ATO over the past few years. We have proven that we can achieve incredible things when we work together, united by our desire to achieve great outcomes for the Australian community.

I look forward to continuing to deliver in 2022–23.

Thank you

Chris Jordan AO

Commissioner of Taxation and
Registrar of the Australian Business Register
and Australian Business Registry Services

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Australian Government
Australian Taxation Office

COMMISSIONER OF TAXATION

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

The Hon. Dr Andrew Leigh MP
Assistant Minister for Competition,
Charities and Treasury
Parliament House
CANBERRA ACT 2600

Dear ministers

As the Accountable Authority for the Australian Taxation Office (ATO), Tax Practitioners Board (TPB) and Australian Charities and Not-for-profits Commission (ACNC), I present you with the annual reports for the year ended 30 June 2022 for presentation to Parliament, in compliance with section 46 of the *Public Governance, Performance and Accountability Act 2013*.

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

- sections 17AA to 17AJ of the *Public Governance, Performance and Accountability Rule 2014*
- subsection 60-130(1) of the *Tax Agent Services Act 2009* (for the TPB)
- Division 130 of the *Australian Charities and Not-for-profits Commission Act 2012* (for the ACNC).

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

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

- prepared fraud risk assessments and fraud control plans
- appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the ATO, TPB and ACNC
- taken all reasonable measures to appropriately deal with fraud.

Yours sincerely

Chris Jordan AO
Commissioner of Taxation and
Registrar of the Australian Business Register
and Australian Business Registry Services

10 October 2022

Ian Klug AM
Chair
Tax Practitioners Board

Deborah Jenkins
Acting Commissioner
Australian Charities and Not-for-profits Commission



Overview

About us

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

As a Commonwealth entity within the Treasury portfolio, the Australian Taxation Office (ATO) is accountable under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999* (PS Act).

Our role and responsibilities

The Commissioner of Taxation is responsible for administering Australia's tax system and significant aspects of Australia's superannuation system. For the purposes of the PGPA Act, the Commissioner is the accountable authority for the ATO, the Tax Practitioners Board (TPB) and the Australian Charities and Not-for-profits Commission (ACNC). He is also Registrar of the Australian Business Register (ABR) and Australian Business Registry Services (ABRS).

The ATO is the Australian Government's principal revenue collection agency, administering the legislation governing tax, and supporting the delivery of government benefits to the community. Our roles and responsibilities are set out in more detail, by agency program, on pages 2–3.

Due to their operational independence and statutory obligations, the TPB and the ACNC each produces its own annual report. Their reports are available at tpb.gov.au/annual-report and acnc.gov.au, respectively.

Outcome and program structure

In 2021–22, the ATO had one outcome and was funded to deliver this through 4 agency programs and 15 administered programs. All deliverables for administered programs are achieved through making payments to eligible recipients in accordance with relevant laws.

ATO outcome

Confidence in the administration of aspects of Australia's tax and superannuation systems, including through helping people understand their rights and obligations, improving ease of compliance and access to benefits, managing non-compliance with the law, and delivering effective and efficient business registry services.

Agency programs

1.1 Australian Taxation Office (ATO)

The ATO effectively manages and shapes the tax and superannuation systems that support and fund services for Australians, by:

- collecting revenue
- making it easy for the community to understand and comply with obligations
- administering the goods and services tax (GST) on behalf of the Australian states and territories
- administering major aspects of Australia's superannuation system.

1.2 Tax Practitioners Board (TPB)

The TPB has the general administration of the *Tax Agent Services Act 2009* (TASA) and is responsible for the registration and regulation of tax practitioners. These include tax agents, business activity statement (BAS) agents and tax (financial) advisers.

The TPB's role is to ensure that tax practitioner services are provided to the public in accordance with appropriate standards of professional and ethical conduct.

The TPB seeks to protect consumers of taxation services by regulating tax practitioners in a fair, consistent and practical way, thereby strengthening the integrity of the tax practitioner profession by:

- protecting consumers of tax practitioner services
- enhancing the integrity of the registered tax practitioner profession
- implementing the government's reform program.

While the TPB is included in the ATO program structure and under the ATO outcome, it operates independently of the ATO – and produces its own annual report to meet legislative reporting requirements in subsection 60-130(1) of the TASA. The TPB's annual report is available at tpb.gov.au/annual-report.

1.3 Australian Business Register (ABR)

The ABR program provides services used by businesses, government and the community to support a fairer business environment that fosters greater economic growth and job creation for Australia.

It encompasses:

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

The Commissioner of Taxation is the Registrar of the ABR and Australian Business Registry Services (ABRS). ABRS was established to assist the Registrar to carry out their functions and it operates within the ATO's infrastructure. For this reason, ABR program performance outcomes are included in this (the ATO's) annual report.

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

The ACNC manages a regulatory system for the Australian charitable sector by:

- registering eligible not-for-profit entities as charities in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the *Charities Act 2013* (Charities Act)
- providing information, guidance and advice about good governance practices and assisting charities to meet their obligations to maintain charity registration
- assessing concerns raised about registered charities, investigate where appropriate and initiate compliance action against charities that contravene the ACNC Act, the Charities Act, governance standards or external conduct standards
- working with other government agencies (Commonwealth, state and territory) to reduce unnecessary regulation on charities and align regulatory obligations through various mechanisms, including the ACNC's Charity Passport.

While the ACNC is included in the ATO program structure and under the ATO outcome, it operates independently of the ATO – and produces its own annual report to meet legislative reporting requirements in Division 130 of the ACNC Act. The ACNC's annual report is available at acnc.gov.au.

Administered programs

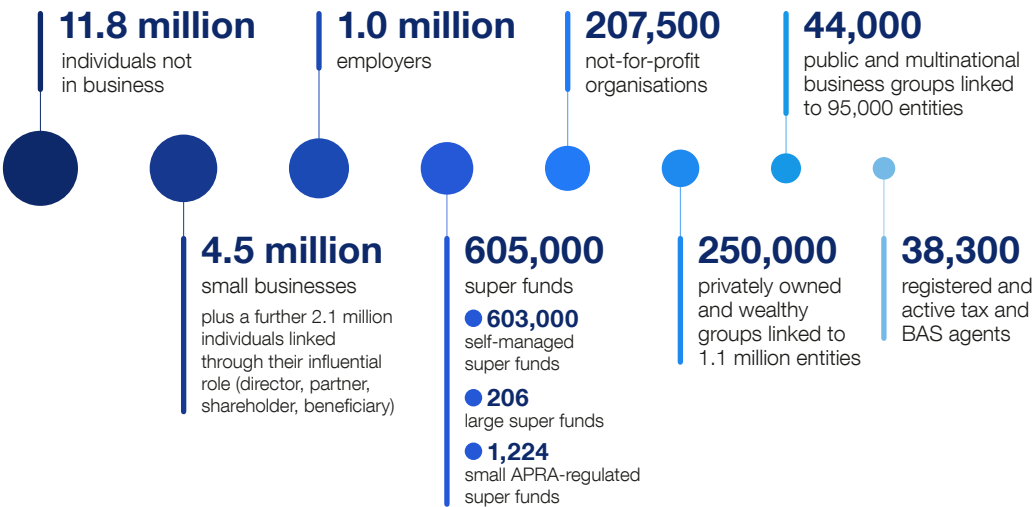
Administered programs may be administered by the ATO with policy and delivery assistance from other Commonwealth agencies, or directly through the tax and superannuation systems. Our administered programs for 2021–22 were:

- 1.5 Australian Screen Production Incentive
- 1.6 Junior Minerals Exploration Incentive
- 1.7 Fuel Tax Credits Scheme
- 1.8 National Rental Affordability Scheme
- 1.9 Product Stewardship for Oil
- 1.10 Research and Development Tax Incentive
- 1.11 Low Income Superannuation Tax Offset
- 1.12 Private Health Insurance Rebate
- 1.13 Superannuation Co-contribution Scheme
- 1.14 Superannuation Guarantee Scheme
- 1.15 Targeted Assistance Through the Taxation System
- 1.16 Interest on Overpayment and Early Payments of Tax
- 1.17 Bad and Doubtful Debts and Remissions
- 1.18 Seafarer Tax Offset
- 1.19 Economic Response to the Coronavirus

ATO client landscape

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

Figure 1.1 ATO client landscape, at 30 June 2022



Our ministers

The ministers with responsibility for matters relating to the tax, superannuation and registry systems in 2021–22 were:

- The Hon. Dr Jim Chalmers MP, Treasurer – from 23 May 2022
- The Hon. Josh Frydenberg MP, Treasurer – from 1 July 2021 to 23 May 2022
- The Hon. Stephen Jones MP – from 1 June 2022
 - Assistant Treasurer
 - Minister for Financial Services
- The Hon. Michael Sukkar MP – from 1 July 2021 to 23 May 2022
 - Assistant Treasurer
 - Minister for Housing
 - Minister for Homelessness, Social and Community Housing
 - Minister responsible for the ACNC
- The Hon. Dr Andrew Leigh MP – from 1 June 2022
 - Assistant Minister for Competition, Charities and Treasury
- The Hon. Julie Collins MP – from 1 June 2022
 - Minister for Housing
 - Minister for Small Business
 - Minister for Homelessness
- Senator the Hon. Jane Hume – from 1 July 2021 to 23 May 2022
 - Minister for Superannuation, Financial Services and the Digital Economy
 - Minister for Women's Economic Security
- The Hon. Stuart Robert MP – from 1 July 2021 to 23 May 2022
 - Minister for Employment, Workforce, Skills, Small and Family Business.

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

Note

Following the federal election announcement, the Australian Government entered a caretaker period from 11 April 2022 to 23 May 2022, and an interim Ministry was in place from 23 May 2022 to 1 June 2022.

The ATO Executive

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

The ATO Executive sets our strategic direction and monitors delivery of our commitments to government and the community. Its focus is on strategic matters that relate to the direction and positioning of the organisation. The Executive also provides leadership, driving the client-focused culture of the ATO.

For more details about our senior leaders, see ato.gov.au/about-ato.

The Commissioner of Taxation



Chris Jordan AO
*Commissioner of Taxation and
Registrar of the Australian
Business Register and
Australian Business Registry
Services*

Chris Jordan AO was appointed as the 12th Commissioner of Taxation and Registrar of the Australian Business Register on 1 January 2013. On 4 April 2021, Chris was also appointed as Registrar of Australian Business Registry Services.

He was Chair of the Board of Taxation from June 2011 to December 2012 and a member of the Board since its inception in 2000. He also served as Chair of the Business Tax Working Group from 2011 to 2012, and as Chair of the New Tax System Advisory Board from 1999 to 2001. He was a member of the Working Group that consulted with the mining industry about the resource rent tax in 2011–12.

Chris has more than 40 years experience in the tax profession. He started his accounting career with the firm Arthur Andersen in 1979, spending a few years as a senior lecturer in taxation at Sydney's University of Technology and then working at KPMG for more than 25 years. From 1995 to 2000, he was Partner in Charge of the NSW Tax and Legal Division of KPMG, and from 2001 to 2012 was Chairman of Partners for KPMG NSW.

Chris has a Master of Laws from Sydney University and Bachelors of Commerce and Law from the University of New South Wales (UNSW). He is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Australian Institute of Company Directors and a Chartered Tax Adviser with The Tax Institute.

In 2005, he was recognised in the Queen's Birthday honours as an Officer of the Order of Australia (AO) for the provision of high-level advice to government in relation to the development and implementation of taxation legislation and reform of Australia's taxation system.

In 2022, he received an Honorary Doctorate in Business from UNSW, in recognition of his service to the community and his role as a leader and innovator in the Australian Public Service.

Executive team responsibilities



Janine Bristow
Chief Finance Officer

Janine Bristow is the Chief Finance Officer, overseeing all aspects of ATO finances, including resource management and strategy, budgeting, financial accounting and tax reporting, procurement and contract management, project and portfolio management, and property and facilities management services.

Janine leads professionals across ATO Finance, providing insights and advice to ensure the ATO meets its obligations and is efficient and effective in the investment of public monies.

Janine supports the delivery of essential services that strengthen the ATO's outcomes and its ability to meet community and client expectations in a cost-effective way, aligning the ATO's organisational strategy to financial investment. Importantly, this role ensures the ATO maintains strong fiscal discipline and properly manages its resources in a dynamic and challenging economic environment.



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

Jacqui Curtis PSM, as Chief Operating Officer, is responsible for leading the ATO's Enterprise Strategy and Corporate Operations Group. Jacqui also holds the position of Head of the Australian Public Service (APS) human resources (HR) Professional Stream.

The role of Enterprise Strategy and Corporate Operations is to ensure we are well positioned for APS-wide reforms and that our people management, communication, planning, governance, finance, risk and change management are strategic and effective.

Jacqui brings together an integrated picture of people and resource management, ensuring the ATO has the right capability and culture to deliver on our strategic intent. She plays a lead role in managing relationships with key stakeholders including scrutineers. All of these underpin our ability to deliver a better experience for both clients and staff.

Jacqui also plays a key role as a member of the APS Chief Operating Officer Committee in managing whole-of-government operational and implementation matters as well as driving delivery of agreed initiatives under the government's APS reform agenda, in line with the direction set by the APS Secretaries Board.

As Head of the APS HR Professional Stream, Jacqui continues to build strategic HR capability through initiatives and career pathways in the APS. Jacqui was recognised for her outstanding contribution to the public service over many years, being awarded a Public Service Medal as part of the 2022 Queen's Birthday honours.



Kirsten Fish
*Second Commissioner,
Law Design and Practice Group*

Kirsten Fish was formally appointed to the role of Second Commissioner of the Law Design and Practice Group in October 2021 and was acting Second Commissioner prior to her formal appointment. Kirsten has overall responsibility for the ATO's law practice, including law interpretation, public advice and guidance, independent dispute prevention and resolution, litigation and our contribution to policy and law design.

The Law Design and Practice Group serves the community, government, and clients by ensuring the tax and superannuation laws are informed, understood, administered, and applied with confidence and integrity.

The group works collaboratively with Treasury and other agencies in supporting government outcomes and leading the ATO's work on design of new policies and law; provides certainty through interpretation of the law and publication of guidance to support our clients in getting it right the first time; and is committed to understanding the drivers of disputes – litigating only the right cases, using insights to prevent disputes and ensuring earlier resolution where disputes do happen.



Jeremy Hirschhorn
*Second Commissioner,
Client Engagement Group*

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

Across all client experiences – from individuals and small businesses to the very largest public and multinational businesses – the Client Engagement Group uses insights from client interactions to help design a tax system that makes it easier to comply, and harder not to. The group supports the integrity of the tax and superannuation systems by addressing non-compliance and ensures increasing transparency about the operation of the system for taxpayers and key partners.

The group also plays an important role in working with the international tax community. Through collaborating with other jurisdictions, the Client Engagement Group improves the way tax administrations work together to address arrangements used to evade and avoid tax.



Ramez Katf
*Chief Information Officer
and Second Commissioner,
Enterprise Solutions and
Technology Group*

Ramez Katf is the ATO's Chief Information Officer and Second Commissioner responsible for the Enterprise Solutions and Technology Group.

The Enterprise Solutions and Technology Group supports the ATO to deliver reliable, intuitive, contemporary and secure technology solutions that foster trust and confidence in the tax, superannuation and registry systems. The group connects and collaborates across the ATO, with service providers and the information technology (IT) industry to give ATO staff the tools they need to provide the community the service it expects.

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



Melinda Smith
*Chief Service Delivery Officer,
Service Delivery Group*

Melinda Smith, as Chief Service Delivery Officer, has overall responsibility for the Service Delivery Group.

The Service Delivery Group is responsible for a broad range of the ATO's foundation services for all segments of the community. These include processing payments, activity statements, income tax returns, superannuation lodgments and other forms, as well as administering the tax file number register, Australian Business Registry Services – including corporate, business and professional registers (under delegation from the Australian Security and Investment Commission) – and registers held on behalf of the superannuation industry.

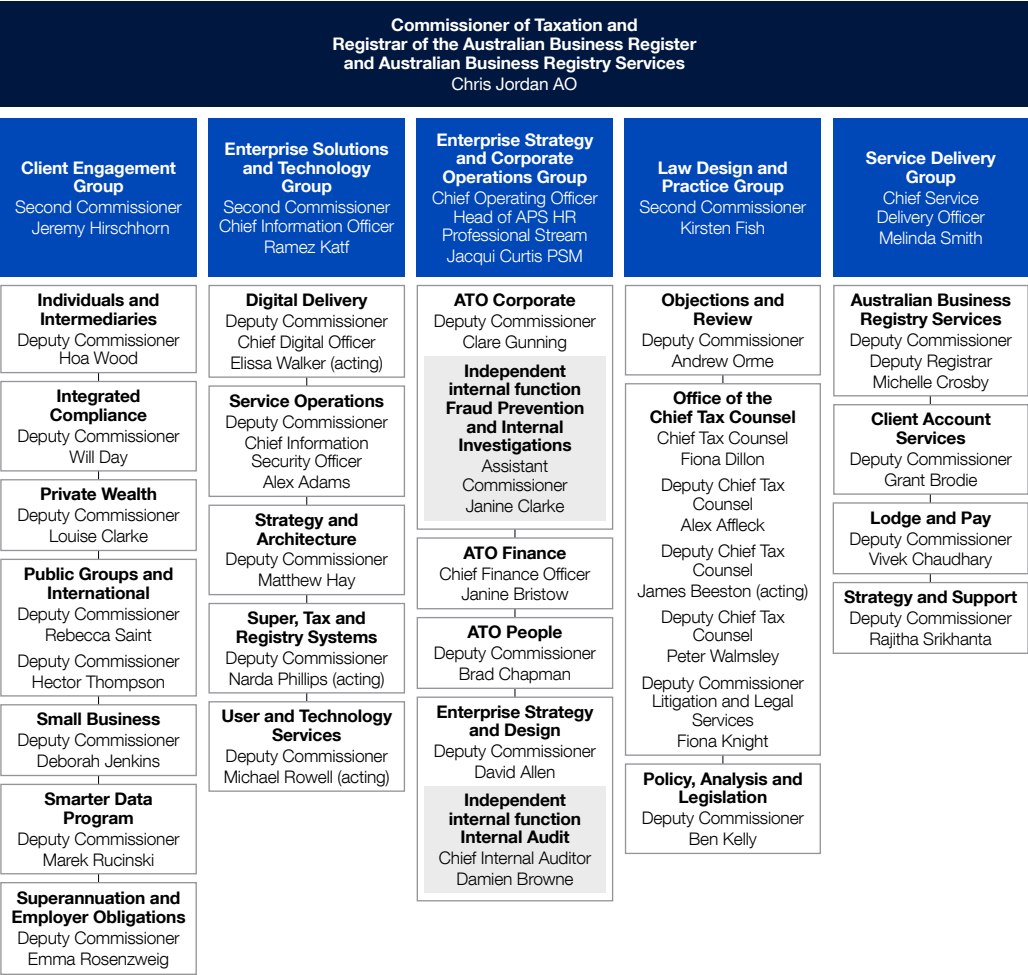
The group focuses on working with ATO clients and their representatives to understand their needs. It offers a tailored approach to help them meet their obligations as easily as possible through contemporary tools, systems and services. It also engages with clients on a large scale and uses a strategic early intervention approach to educate them and influence willing participation.

The group works closely with other areas of the ATO to improve the experience for clients and drive greater efficiency and quality outcomes. The focus on better use of data, digitisation and building a strong service culture ensures the ATO is well positioned for the future.

Organisational structure

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

Figure 1.2 ATO organisational structure, at 30 June 2022



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

Note

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



Annual performance statement

Statement by the Accountable Authority

As the Accountable Authority of the Australian Taxation Office (ATO), I present the following annual performance statement. 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 2021 to 30 June 2022.

In my opinion, and having considered the recommendations from the ATO Audit and Risk Committee, the annual performance statement is based on properly maintained records, accurately presents the ATO's performance for the reporting period and complies with subsection 39(2) of the PGPA Act.

Chris Jordan AO
Commissioner of Taxation and
Registrar of the Australian Business Register
and Australian Business Registry Services

Program 1.1 Australian Taxation Office

Purpose

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

We have 2 aspirations for 2024:

- building trust and confidence
- being streamlined, integrated and data-driven.

As shown in the *ATO corporate plan 2021–22* (corporate plan), our purpose is underpinned by 8 strategic objectives – and our strategic initiatives are the key activities through which we deliver our objectives.

Program overview

The ATO program aligns with the corporate plan and presents our performance and achievements in relation to the strategic objectives for 2021–22.

The strategic objectives are grouped into 5 perspectives: Government, Client, Workforce, Operational and Financial.

A summary of outcomes, performance and analysis for each strategic objective is provided on pages 16–37.

Our progress in 2021–22

The strategic initiatives introduced in the corporate plan served as priority areas for 2020–21 and 2021–22. They supported our focus on the most transformational or significant activities to deliver on our strategic objectives, in order to fulfil our aspirations for the future.

In early 2022, following the significant programs of work we were called to deliver as part of the government's response to COVID-19, we reset our priorities to ensure our resources aligned to the most critical deliverables. As a result, our strategic initiatives were refocused to enable us to deliver on our vision and whole-of-government priorities.

The following information reflects the progress made on our strategic initiatives in 2021–22.

Optimise interactions through our self-service channels sought to modernise and streamline client interactions with the ATO by creating better experiences and promoting self-service channels as the preferred option for clients and their agents. Outcomes from this program of work include:

- decreased cost of delivering services
- increased quality of service outcomes delivered by digital interactions
- maintenance of minor non-digital channel options
- increased client adoption of digital and self-service
- increased delivery of contemporary digital services.

The work under this strategic initiative transitioned to business-as-usual for 2022–23.

Unlock our data potential focuses on improving our use of data, information and insights – to deliver value for clients and stakeholders, and inform decision-making across everything we do. We continue to increase our data and analytics capability and key achievements include:

- improving our data-matching outcomes for dividend income to provide more than 241,000 individual taxpayers with additional pre-fill data, totalling around \$233 million in additional pre-filled amounts
- providing small businesses access (via ATO online platforms) to their business transactions through payment systems, taxable government grants and payments, and taxable payments annual report data to help them meet their tax obligations
- enhancing our GST risk models to increase their effectiveness and identify new risk behaviours and apply treatments in a more streamlined way
- providing a new business intelligence and visualisation tool, allowing staff to more easily connect, model and visualise data to support decision-making
- providing staff with a graph database giving them a dynamic view of populations, client groups and their relationships.

Continuing to invest in and improving our use of data and analytics will remain a core priority in 2022–23.

Improve small business tax performance focused on exploring how to integrate tax reporting mechanisms and make verifiable data easier for small businesses to provide, access and use.

We collaborated with our partners in the system to consider challenges faced by small businesses and strategies for improving small business tax performance. Key achievements include:

- a co-creation design process to develop solution concepts for better integration across the systems that small businesses use, introduction of new data flows with value exchange, and increased assurance and automation to reduce complexity and administrative burden
- development of a small business data acquisition and use framework
- engagement with a small group of digital service providers (DSPs) to share risk rules to build assurance directly into accounting software
- publication of an early engagement strategy with DSPs to ensure they are engaged early in the development of ideas and solutions.

Improving small business tax performance will continue as a key focus area in 2022–23.

Focus on what matters most sought to simplify the way we work, streamline processes and improve our operations to ensure we act quickly and adjust to a changing environment. In 2021–22, we addressed some key challenge areas for the ATO, including:

- purposefully measuring performance across particular parts of our business, to enable more evidence-based decision-making; for example, regarding our future workforce
- improving aspects of our governance over, and accountabilities for, delivering a positive client experience
- improving end-to-end processes and transactions for our clients
- establishing a new enterprise framework for decision-making regarding broad-based administrative actions; for example, lodgment deferrals during natural disasters.

This work transitioned to business-as-usual – with key aspects, such as business process improvements, progressing to improve our operations.

Strengthen cybersecurity focused on reducing the risk and impacts of cyberattacks, helping to maintain government and community trust and confidence in our management of the significant amount of digital data we hold.

During 2021–22, we undertook discovery work to develop the Essential Eight Uplift program and continued to implement the automated capabilities that helped us respond to cyberthreats that continue to grow in scope and complexity. We engaged PricewaterhouseCoopers to provide an independent assessment of the ATO's cybersecurity maturity levels, and the recommendations of this assessment support risk-based prioritisation of our initiatives.

Protecting our organisation, clients and other ecosystem partners from cyberthreats and data breaches will remain as a key focus area in 2022–23, as we work to mature our cyber capabilities and protections. This will ensure the ATO continues to evolve in line with emerging cyberthreats, and minimise the severity of priority risks.

Embed new ways of working served to empower the ATO workforce and evolve the way we work, with the right culture, capability and staff experience. During 2021–22, we progressed approaches to assist the ATO to respond more effectively to changes in our work types, work volumes and priorities, as well as improvements in how we work. Key highlights include the following:

- Building on our experience of the last few years, we formalised ongoing adoption of hybrid working arrangements, with most staff able to work some of their working week from home.
- We continued to modernise our workplaces and workspaces to support collaboration and improve the way we use tools and technology.

We also developed a new senior executive service (SES) leadership strategy, to optimise the effectiveness of existing ATO leadership programs, and ensure our senior officers are positioned to meet the changing expectations of the community and government and lead others to embed new ways of working.

This initiative will be repositioned, with the work remaining as a core priority in 2022–23.

Establish Australian Business Registry Services (ABRS) sought to operationalise a single business registry service, including director identification number (director ID), to make it simpler for businesses to interact with government and to improve integrity.

The ABRS website launched on 6 October 2021, supporting ABRS awareness and providing guidance on the new director ID requirement. The director ID service, hosted on the ABRS registry platform, went live on 31 March 2022. At 30 June 2022, nearly 640,000 director IDs had been issued. In 2021–22, work commenced on:

- communication and engagement activities to raise awareness of director ID obligations, and nudge communications for those non-compliant with the new requirement
- using director ID data to assist regulators to identify and combat illegal phoenix activity and fraud.

This initiative will continue as a key focus area in 2022–23.

Strategic objective: G1 Government

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

Performance summary

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

Of the 8 performance measures for strategic objective G1, we fully met 3 targets, partially met 2, and failed to meet 3 targets (see performance results on page 39).

Transitioning our stimulus measures work

Our work to support the community through the delivery of stimulus measures continued throughout 2021–22, and we have embedded the remaining deliverables into our business-as-usual operations. In summary:

- activities related to Cash Flow Boost continue as we review late lodgments and amendments that may give rise to cash flow boost credits, potentially continuing through to 2026
- JobKeeper ceased in March 2021, with legacy payments ceasing on 31 March 2022
- JobMaker Hiring Credit ended on 7 October 2021; claims will continue until 31 January 2023.

The temporary reduction in superannuation minimum drawdown rates, introduced in 2019–20 as part of the government's response to COVID-19 and administered by the ATO, has been extended to the 2022–23 financial year. This measure is designed to make life easier for retirees by giving them more flexibility and choice in their retirement, as significant losses in financial markets as a result of COVID-19 are still having a negative effect on the balance of some retirees' superannuation pensions.

Continued support for the community in a recovering economy

A critical challenge for the ATO in 2021–22 was maintaining the support and assistance provided to the community in past years, while normalising client engagement activities as states and territories implemented roadmaps out of lockdown and economies moved towards recovery.

From November 2021, we resumed firmer and stronger actions for taxpayers resistant to managing their debts and engaging with the ATO. Our approach continues to be one of transparency; ensuring clients are aware of their obligations, what they need to do, the assistance available to them – and actions we may take if they choose not to engage with us. We have worked closely with our industry stakeholder groups to promote these messages, to ensure they are well informed to meet their client and member needs. During 2021–22, we undertook over 4,200 firmer actions relating to debt.

We continue to offer individual support to clients in need, including regional concessions for disaster-affected areas. Our key message is that we want to help, and we work to develop tailored solutions for clients willing to engage with us.

Early and tailored engagement

Our approach is focused on timely and tailored engagement with clients – to support them to understand and meet their obligations on time or get them back on track as quickly as possible. Tailored messaging and extensive public communication for individuals before and during Tax Time 2021 helped to guide taxpayers to take appropriate action and minimise errors when lodging their tax returns.

Through our commercial deals engagements with private groups, we continued to offer pre-lodgment tax certainty for transactions. During the year we engaged on over 200 large commercial deals with a combined deal value of \$10.8 billion, which led to \$3.6 billion of economic activity being correctly reported. We also engaged with over 30 non-resident taxpayers in real-time to ensure they met their Australian tax obligations.

Through analysis of client behaviour, we used 3.1 million pre-emptive nudges to engage clients to support correct and on-time lodgment and payment, including the use of artificial intelligence (AI) and automation through channels such as SMS, telephony and correspondence.

Ensuring integrity in the tax and superannuation systems

The tax and superannuation systems contribute around \$500 billion in net tax each year. While the majority of this is voluntary, the ATO has an important role in assuring the amount of tax collected and ensuring that under-reported tax is effectively and efficiently addressed. Addressing these risks in the system maintains community confidence, which in turn supports voluntary compliance.

We use our tax gap program to better quantify non-compliance behaviours across the tax and superannuation systems, and understand the drivers of this non-compliance. This means we can more effectively design strategies that close the gap and improve overall system performance.

We continued to focus our compliance efforts on individuals and entities that present a risk to Australia's tax and superannuation systems by intentionally doing the wrong thing. We delivered on our government commitments, including through our taskforces, which enable us to focus on areas of significant risk. Achievements for this year include the following:

- The Tax Avoidance Taskforce raised \$3.49 billion in tax liabilities and \$1.93 billion in cash collections (apportioned figures). Several cases progressed through the courts, including the first diverted profits tax case, a transfer pricing case.
- The Serious Financial Crime Taskforce raised approximately \$473.8 million in liabilities and \$79.9 million in cash collections.
- The shadow economy program raised \$1.2 billion in compliance liabilities – bringing the total liabilities for the original 4-year program to \$3.8 billion. In addition, the Illicit Tobacco Taskforce successfully disrupted the illicit tobacco industry, seizing illicit tobacco with an estimated \$176.5 million in excise forgone.
- The Phoenix Taskforce raised \$222.6 million in liabilities and \$156.3 million in cash collections. This taskforce is led by the ATO and unites the capabilities of key federal, state and territory agencies to share intelligence, exchange data and combat phoenix activity. The taskforce completed a range of education, engagement and enforcement activities, including letter and communication campaigns, engagement visits with company directors and targeted compliance activity, with nearly 1,500 reviews and audits completed.

During 2021–22, we worked with clients across all markets to ensure the integrity of the tax system, including large public and multinational companies, privately owned and wealthy groups, small businesses, individuals, tax practitioners, and superannuation funds. Examples include the following:

- We continued and extended our program of work with the 'Top 1,000' companies, to increase assurance they are reporting the right amount of income tax and GST and to identify areas of risk for further action – we engaged with 198 clients through the combined assurance reviews and continued our engagement with 26 of those clients to resolve risk areas. Our tailored assurance approaches resulted in less intense reviews for many taxpayers – and our practical guidance resulted in improvements to their tax governance frameworks.
- We continued and extended our engagements with the 'Top 500' and 'Next 5,000' privately owned and wealthy groups, to provide assurance around whether they are reporting the right amount of income tax and GST, and taking further action where necessary. We engaged with 457 of the Top 500 and 1,555 of the Next 5,000 private groups through our engagement and assurance reviews. Where issues were not able to be resolved in these reviews, we continued our engagement with 112 of these private groups through audit activity.
- We conducted over 27,300 GST entitlement checks on business clients that have recently registered for GST, to ensure the integrity of the GST system.
- We continued to enhance our upfront checks to assist taxpayers who use our online services to lodge activity statements to self-correct and prevent any inadvertent errors prior to lodgment. We also review information lodged by small businesses, then review income tax and activity statement refunds prior to issue to ensure they are correct, and undertake more detailed verification of information provided after refunds have been issued.
- We delivered a range of messages to our individual clients prior to and during tax time to help guide them to meet their tax obligations and improve their experience. We also continued in our vision to bring forward as much compliance activity as possible during the tax return lodgment process – to minimise impacts for our clients. During 2021–22, around 500,000 post-lodgment pre-issue activities were carried out.
- We continued to promote our early engagement and voluntary disclosure service to encourage self-managed superannuation funds (SMSFs) to address regulatory contraventions before we commenced compliance actions, with nearly 900 disclosures this year.
- We pursued litigation cases – in the courts and the Administrative Appeals Tribunal (AAT) – that were significant to the integrity of the tax system, including cases involving promoter penalties, freezing orders, and engagement in artificial schemes and egregious conduct to avoid the payment of tax. In particular, recent decisions have clarified the rules around freezing orders, claims of legal professional privilege, trust disclaimers and stimulus measures.

Impacts on collectable debt

As the economy recovers, one of our key priorities is to address the collectable debt that has accrued over the past 3 years. This has increased from \$26.5 billion at 30 June 2019 to \$44.8 billion at 30 June 2022 – up \$18.3 billion or 69%.

The increased debt is a result of disrupted economic activity due to lockdowns and cash flow impacts on small businesses and households. During the early stages of COVID-19 we deliberately shifted our focus away from firmer debt collection action to assist businesses and the community experiencing challenges because of the pandemic. While most payments are made on time, debts that remain unpaid and accumulate over time require firmer and stronger action.

Due to these increased and enduring debts, we expanded our enhanced engagement program through a series of awareness campaigns, advising clients of the potential firmer and stronger actions they could be subject to if they do not engage – including director penalty notices, garnishee, disclosure of business tax debts or legal remedies including insolvency.

Director penalty notices

In March 2022, we wrote to approximately 30,000 businesses and 52,000 directors with significant tax obligations outstanding, through 2 key client awareness programs that focused on transparency of clients' obligations, actions and remediation. In total these clients owed \$10.4 billion. As a result of this initiative:

- over 25,000 clients have contacted the ATO
- more than \$2.21 billion has been paid outright
- over 13,000 clients entered into payment plans worth \$2.16 billion
- over 3,200 clients no longer have a debt, and more than 850 others have debts that are now less than \$10,000.

For those that did not engage with us, we escalated to enforcement actions – including issuing director penalty notices with respect to more than 2,800 companies since 1 May 2022.

Operation Protego – case study

Operation Protego is a multi-agency operation that was launched in April 2022 to protect the Australian tax system and Australian public from brazen and opportunistic GST refund fraud.

The attempted fraud involves individuals applying for an Australian business number (ABN) for a business that doesn't exist, then submitting fictitious business activity statements (BAS) – to attempt to gain a false GST refund.

The issue is more complex than individuals receiving a fraudulent refund. It also comprises incorrect business registration and, at times, identity theft. The individuals involved are not genuine small businesses; they are individuals seeking to exploit the tax system.

We alerted the public to the significant GST fraud in May 2022, to warn of the consequences of being involved and prevent further instances. We outlined the strong action we were taking and urged those involved to come forward through a dedicated hotline.

We have continued to warn the public through multiple media channels about this form of GST fraud, and we have worked with social media platforms to identify and shut down any promotion of it.

Traditionally our focus has been on making it easy for businesses to get an ABN and to register for GST. But the behaviours we saw as part of Operation Protego meant we needed to modify our approach. We have now implemented changes that strike a different

balance between making it easy for people to get into the business tax system (and comply), and harder to get in for those who should not be there.

Our actions since mid-April 2022 have resulted in ABNs not being granted for applicants unable to provide evidence of enterprise, and from a revenue protection perspective we stopped around \$1.7 billion in suspected fraudulent GST refunds from being released between April and 30 June 2022. We continue to strengthen the integrity of the system as individuals try various ways to attack it, as there continues to be a significant amount of suspect GST refund attempts being blocked at various stages of the process, even after 30 June 2022.

The ATO-led Serious Financial Crime Taskforce, with the assistance of other Commonwealth and state law enforcement agencies, brought criminal action against those who claimed fraudulent refunds. At 31 August 2022, 44 individuals were subject to a criminal investigation, and 23 search warrants had been executed nationally.

Separately, state law enforcement agencies executed search warrants, investigations and arrests, and laid charges in relation to individuals involved in claiming fraudulent refunds.

We have also shared details of around 29,000 individuals with the Australian Criminal Intelligence Commission, and we are preparing to take further investigative action.

Strategic objective: G2 Government

We design for a better tax and superannuation system to make it easy to comply and hard not to

Performance summary

The tax and superannuation systems need to continually evolve to remain fit-for-purpose in underpinning Australia's revenue base. They need to be easy to comply with, transparent in their operations and provide a seamless client experience.

The ATO uses insights from the data we hold and our understanding of our clients to provide advice to Treasury and government on how proposed policies will operate in practice. We apply technical expertise to contribute to the design of new measures, helping to achieve the policy intent while ensuring integrity in the system and making it easy for taxpayers to meet their obligations or claim their entitlements.

The 'influence' measure for strategic objective G2 achieved a rating of very good, meeting the target (see performance measure: Influence on page 39).

Designing for a better tax and superannuation system

Through analysis of revenue implications, and administrative and compliance impacts, we provide input into policy and law design, and the development of legislation for new measures. In 2021–22, we contributed policy and legislative advice to the Federal Budget and the Mid-Year Economic and Fiscal Outlook (MYEFO) process, resulting in government announcements of 53 measures impacting the ATO and our clients.

This year we also worked to implement superannuation-related legislative changes – resulting in positive impacts for the client experience, including:

- reducing the eligibility age for downsizer contributions
- removing the \$450 per month threshold for super guarantee eligibility
- repealing the work test for voluntary superannuation contributions
- relaxing actuarial certificate requirements
- ensuring increased visibility of superannuation in family law proceedings.

In readiness for Tax Time 2022, we implemented more than 340 new policy and legislative measures. Significant examples include:

- extension of the temporary full expensing of depreciating assets
- changes in the corporate tax rate for base rate entities
- new integrity measures and other changes to the research and development tax incentive and film tax offsets.

Working with Treasury

The ATO and Treasury continued to work well together, with the relationship being beneficial for both agencies. We used insights from our data and our understanding of taxpayers to assist joint understanding of how proposed policies will operate in practice. We also provided responsive and constructive feedback on drafting instructions, draft legislation and explanatory material.

Over the past 3 years we have worked closely with Treasury on the Organisation for Economic Co-operation and Development (OECD) Two-Pillar proposal – a global collaboration to address the tax challenges arising from digitalisation and globalisation of the economy and build more effective tax administrations. This work continues as it draws towards a global agreement and implementation.

Our joint secondment program has continued to deliver benefits for the system, with ATO secondees offering perspectives, insights and knowledge to tax policy issues, particularly regarding tax administration, and bolstering technical capacity on the OECD international tax negotiations. The program also provides Treasury secondees the opportunity to develop an understanding of how the tax and superannuation laws are administered.

Single Touch Payroll enhancements

Single Touch Payroll (STP) Phase 2 reporting was expanded to include additional payroll information from employers from 1 January 2022. To assist with the transition, deferrals were granted to digital service providers (DSPs) that required more time to update their products – these deferrals also applied to their customers. Transition to STP Phase 2 reporting is occurring progressively as those products become ready.

The STP expansion will reduce the reporting burden for employers that need to report employee information to multiple government agencies. It will also make it easier for people to claim their entitlements.

During 2021–22, we received 20.9 million income statements from 880,000 employers on behalf of 13.6 million individuals, some with multiple employers.

At 30 June 2022, there were over 160,000 employers reporting Phase 2 data for over 2.1 million individuals – strengthening STP data-sharing with Services Australia to support more efficient administration of the social security system.

This year, Good Design Australia recognised the ATO with the Good Design Award ‘Best in Class’ for Public Sector Services. This award recognised how STP was integral in the design and delivery of the JobKeeper program during one of Australia’s most challenging times, to provide certainty to the Australian community.

More information about STP is available at ato.gov.au/STP.

Strategic objective: C1 Client

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

Performance summary

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

Of the 2 performance measures for strategic objective C1, we fully met both targets (see performance results on page 40).

Creating better client experiences

We maintained our focus on improving client experiences across all of our client groups, tailoring our responses to their circumstances and making it easy for them to comply with their obligations.

We saw a successful Tax Time 2021, with 19.8 million income tax lodgments finalised and \$41.9 billion in refunds issued. We implemented tax rate changes and the extension of the low and middle income tax offset (LMITO). We also extended the availability of the temporary 80 cents per hour shortcut method to calculate working from home expenses for the 2021–22 income year.

For clients who prepare their own individual income tax return we delivered enhancements to the ATO's myTax online tax return service – and updated tools and calculators that support correct tax outcomes. We continue to receive very positive feedback about myTax from an increasing user base.

To support small business owners, we delivered over 480 webinar events to more than 10,000 small business owners, to assist them in understanding their tax, super and registry obligations. Reach Out (our Indigenous business support program) delivered, and co-delivered with partnering agencies, over 50 business events via webinar and face-to-face to over 1,000 Indigenous small business owners.

Our communication programs provided information and clarity to the community. For example:

- ATO impersonation scams – we issued urgent scam alerts warning the community about new or emerging scams and the need to protect personal information.
- Single Touch Payroll – we supported employers to transition to Single Touch Payroll Phase 2 reporting with PR outreach, newsletter articles and updated web content.
- Superannuation – we supported key changes to superannuation, such as threshold changes to super guarantee payments, with tailored messaging for employees.
- Your Future, Your Super initiative – we promoted the new super comparison tool launched on 1 July 2022, and prepared employers for new reporting obligations from 1 November 2022.

We also delivered the automation of interest on early payments (IEP) for payments received from 1 July 2021. This was a critical piece of work, with our systems now automatically calculating IEP entitlements – saving clients from manually requesting them. Since changes were implemented on 21 March 2022, our systems have calculated approximately 236,000 IEP credits, resulting in 146,000 refunds to entitled taxpayers.

Providing advice and guidance

The ATO continues to tailor efforts to provide practical guidance that meets clients' needs. Being transparent about our compliance and administrative approaches when we develop advice and guidance serves to foster compliance, instil confidence in our administrative processes and deter high-risk arrangements.

Our targeted advice and guidance provided certainty to the community about when COVID-19 testing expenses would be tax deductible and when COVID-19 tests provided by employers would not incur fringe benefits tax.

In 2021–22, we also:

- delivered tools, services and education campaigns to support the Your Future, Your Super reforms – minimising the creation of unintended superannuation accounts and making it easier to compare funds and choose one that performs well
- released a legal professional privilege (LPP) protocol, following extensive consultation with key stakeholders – to guide taxpayers and their advisers to navigate the complexities of making LPP claims in response to formal notices
- provided draft guidance on section 100A of the *Income Tax Assessment Act 1936* (trusts – reimbursement agreements) – to help clients understand when it may apply, and what happens if it applies
- published guidance about the allocation of profits or income from professional firms – to help clients self-assess their own level of risk.

To assist individuals and intermediaries, we enhanced our web guidance on topics including substantiation, deceased estates, crypto assets, self-education and Pacific-Australia labour mobility and seasonal workers. With COVID-19 still impacting the community, we provided certainty to individuals through the provision of guidance on grants, payments and deductions for work-related expenses.

We also continue to improve our website guidance for issues that are important to small business, including:

- the administration of non-commercial business losses
- COVID-19 related issues (such as relevant deductions, rent relief and the treatment of government grants)
- support for clients through the various stages of running a small business.

Accessible tax and superannuation systems for all Australians

The ATO continued its commitment to ensure the tax and superannuation systems are accessible to all Australians. Phase 2 of our Tax and Super Basics campaign supports people from culturally and linguistically diverse (CALD) backgrounds to access information and services that help them to understand their tax and super obligations. We analysed audience research and worked closely with key community leaders to understand what information and support their communities need.

The successful campaign received 2 awards from the 2021 NSW Premier's Multicultural Communications Awards: the Business Campaign of the Year, and the 'Judge's choice' award of Outstanding Campaign of the Year. These awards recognise best practices in multicultural marketing and communications, and the valuable contribution made to our society by connecting people to their culture, identity and language.

Additionally, we supported over 250 CALD community stakeholders, organisations and leaders through outreach activities to raise awareness of our in-language resources, and encouraged these audiences to engage and connect with us through storytelling.

Improving the online client experience

In 2021–22, we continued to see a significant increase in client interactions with our online services. We boosted our capacity to ensure clients had access to these services when they sought to, including during peak times.

We issued 20.7 million activity statements and business activity statements (via online and paper), enabling clients to successfully meet their lodgment and payment obligations. We encouraged clients to shift to our online services, with 75% of statements now being issued digitally.

From 1 August 2021, Online services for business became the default online service for Australian businesses and sole traders to interact with us via a secure digital platform providing a range of tax and super services in one place. A streamlined and contemporary design enables clients to access it anywhere, at any time, on a range of devices, including mobile phones or tablets.

In July 2021, we commenced the 'Contact Us Experience' pilot, testing a new interactive decision tool on our website to guide clients to self-service options. There was a 44% client uptake of the tool during the pilot – helping clients choose appropriate self-service options for their needs. This interactive decision tool is now available to use on our website at ato.gov.au/contactus.

We continued to demonstrate our commitment to support small businesses that experience difficult circumstances. This included updating content on our website, such as for personal crisis support, which was viewed over 10,900 times. Our supporting small business content was viewed a further 98,900 times.

Whole-of-government service delivery

The director identification number (director ID) service was introduced in public beta on 1 November 2021, and subsequently went live on 31 March 2022. At 30 June 2022, nearly 640,000 director IDs had been issued.

Director ID is a unique identifier given to a director who has verified their identity with the Registrar of Australian Business Registry Services (ABRS). It's free to apply and directors apply once and keep it forever. Director ID will help prevent the use of false and fraudulent director identities, and make it easier for regulators and external administrators to trace directors' relationships with companies over time.

Education for director ID began in late 2021. Stakeholder engagement and communications raised awareness of the new service, assisting the business community with changes to existing registry experiences and the obligation to apply.

Enforcing the director ID obligation for new directors through a compliance program run in partnership with the Australian Securities and Investments Commission (ASIC), as the regulator for director ID, has already uncovered illegal conduct – such as illegal phoenix activity – which may otherwise have remained undetected. We have commenced actions to address this conduct, ensuring we assist the victims of tax crime as well as identifying and stopping those perpetrating these crimes.

Strategic objective: C2 Client

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

Performance summary

The ATO works to maintain strong relationships with tax practitioners, digital service providers, relevant industries, other government agencies and international partners, recognising their roles in helping us to deliver efficient and effective tax and superannuation systems for all Australians. We also co-design policy changes and develop guidance with the Australian Prudential Regulation Authority (APRA) fund industry to ensure the effectiveness of superannuation initiatives.

The 'working together' measure for strategic objective C2 met the performance target (see performance measure: Working together on page 40).

Engaging with tax practitioners

Our engagement programs for tax practitioners are designed to foster strong working relationships and help us understand tax practitioners' needs and areas of concern. This enables us to make improvements and tailor our interactions and services to meet those needs.

We continued to support tax practitioners and their clients through our dedicated phone line and Tax practitioner assistance service, which aids the resolution of complex issues. In addition to our engagement with the profession and their representatives through our various stakeholder groups, speaking engagements and Open Forums, we also engage through targeted consultation activities and dedicated tax practitioner communications. Our Communication Content Working Group, which is made up of representatives from the profession, has helped us to improve the content and style of our communication with practitioners.

We communicated extensively to tax professionals, with a strong focus on support options for agents to help clients meet their tax obligations. This included:

- awareness communications on the supported lodgment program (a customised program for agents who need assistance to meet deadlines)
- promotion of other lodgment support such as agent assessed deferrals and ATO assessed deferrals.

We used tax professional channels to communicate and influence good behaviours observed from best practice agents, to create a level playing field and raise client awareness of what they should expect from their registered tax agent. We also highlighted the consequences of poor agent behaviour by communicating prosecutions of agents.

We continue to build contemporary solutions and digitise more of our outbound communications. Over 38% of registered tax and BAS agents now use our communication preferencing service, enabling them to receive digital correspondence on behalf of their clients. In 2021–22, we delivered over 2 million pieces of correspondence to registered agents digitally.

Almost 1,000 tax professionals responded to a tax professional digital experience survey – positioning us to better understand where we can improve our digital service offering. The feedback will help us to prioritise systems improvements and changes to meet the evolving needs of tax professionals.

In 2021–22, the Australian National Audit Office (ANAO) undertook a performance audit into our engagement with tax practitioners. The audit report was released in August 2022, and provides recommendations to further improve the tax practitioner experience.

Working with the Tax Practitioners Board

Our strategy to address high-risk registered agents includes working with the Tax Practitioners Board (TPB) to share intelligence early and to ensure that behaviours of the highest-risk agents are addressed. During 2021–22, we made over 190 referrals (both evidence-based and intelligence-based) and recorded over 2,400 information exchanges.

We partnered with the TPB to:

- inform the profession through joint communication activities such as webinars, media releases and newsletter content
- jointly release client verification guidelines to help tax practitioners improve their practice controls.

We also formalised our governance arrangements by signing an updated memorandum of understanding (MOU) with the TPB in September 2021, providing a stronger foundation for us to work together in future.

Digital service providers

In an increasingly digital environment, the partnership between the ATO and digital service providers (DSPs) is integral to the effective administration of tax, superannuation and registry services for clients who rely on software. In recognition of the importance of supporting and engaging with DSPs, we developed an early engagement strategy to provide a consistent approach to explore opportunities, co-design and implement solutions that make it easier for clients (business and tax professionals) to meet their tax, superannuation and registry obligations.

During 2021–22, we provided support to over 570 DSPs – enabling them to connect to the ATO through our application program interfaces (APIs) and build solutions into their software to improve the tax, superannuation and registry experience for the community. We also conducted over 120 consultation and engagement activities to collaborate and co-design new services, including for the:

- Your Future, Your Super measure
- API developer portal
- Modernising Business Registers (MBR) program.

We made changes to the online services platform to streamline and improve the DSP experience, including implementing dynamic fields and DSP data pre-population, and improving registration and new requests for services or support. Online services support DSPs to report incidents or seek assistance, and we resolved almost 7,000 requests this year.

A review of the DSP Operational Security Framework (OSF) was finalised in September 2021 – and resulted in 6 uplifted security requirements and 16 improvements to the process and supporting content. DSPs are meeting the uplifted requirements as part of their annual reviews.

International partnerships

Through our membership of the OECD, we continue to build strong relationships, collaborate globally and share knowledge and best practice expertise with international tax administrators.

This includes the ATO's lead role in global initiatives such as the OECD's Forum on Tax Administration (FTA), the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC) and the Joint Chiefs of Global Tax Enforcement (J5).

Key ATO contributions to FTA projects underpinning the 2030 vision for revenue administrations include:

- delivering a global digital transformation survey (completed by 73 countries), to inform and advance overall digital transformation efforts
- developing a digital transformation maturity model and completing the ATO's self-assessment process.

The ATO presented at the 2022 Pacific Rim Tax Conference in San Francisco – joined by tax officials from the Canadian, Korean and United States revenue authorities – and we took the opportunity to highlight a number of current priorities for Australia, such as the:

- ongoing development of the OECD Pillars proposals
- current global emphasis on tax certainty, including mutual agreement and advance pricing developments
- administration of key domestic base erosion and profit shifting measures and focus areas for large market compliance.

In September 2022, the ATO will host the FTA Plenary event. As Vice-Chair, Commissioner Chris Jordan influences the strategic direction of the FTA and its work programs – including discussions regarding the relationship between the administration and taxpayers, the attractiveness of the administration as an employer, and new ways of working.

As part of the ATO's leadership in fighting international tax crime and evasion, we were elected to chair the OECD Task Force on Tax Crimes and Other Crimes (TFTC). The TFTC is a global task force that sets the standard in tackling serious financial crime at an international level. Its aim is to improve cooperation between tax and law enforcement agencies, including anti-corruption and anti-money laundering authorities, with a focus on tackling financial crimes.

Supporting our Indo-Pacific neighbours

The ATO also has comprehensive and world-class international capacity-building programs supporting our neighbours in the Indo-Pacific. In accordance with the Australian Government's Partnerships for Recovery: Australia's COVID-19 Development Response, we increased our work with emerging economies in our region to strengthen their tax systems, increase domestic resource mobilisation, and promote stronger economic governance.

This includes dedicated programs with Fiji, Indonesia, Palau, and Papua New Guinea. We've also worked in partnership with the Department of Foreign Affairs and Trade, Treasury and other government agencies to ensure the ATO's capacity-building programs are aligned with Australia's tax policy objectives and economic programs.

Working with the Australian Border Force

We build and maintain strong working relationships with the Australian Border Force to share information that allows for the efficient movement of goods into and out of the country. Through the deferred goods and services tax (DGST) scheme, we worked together to help 13,000 clients import goods and defer payment of their GST.

Strategic objective: W1 Workforce

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

Performance summary

Our workforce strategies aim to create a positive culture that is underpinned by integrity and strong and impactful leadership. We continued to invest in promoting a strong organisational culture to ensure our workforce is effective, productive, empowered and ready to respond to new challenges. We maintained high engagement levels in the Australian Public Service (APS) Employee Census 2022, showing that our efforts have continued to be effective. The ATO also continues to be a competitive and attractive employer, with strong results for staff recommending the organisation as a good place to work when compared with other APS larger and extra-large operational agencies.

Of the 5 performance measures for strategic objective W1, 4 targets were fully met and one was substantially achieved (see performance results on page 40).

Supporting staff to adapt to changing ways of working

A continued focus for 2021–22 was supporting our workforce to operate in responsive and contemporary ways, and adapt to changes in our environment, while ensuring our staff have access to the tools and resources they need to continue delivering for the community.

We introduced comprehensive guidance in our COVID-19 roadmap that helped staff to navigate the changing health conditions as they transitioned back to the office. As COVID-19 continues to impact us, we remain committed to monitoring the environment and responding as needed to ensure the safety of our staff and the continued delivery of services to the community.

Following our broader return to the office, we implemented new hybrid work settings that provide the connectedness and cultural benefits of in-office work while also supporting individual flexibility to work some of the time from home. We continue to monitor and learn from our experience and, through consultation with staff and unions, to inform future decisions regarding contemporary flexible work arrangements.

In 2021–22, we also undertook the following actions to ensure our staff were supported to perform and thrive in an increasingly dynamic environment:

- Refreshed our 'Thriving Minds 2021–24' mental health strategy. This strategy highlights our ongoing commitment to ensuring the ATO remains focused on the wellbeing of our staff in a thriving, mentally healthy and productive environment, where our workforce can adapt to new ways of working and other challenges that may arise.
- Conducted the ATO's first mental health survey, to help us better understand the different experiences and risks faced by our staff. Building on this, we delivered a range of initiatives to ensure staff were operating in a safe workplace, whether that be at home or in the office. Key examples included preventative wellbeing pilots that foster healthy work habits, uplift manager capability, and target interventions for staff working in areas considered to be at greater risk.

- Continued to improve the technology that enables staff to work from home in an effective and efficient manner, including ensuring the availability of contact centre systems on laptops.
- Implemented a dashboard using data sourced from ATO monitoring systems. This provides a real-time view of the availability and functionality of tools and systems required to support productive hybrid working arrangements – enabling us to respond quickly to emerging issues.

Cultivating a positive culture

During 2021–22, our culture initiatives continued to contribute to a highly engaged workforce, as evidenced by our APS Employee Census results of 74% engagement. These initiatives included ‘One Habit at a Time’ – a behavioural change program to enable ATO senior leaders and middle managers to lead and embed daily habits proven to promote a positive culture. The program’s practical actions are designed to drive the sustainable change required for us to be a connected, adaptive organisation.

In 2021–22, we released our *2024 Diversity and Inclusion Strategy*, outlining how we will continue to position the ATO as a workplace where everyone feels safe, comfortable and valued for the unique contribution they bring. In addition to launching our new strategy, we also:

- set diversity targets tailored to specific areas of our business, to ensure representation of Aboriginal and Torres Strait Islander peoples, people with disability and women in leadership roles
- appointed 30 SES diversity champions and 2 disability inclusion officers, to further support a culture of diversity and inclusion.

We took a whole-of-APS view of the assistance we could provide during emergencies impacting the community, and we quickly and successfully redeployed staff across several surge efforts. This included:

- delivering essential health and economic measures to Australians affected by COVID-19 and the Queensland and New South Wales floods, including delivering stimulus measures
- working with Services Australia to process emergency payments
- assisting the Department of Health with programs covering vaccination, testing and outbreak management.

We also supported the Australian Electoral Commission (AEC) by providing a Secure Telephone Voting (STV) service for voters in COVID-19 isolation for the 2022 federal election. We established a virtual 800-seat contact centre – internally recruiting, enabling, skilling and scheduling staff across 22 locations nationally. We collaborated and coordinated with the AEC, Services Australia, and the Department of Education, Skills and Employment to deliver STV over 3 days, for over 70,000 voters who would not otherwise have had the opportunity to vote. ATO staff responded to over 17,000 calls, with an average wait time of less than 20 seconds.

Transforming our workforce capability

Workforce capability is fundamental to positioning the ATO and APS to service the community. In 2021–22, we continued to work with the Australian Public Service Commission (APSC) on the APS professional stream strategies, including ATO Chief Operating Officer Jacqui Curtis in her role leading the HR Professional Stream and contributing to the founding and delivery of the APS Academy.

We also centralised recruitment of entry-level candidates for 34 APS agencies – building capability for the APS HR Professional Stream. The cohorts included 41 graduates and 24 school leavers.

We remain focused on uplifting the professionalism and capability of our workforce, and building a talent pipeline that positions us to provide a high-quality service to the community into the future. In 2021–22, we:

- developed an SES leadership strategy to drive tangible and impactful leadership results through existing ATO leadership programs, delivered signature leadership initiatives, and personalised development pathways
- invested in the development of current and future leaders through a range of masterclasses, professional development, and talent programs
- expanded the senior executive talent development program to include participants from external organisations and agencies
- delivered learning and development programs for over 2,000 ATO staff in taxation and data literacy topics
- released a new school leavers program targeting those who graduated from Year 12 in the past 2 years
- enhanced our graduate and Indigenous recruitment programs to ensure they continue to deliver a great experience and remain market competitive.

The success of our work was recognised when:

- the ATO was a finalist for the 2021 Australian Human Resource Institute (AHRI) Marshall Goldsmith Talent Management Award – highlighting the industry-leading standard of our talent development programs
- our ATO Graduate Program interactive video was highly commended in the Gartner 2022 Communication Awards.

Strategic objective: O1 Operational

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

Performance summary

Investment in our data and analytics capability is critical to achieving our 2024 aspiration to be data-driven, streamlined and integrated. The ATO holds and has access to a wealth of data that we use to make it easier for people to comply with their obligations, and hard not to.

We are focused on improving the way we collect, manage, use and share data, to maintain confidence and maximise value for the community and the ATO. To do this, we are strengthening our data foundations to ensure the right data is available for our staff and clients, and we have the right tools and capabilities to understand and use the data in innovative ways. We have sound governance to ensure we always use data and analytics ethically.

The performance measure for strategic objective O1 was fully met (see performance measure: Tax returns on page 41).

Delivering high-quality services

Data and analytics enable us to engage early with clients to help them get things right from the start and to identify those who are not doing the right thing. In 2021–22, we used our data and analytics technology to pre-fill over 94.5 million pieces of data. We also:

- provided over 441,000 real-time prompts to taxpayers to check amounts in their 2020–21 income tax returns, resulting in an estimated \$45.5 million revenue protected, as well as saving those taxpayers from subsequent compliance action and the risk of penalties
- sent over one million targeted messages to clients to consider the tax consequences of their crypto asset sales
- provided over 250,000 real-time prompts to taxpayers to check amounts in their business activity statements
- piloted a program that prompted over 1,400 self-preparing sole traders to check amounts reported in their 2020–21 tax return where the amounts differed to the small business benchmark – 25% of those prompted adjustments as a result
- provided small businesses access to their business transactions through payment systems, taxable government grants and payments, and taxable payments annual report data to help them meet their tax obligations – clients and their tax agents can self-serve this data via ATO online platforms.

Improving data and analytics capability

We continue to improve the capability of our staff, providing tools for them to better access, analyse and use data. This year we:

- provided a new business intelligence and visualisation tool, allowing staff to more easily connect, model and visualise data to support decision-making
- delivered phase 1 of the automated network and grouping identification tool, which provides a comprehensive and dynamic view of populations and client groups through a single source – helping us understand client groupings and changes in relationships and structures
- conducted a pilot in relation to higher-risk claims for work-related expenses where substantiation was sought from the client; we applied artificial intelligence (AI) to help staff quickly and accurately identify the relevant data in the information provided by the client to assess the claim.

We also continue to improve our risk identification techniques. This year, we enhanced some of our risk models to increase their effectiveness, with a particular focus on our GST risk models. This has helped us to identify new risk behaviours and apply treatments in a more streamlined way.

Data sharing governance

We take an active role in data sharing across all levels of government. We continue to provide individuals' and companies' data (including Single Touch Payroll) to the Australian Bureau of Statistics to support a range of statistical publications, such as *Weekly Payroll Jobs and Wages in Australia*.

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

Strategic objective: O2 Operational

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

Performance summary

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

The 'availability' measure fully met the performance target (see performance measure: Availability on page 41).

Ensuring our systems and digital services are contemporary and future-ready

The ATO Data Centre Program is a sizeable investment to deliver a modern, secure and resilient digital platform – involving the migration of several ATO business systems to new facilities. Careful planning and stringent testing methodology have served to minimise major impacts during these migrations – in light of the complexity of the migration activities. The program is delivering significant benefits for the organisation, including improved transaction performance through modernised infrastructure, a significant uplift in the ATO's security posture, and improved availability of ATO services.

Our IT infrastructure is vital to the ATO's ability to deliver reliable and contemporary services to the community, our staff, government and industry partners. In recognition of this, we established an IT Strategic Sourcing Program to replace our major technology infrastructure contracts. This program will see current IT infrastructure services split into smaller, more market-aligned bundles to enable:

- modernisation of IT services to support the ATO into the future
- choice of superior and more-focused service delivery
- consolidation and rationalisation of services aligned to whole-of-government policy
- opportunities for competition in sourcing, leading to better value for money outcomes.

The program includes the implementation of contemporary commercial arrangements which better represent today's digital market and provide flexibility to support future IT opportunities.

Helping clients to access and manage their tax and super on the go

Our refresh of the ATO app continues to provide a secure, personalised client experience via an easy-to-access mobile platform. During 2021–22, there were:

- over 628,000 downloads of the ATO app
- at least 1.4 million users that accessed the ATO app
- more than 9.2 million ATO app sessions and 102 million screen views within the ATO app.

Strengthening digital identity and increasing adoption

In 2021–22 we delivered a significant upgrade to myGovID, implemented a real-time digital tax file number (TFN) application, and upgraded the Relationship Authorisation Manager (RAM) service. We also enhanced our fraud, security and detection capability across the ATO digital identity products.

Strong myGovID with biometrics was introduced. This technology uses liveness detection to verify whether an individual is real and present, and a face verification service (provided by the Department of Home Affairs) – to enable a user to complete a face verification against their passport image.

The online TFN application is the ATO's digital service enabling individuals to apply for and receive a TFN in real-time, removing the need to present to a shopfront to prove their identity. It also saves clients from calling the ATO for linking codes to enable access to ATO online for their first tax time – removing a major irritant for clients and resulting in a significant reduction in calls.

The digital identity program has been a critical enabler to support individuals and businesses to access a range of government online services and stimulus measures. During 2021–22, there were a total of:

- 5.8 million myGovID accounts created
- 2.4 million Strong myGovIDs established
- 91,570 online TFNs issued
- 1.3 million unique Australian business numbers (ABNs) linked in RAM.

Investing in cybersecurity

With an expanding digital economy, growth in the digital interactions and data collection space, and an increasingly volatile global technology environment, there is a growing need to apply adaptive techniques to fortify our organisation against cyberthreats, and to safeguard our systems. In response, we proactively identify vulnerabilities and implement mitigations specifically to address emerging cyber risks.

Through our Cyber Security Operations Centre, we detect, investigate and respond to potential irregular activities to ensure ATO data remains safeguarded from cyberthreats.

With the changes to the Australian Cyber Security Centre's (ACSC) Essential 8 requirements being mandated from 1 July 2022, the ATO will be focusing on uplifting our Essential 8 maturity level through the delivery of the Cyber Security program. This will commence in 2022–23 and be delivered over several years.

The Secure Internet Gateway (SIG) we deployed last year is enhancing the ATO's cybersecurity capability, with a security solution to manage the connection between the ATO IT environment and the internet. The SIG provides increased resilience to security threats and an ability to deal with future peak workloads, resulting in a more reliable environment that minimises disruptions to staff and clients. It contributes towards building and maintaining secure infrastructure via increased compliance with the government's Information Security Manual (ISM) requirements.

Cyber hub initiative

The 'cyber hub' initiative was announced as part of *Australia's Cyber Security Strategy 2020*, under the Hardening Government IT program. This initiative places a strategic focus on uplifting cybersecurity resilience across the Australian Government digital ecosystem and delivering key cyber services through 4 cyber hubs. The ATO will be one of the cyber hubs, providing cybersecurity services to non-corporate Commonwealth entities. We have mobilised rapidly to understand the contextual environment and contribute to the scope of the program by providing specialist cybersecurity expertise at whole-of-government forums.

Monitoring and managing digital fraud

Our approach to monitoring and managing digital services for fraudulent activity is continually evolving. This will ensure we continue to protect the client information we hold and assure the integrity of the tax, superannuation and registry systems.

We work closely with the Commonwealth Fraud Prevention Centre – led by the Attorney-General's Department – to improve system resilience to fraud and improve the client experience through a range of system-based fraud preventative controls.

Strategic objective: F1 Financial

We strive for operational excellence to achieve efficiency and quality outcomes

Performance summary

We continue to drive operational excellence through considered investment decisions and strategies intended to ensure our enterprise systems and practices evolve with technological advancements. This supports our ability to meet client expectations in a cost-effective way and deliver on our priorities for the community on time and within budget.

Of the 2 performance measures for strategic objective F1, we met both targets (see performance results on page 41).

Improvements through innovation and change

We foster a continual improvement mindset, looking for ways to eliminate irritants in our systems and processes.

The ATO remains committed to its core functions of administering the tax, superannuation and registry systems. We recognise the importance of delivering on our vision and government commitments in the most sustainable way, with continual investment in our data and digital capabilities – to evolve our services and improve performance to meet client expectations. To do this we are recalibrating our efforts to ensure that we continue to invest resources in the highest priorities.

We also support better ways of doing business. For example, we continue to promote the adoption of electronic invoicing (eInvoicing) to facilitate faster payments between buyers and suppliers. eInvoicing is the automated digital exchange of invoice information between suppliers' and buyers' software through a secure network, with Commonwealth Government agencies (including the ATO) paying eligible eInvoices within 5 days. More information about eInvoicing is available at ato.gov.au/Business/eInvoicing.

Developing our strategic procurement and contract management capability

We continue to invest in our strategic procurement and contract management capability by using a blend of internal and external solutions to remain up-to-date with policy and legislative requirements and industry best practices. This reflects our commitment to achieving value for money from our supplier arrangements while maintaining the integrity of our processes.

The ATO has utilised external partners (outsourcing) for contact centre services since 2006 to support Australians in meeting their tax, superannuation and registry obligations. During 2021–22, the ATO led the refresh of the current Outsource Service Delivery Panel for the Commonwealth through an extensive open tender, competitive procurement process. We are working with several government agencies to establish a panel of providers that will provide greater flexibility and affordability to support our clients into the future. This panel is expected to be established in early 2022–23.

Financial management in a dynamic environment

The ATO continued to deliver for the government and the community despite challenging circumstances including the COVID-19 pandemic and natural disasters. By maintaining strong fiscal discipline throughout the year, we managed our resources to within 1% of budget (excluding items outside our control).

We continued to focus on supporting investment in change, including:

- prioritising business-as-usual and change investments through our dedicated governance framework
- maturing our benefits management framework to increase investment in data and digital transformation and manage emerging priorities
- furthering our financial maturity by establishing an investment fund to manage operational (resourcing) pressures that arise throughout the year.

Performance results overview

The ATO has 21 measures for Program 1.1 to demonstrate how well we are achieving our purpose. These are set out in the *Australian Taxation Office Budget Statements* in the Treasury Portfolio Budget Statements (PBS), and in the *ATO corporate plan 2021–22* (corporate plan).

Our results for 2021–22 reflect an improvement in economic conditions after a challenging time for the Australian community. This resulted in improved performance for some revenue outcomes but a decline in others, particularly in areas where the impacts of having paused work throughout the COVID-19 pandemic are still being felt.

After pausing some compliance activities in response to the challenges posed by COVID-19, our more traditional compliance programs returned late in 2021–22. This resulted in an improvement in compliance revenue performance. However, the pauses in debt-related activities are still impacting performance, given the growth in collectable debt throughout that period.

The performance targets for ATO measures were fully achieved for 16 measures, substantially achieved for 3 measures, and not achieved for 2.

In 2022–23, we will continue to support Australia's economic recovery, work with our clients as conditions change, and administer the tax, superannuation and registry systems for the benefit of all Australians.

The intention of the annual performance statement is to report on the performance criteria included in the PBS and corporate plan to accurately reflect the performance of the ATO in achieving its purpose. In considering our overall assessment of fostering willing participation we look at:

- the complexity of the tax and superannuation environment and how our activities influence the behaviour of clients in meeting their obligations
- the interrelated nature of performance criteria – 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 look at 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 targets may need to be revised to better reflect the current environment. We will continue to monitor and assess performance as we build on the outcomes achieved to date.

Performance results

Our performance criteria are set out on pages 201–205 of the PBS, and pages 12 and 22–23 of our corporate plan.

Table 2.1 Performance results, 2019–20 to 2021–22^(a)

Performance criterion	Source	Results			Target
		2019–20	2020–21	2021–22	2021–22
G1: We build community confidence by sustainably reducing the tax gap and providing assurance across the tax and superannuation systems					
Confidence – Community confidence in the ATO	PBS 201 CP 12, 22	66/100	68/100	66/100	65/100
Registration – Proportion registered in the system	PBS 202 CP 12, 22				The ATO aims to ensure that all entities required to participate in the tax and superannuation system are registered on the ATO client register
■ companies		66.1%	66.3%	66.1%	
■ individuals		106.0%	106.5%	105.9%	
Lodgment – Proportion lodged on time	PBS 202 CP 12, 22				
■ activity statements		74.6%	71.0%	70.5%	78% activity statements
■ income tax returns		83.9% (2018–19 returns)	83.3% (2019–20 returns)	82.0% (2020–21 returns)	83% income tax returns
Payment – Proportion of liabilities paid on time by value	PBS 202 CP 12, 22	88.7%	88.0%	87.8%	88%
Correct reporting – Tax gap as a proportion of revenue	PBS 202 CP 12, 22	See 2019–20 annual report (page 62) for detailed information	See 2020–21 annual report (page 60) for detailed information	See page 64 for detailed information	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Debt – Ratio of collectable debt to net tax collections	PBS 203 CP 12, 22	6.7%	8.3%	8.5%	Below 8.0%
Total revenue effects – Tax revenue from all compliance activities	PBS 203 CP 12, 22	\$13.7b	\$11.5b	\$15.5b	\$15.0b
Tax assured — Proportion of the tax base where the ATO has justified trust that tax paid is correct based on the proportion of income, deductions and tax offsets assured	PBS 203 CP 12, 22	47.6% (2017–18 year) See 2019–20 annual report (page 65) for detailed information	45.5% (2018–19 year) See 2020–21 annual report (page 63) for detailed information	45.8% (2019–20 year) See page 69 for detailed information	Increase the proportion of the tax base where the ATO has justified trust to a level as high as practicable given the nature and complexity of the law and resources available
G2: We design for a better tax and superannuation system to make it easy to comply and hard not to					
Influence – Government and Treasury perceptions of the ATO and the quality of our advice	PBS 203 CP 12, 22	Very good	Very good	Very good	Good

Table 2.1 Performance results, 2019–20 to 2021–22^(a) continued

Performance criterion	Source	Results			Target
		2019–20	2020–21	2021–22	2021–22
C1: Our client experience and interactions are well designed, tailored, fair and transparent					
Compliance cost – Adjusted median cost to individual taxpayers of managing their tax affairs	PBS 203 CP 12, 23	2.5% decrease (2018–19 returns)	3.0% decrease ^(b) (2019–20 returns)	3.6% decrease (2020–21 returns)	Remain steady
Digital – Proportion of inbound transactions received digitally for key services	PBS 204 CP 12, 23	91%	94%	95%	92%
■ income tax returns		98%	98%	98%	
■ activity statements		88%	92%	94%	
■ tax file number (TFN) registration		97%	98%	98%	
■ payment arrangements		48%	52%	53%	
■ ABN registrations		100%	100%	100%	
■ role registrations		70%	76%	78%	
■ ABN cancellations		62%	66%	68%	
■ departing Australia superannuation payment (DASP) applications		100%	100%	100%	
■ role cancellations		77%	73%	74%	
■ TPAR lodgments		64%	83%	89%	
■ Client Register updates		90%	92%	94%	
C2: We work with and through others to deliver efficient and effective tax and superannuation systems					
Working together – Partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems	PBS 204 CP 12, 23	67/100	71/100	68/100	Equal to or better than the 2018–19 result (64/100)
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					
Culture – Level of employee engagement	PBS 204 CP 12, 23	78% ^(c) (76%) ^(d)	76%	74%	Equal to or better than the average result for large agencies
Gender equality – Female representation in the following classification levels	PBS 204 CP 12, 23				
■ senior executive service (SES)		46.6% female	46.9% female	48.9% female	Approx. 50% of SES
		53.4% male	53.1% male	51.1% male	
■ executive level (EL)		50.2% female	50.9% female	51.1% female	Approx. 50% of EL staff
		49.8% male	49.1% male	48.9% male	
Indigenous representation – Proportion of ATO staff who identify as Indigenous	PBS 204 CP 12, 23	2.3%	2.9%	2.9%	3.0%
Disability representation – proportion of ATO staff who identify with disability ^(e)	CP 12, 23	–	–	4.7%	4.0%
Staff experience – Employee perceptions around whether they have access to the tools and resources needed to perform well	PBS 205 CP 12, 23	86% ^(c) (73%) ^(f)	72%	64%	Equal to or better than the average result for large agencies

Table 2.1 Performance results, 2019–20 to 2021–22^(a) continued

Performance criterion	Source	Results			Target
		2019–20	2020–21	2021–22	2021–22
O1: We use data, information and insights to deliver value for our clients and inform decision-making across everything we do					
Tax returns – Proportion of pre-filled items accepted without change	PBS 205 CP 12, 23	87.1% (2017–18 returns)	89.5% (2019–20 returns)	95.0% (2020–21 returns)	90%
O2: Our technology and digital services deliver a reliable and contemporary client experience					
Availability – Key digital systems availability	PBS 204 CP 12, 23	99.7%	99.9%	99.5%	99.5% (excluding planned outages)
F1: We strive for operational excellence to achieve efficiency and quality outcomes					
Budget – ATO manages its operating budget to balance	PBS 205 CP 12, 23	0.2% surplus	1.2% surplus	1.0% deficit	+/- 1.0% of budget allocation
Cost of collection – Cost to collect \$100	PBS 205 CP 12, 23	\$0.66 (incl GST)	\$0.57 (incl GST)	\$0.58 (incl GST)	Consistent with trend
		\$0.62 (excl GST)	\$0.54 (excl GST)	\$0.53 (excl GST)	

● Target achieved ● Target substantially achieved ● Target not achieved
 – = New, not previously reported in the annual report for the given years

Notes

- (a) Targets apply to 2021–22. Results from prior years should be compared to targets for those years.
- (b) The calculation changed in 2020–21 to include only the 'Other expenses incurred in managing tax affairs' component of the relevant income tax return label. Using the previous method, the adjusted median is a 2.4% decrease.
- (c) Due to the APSC-administered 2020 APS Employee Census being postponed from May–June to October–November 2020, the ATO result recorded for 2019–20 drew on the internally administered all-staff Pulse survey conducted in June 2020.
- (d) The delayed 2020 APS Employee Census results when released in January 2021 reported ATO employee engagement of 76%, which was above the benchmarks of larger operational agencies and extra-large agencies (+4%) and the overall APS (+3%) (meeting target).
- (e) Disability representation is a new measure from 2021–22 and was not included in the 2021–22 Portfolio Budget Statements.
- (f) The delayed 2020 APS Employee Census results when released in January 2021 reported a result of 73%, which was above the benchmarks of larger operational agencies and extra-large agencies (+8%) and the overall APS (+7%) (meeting target).

Results analysis

Confidence – Community confidence in the ATO

The overall confidence result for 2021–22 was 66/100, which is lower than the 2020–21 result of 68/100 but remains above the target of 65/100.

The higher result for 2020–21 reflected the ATO's ability to deliver on stimulus measures and support the community through the pandemic. The 2021–22 result reflects a return to normal and expected levels, while remaining above our performance target.

Registration – Proportion of companies and individuals registered in the system

Companies

This measure compares the number of companies registered by the ATO to the number of companies registered by the Australian Securities and Investments Commission (ASIC).

Not all companies that are registered with ASIC have taxation and reporting requirements; this is due to the nature of their corporate structure or the fact that they may not be operational yet. Therefore, the proportion is always expected to be well below 100%. This measure achieved the target, remaining fairly stable, with no significant change in the last 12 months. This is expected, as the ATO ASIC Registered Company client population continues to trend in line with Active Company Registrations data direct from the ASIC website.

Individuals

This measure compares active individual clients (aged 15–64) in the ATO Client Register, to the Australian Bureau of Statistics (ABS) estimated resident population within the same age group.

The trends in registration of individuals are closely aligned to population growth.

The proportion remains fairly stable, with no significant change over the previous 12 months, and achieved the target. 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, because the duration of time spent in Australia to be considered a resident by the ATO is shorter than that required for the ABS definition.
- The ATO currently has difficulties 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.

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

Activity statements

On-time lodgment performance for 2021–22 activity statements due 30 June 2022 was 70.5%. This is 0.5 percentage points below the 2020–21 result, and 7.5 percentage points below the target of 78%.

The number of activity statements lodged on time and overall has been increasing steadily in recent years. However, yearly increases in the number of activity statements being despatched have exceeded the increased lodgments and have driven the declining trend in on-time lodgment performance.

Analysis indicates a significant number of activity statements are being despatched to 'doubtfully registered entities' that have a high likelihood of no longer needing to be registered for GST and/or pay as you go withholding (PAYGW). Small businesses account for almost 85% of the doubtfully registered entities identified. Australian Business Registry Services (ABRS) is taking steps to progressively de-register doubtfully registered entities. This will remove these clients from the system, stop their activity statements from being despatched, and improve the ratio of on-time lodgment for activity statements.

Income tax returns

At 30 June 2022, the on-time lodgment performance for 2020–21 income tax returns was 82.0%. This is 1 percentage point below the target of 83.0% and 1.3 percentage points below the prior year result.

Continued disruptions from COVID-19 and natural disasters affected the on-time lodgment rate for 2021–22, including a significant increase in requests for deferrals. Most clients remain engaged and compliant with their income tax lodgment obligations. This can be seen in the steady increase in the number of income tax returns lodged on time over the last 5 years.

Payment – Proportion of liabilities paid on time by value

At 30 June 2022, results show the proportion of liabilities paid on time by value was 87.8%, which is 0.2 percentage points lower than at 30 June 2021. The broader economic environment continues to impact the client's capacity to pay. However, our performance indicates the majority of clients who do have capacity to pay, continue to meet their obligations on time.

Correct reporting – Tax gap as a proportion of revenue

For 2019–20, we estimate the overall net tax gap to be 7.0%, or \$33.4 billion, meaning taxpayers reported around 93% of tax revenue the ATO expects to collect. The bulk of this was reported voluntarily. This result is in line with our expectations.

We are also publishing the 5-year trend as a part of our ongoing commitment to provide more transparency into the operation of the tax and superannuation systems. The net tax gap is trending downwards over this 5-year period.

For tax gaps, we always caution against analysing year-to-year changes, but instead focus on medium- and longer-term trends as more meaningful indicators of the overall performance, and therefore health, of the tax and superannuation systems.

COVID-19 directly affected the gap program for 2019–20 – for example, a reduced reliability rating for the small business income tax gap estimate. In this case the ATO shifted resources to support small business during the pandemic, which in turn meant the random enquiry program to estimate the 2019–20 gap was less extensive (thus far) than for previous gap estimates. The estimate will be revised next year to reflect the completed program.

For more information, refer to page 64 of this report.

Debt – Ratio of collectable debt to net tax collections

At 30 June 2022, the ratio of collectable debt to net tax collections was 8.5%. This is an increase of 0.2 percentage points from the end of June 2021 result of 8.3%, and reflects the ongoing cash flow impacts of the challenging economic environment.

The primary reason for the higher ratio was an increase in collectable debt from \$26.5 billion at 30 June 2019 to \$44.8 billion at 30 June 2022 – up \$18.3 billion or 69%. Small businesses continue to account for the majority of collectable debt, and remain a key focus of our payment strategies.

The increased debt is a result of disrupted economic activity due to lockdowns and cash flow impacts on small businesses and households. During the early stages of COVID-19 we deliberately shifted our focus away from firmer debt collection action, to assist businesses and the community experiencing challenges because of the pandemic.

Due to these increased debts, we have expanded our engagement through a series of awareness campaigns, advising clients of the potential firmer and stronger actions they could be subject to if they do not engage with us – including director penalty notices, garnishee, disclosure of business tax debts or legal remedies including insolvency.

Total revenue effects – Tax revenue from all compliance activities

In 2021–22, total revenue effects was \$15.5 billion against a performance target of \$15 billion.

The total revenue effects measure is an estimate of the additional tax revenue that comes from our activities to improve taxpayer compliance. Revenue results were previously grouped as audit yield and wider revenue effects, but for 2021–22 revenue is categorised into 4 components – to more clearly demonstrate the types of activities undertaken and the associated revenue impact.

Revenue is attributed to:

- audit actions and incorrect claims stopped
- preventative activities that results in correct reporting at lodgment
- sustained compliance following previous corrective activities
- lodgment actions and sustained lodgment compliance following a lodgment action.

Compliance activities continued to normalise through 2021–22, and firmer actions within our lodgment program recommenced in late 2021 following a significant period of largely help and assist activities.

A significant increase in GST fraud refund attempts was identified – and treatment commenced – during 2021–22, which resulted in higher total revenue effects than was otherwise anticipated.

For more information, refer to page 80 of this report.

Tax assured — Proportion of the tax base where the ATO has justified trust that tax paid is correct based on the proportion of income, deductions and tax offsets assured

For the 2019–20 tax year, 45.8% of total tax reported has been assured as correct. We assure tax after taxpayers lodge and we have completed our data matching and one-to-one engagements. This means there is a time lag until we can report our assurance over the tax base. This is why our estimate is for the 2019–20 year.

The level of assurance we are reporting is consistent with our estimates for the 2018–19 tax year. While we do not have hard targets for this measure, we continue to see increases in prior year assurance amounts as work is undertaken across multiple years. An additional 1.2% of tax reported in the 2018–19 year has been assured, bringing the tax assured for that year to 46.7%.

Our tax assured trend shows that despite COVID-19 beginning in 2019–20, there has been no measurable impact on how taxpayers reported to us. This is expected, given:

- the pandemic began to spread in Australia in the last quarter of 2019–20
- our data-matching capacity and capability is robust and was not impacted.

For more information, refer to page 69 of this report.

Influence – Government and Treasury perceptions of the ATO and the quality of our advice

The ATO and Treasury continued to work well together in 2021–22, with the relationship being beneficial for both agencies. We used insights from our data and our understanding of taxpayers to assist joint understanding of how proposed policies will operate in practice. We also provided responsive and constructive feedback on drafting instructions, draft legislation and explanatory material.

Over the past 3 years we have worked closely with Treasury on the Organisation for Economic Co-operation and Development (OECD) Two-Pillar proposal – a global collaboration to address the tax challenges arising from digitalisation and globalisation of the economy and build more effective tax administrations. This work continues as it draws near to a global agreement and implementation.

Our joint secondment program has continued to thrive, with ATO secondees offering perspectives, insights and knowledge to tax policy issues, particularly regarding tax administration – bolstering technical capacity on the OECD international tax negotiations, and assisting with mentoring and transferring knowledge. The program also provides Treasury secondees the opportunity to develop an understanding of how the tax law is administered.

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

This measure shows any movement in the cost to individual taxpayers of managing their tax affairs.

The adjusted¹ median cost of managing tax affairs for 2020–21 income tax returns decreased by 3.6% compared to the previous year and the performance target is considered to be fully met.

Taxpayers who do not report an amount at the relevant label on the tax return are not captured in this calculation. However, over recent years, the ratio of individual taxpayers claiming cost of managing tax affairs to the individual taxpayer lodging population has been declining.

The cost of managing tax affairs includes the costs of preparing and lodging tax returns and activity statements, fees paid to tax advisers, and the costs of tax reference material. While external market forces can influence these, our strategies for making it easier to comply through the provision of better guidance and advice and contemporary and digital services also influence this trend.

Digital – Proportion of inbound transactions received digitally for key services

In 2021–22, 95% of inbound transactions were received digitally for key services, an increase of one percentage point compared to the previous year and exceeding the target of 92%.

Digital lodgment of the taxable payments annual report (TPAR) increased by 6 percentage points over the same period, due to flow-through effects of the TPAR online form.

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

For 2021–22, the overall result for partner perceptions of how the ATO is working together with them to administer the tax and superannuation systems was 68/100. This is 3 points below the 2020–21 result, but achieves the target of equal to or better than 64/100.

This measure captures perceptions from tax professionals, APRA-regulated superannuation entities and DSPs. There was an improvement for DSPs compared to 2020–21 results, with a decrease for tax professionals and APRA funds.

The result reflects our continued investment in our partner relationships, including these examples:

- Working closely with APRA funds to sustainably implement the government's change agenda in the superannuation system, most notably the Your Future, Your Super and SuperStream Rollovers version 3 initiatives. We collaborated to optimise member outcomes, in an environment that supported limited face-to-face consultation. In the coming year, we will continue our collaborative approach to co-designing new processes and producing guidance – to ensure they are timely and fit-for-purpose for both funds and members.
- A continued commitment to early engagement and collaboration with DSPs. The ATO recognises the DSP partnership is integral in developing software solutions that support effective administration of the tax, superannuation and registry systems – to collectively deliver benefits to the community.
- Keeping tax practitioners and their representative bodies informed through the Tax Practitioner Steering Group, the Key Agent Program, speaking events and dedicated tax practitioner communications.
- Continuing to support tax practitioners and their clients through contemporary online services, lodgment support programs, our dedicated phone line and Tax Practitioner Assistance service, which assists with the resolution of complex issues. The high priority placed on support for practitioners recognises the pressures faced by the profession as a result of the flow-on impacts of COVID-19 and a shortage of resources, against a backdrop of increasing demand for non-tax services and advice.

¹ AWOTE – average weekly ordinary time earnings (for full-time adults) – is used to adjust these costs to measure the change in real terms.

The ANAO performance report into the ATO's engagement with tax practitioners – tabled on 15 August 2022 – found our engagement to be largely effective. The audit also made recommendations to further improve our engagement with practitioners. The recommendations have been accepted and will be implemented.

Culture – Level of employee engagement

During 2021–22, the ATO's culture initiatives contributed to an engaged workforce. The 2022 Australian Public Service (APS) Employee Census results highlight continued strong ATO employee engagement, with an average of 74%. This exceeded the averages achieved by large agencies (72%), extra-large agencies (71%), and the overall APS (73%).

With a continued focus on building connection, trust and confidence, we refreshed the ATO Culture strategy – to guide the everyday actions that will strengthen our cultural traits. We also launched the 'One Habit at a Time' behavioural change program, supporting leaders to drive and embed positive cultural habits.

Gender equality – Female representation in the senior executive service (SES) and executive level (EL) classification levels

At 30 June 2022, female representation at the SES classification level was 48.9%, increasing from 46.9% the previous year and continuing a positive long-term trend. The percentage of female staff at the EL classification level increased from 50.9% to 51.1%. These increases in the last 12 months reflect the ATO's ongoing commitment to gender equality.

With consideration of normal staffing fluctuations, the end-of-year targets for female representation at both the SES and EL classifications are considered to be met.

Indigenous representation – Proportion of ATO staff who identify as Indigenous

The ATO is committed to the engagement, development and retention of Aboriginal and Torres Strait Islander employees. At 30 June 2022, the proportion of our ongoing staff identifying as Aboriginal or Torres Strait Islander was 2.9%, slightly below the target of 3.0%.

The ATO delivered employment strategies to support the development of our Aboriginal and Torres Strait Islander staff through affirmative measures recruitment and Indigenous secondment programs. We continue to be committed to increasing Aboriginal and Torres Strait Islander representation in our ongoing workforce to at least 3.0% in 2022–23, and supporting inclusion within the ATO.

For more information, refer to page 98 of this report.

Disability representation – Proportion of ATO staff who identify with disability

The proportion of ATO staff who identify with disability increased to 4.7% in June 2022, from 4.2% in June 2021, exceeding the target of 4%. However, disability rates reported in the 2022 APS Census continue to be around twice those reported internally. This highlights the importance of our continued focus on educating staff on the value of self-reporting disability details in our systems.

For more information, refer to page 87 of this report.

Staff experience – Employee perceptions around whether they have access to the tools and resources needed to perform well

The ATO obtained a result of 64% in response to this statement in the 2022 APS Employee Census: 'My workgroup has the tools and resources we need to perform well'. This met the target of 'equal or better than the average result for large agencies'.

In considering Census outcomes, the ATO Executive discussed this result and potential drivers for the drop from the year prior. It was acknowledged that one of the potential drivers related to some system performance issues experienced during 2021–22 as we continued to roll out system upgrades and transition to our new Secure Internet Gateway and data centre, and noted we expect our IT systems will deliver increased stability once that program of work is completed. In addition, further work is being done to determine whether there are any other potential drivers, for example where access to tools or resources are flagged as an issue in staff exit surveys.

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

This year's result of 95% for pre-filled items accepted without change is an increase of 6.1% on the previous year. This cannot be directly compared to results reported in previous years, due to the exclusion of individual income tax returns that were lodged before pre-fill data was available. It is based on 2020–21 tax return data, to allow for completion of the formal lodgment cycle.

The result was positively impacted by the availability of Single Touch Payroll (STP) data, and our continuing work with key reporters to ensure they provide quality data as early as possible.

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 their final income tax result within a tolerance. The 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.

Availability – Key digital systems availability

Measuring the availability of our digital systems ensures we understand the reliability of services for clients interacting digitally. In 2021–22, the overall result was 99.54% (99.5% when rounded to one decimal place), which is a 0.4 percentage point decrease from the previous year but still achieved the target.

The methodology for this measure comprises the availability of 8 externally facing and 2 internally facing key IT systems. Availability is a comparison between the planned and the actual availability of a system for the users.

For externally facing systems used by our clients and partners (community, tax and superannuation professionals, and software developers), the average availability was 99.47%. For internally facing systems used by staff, the average availability was 99.85%.

Budget – ATO manages its operating budget to balance

The ATO has continued to deliver on the government's policy in a challenging environment affected by factors such as the pandemic and natural disasters. These environmental factors have required the ATO to be flexible and adaptable in redirecting resources to address emerging priorities.

The ATO started the 2021–22 financial year with an operating budget of \$3,811 million.

The following budget changes occurred throughout the year:

- Modernising ATO IT systems (increase of \$1.9 million)
- Business Support Payment (increase of \$8.6 million)
- Full Federal Court decision responses – Reversal and Offset (Military Super) (increase of \$7.5 million)

- Remove the excess concessional contributions charge (increase of \$1.8 million)
- Re-contribution of COVID-19 early release superannuation amounts (increase of \$2.6 million)
- Corporate collective investment vehicles (increase of \$4 million)
- Modernising Business Registers (MBR) contingency and MBR capital conversion (increase of \$60.6 million)
- Own-source revenue (including indemnities and credit card merchant fees) (decrease of \$16.5 million).

The ATO concluded the 2021–22 financial year with an operating budget of \$3,883 million (excluding depreciation) and a year-end operating deficit of \$39 million (1.0% over budget). This result includes lease principal repayments under the Australian Accounting Standards Board (AASB) 16 leasing standard and excludes non-cash financial accounting adjustments such as write-off expenses, depreciation, amortisation, finance lease and revaluation adjustments made for our financial statements.

From a financial perspective it has been a challenging year. Early in the financial year the Resource and Investment Committee identified that the ATO was on track for a much higher overspend, however through strong governance and strategic decision-making the overspend was reduced significantly. Measures taken enabled the ATO to manage its operating budget to within 1.0% (\$39 million deficit) after excluding items totalling \$51 million outside its control. These items include misalignment between capital and operating items (\$27 million), and the impact of staff taking less leave (\$24 million) due to the pandemic. This will provide a benefit in future financial years.

Refer to our financial statements in Part 5 for detailed information.

Cost of collection – Cost to collect \$100

The cost of collection measures the cost of collecting every \$100 of cash collections.

The cost of collection is often used as a broad measure of a tax administration's efficiency and effectiveness. Movements in the ratio from year to year may reflect variations in efficiency and effectiveness. However, the ratio can also be influenced significantly by factors such as:

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

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

The cost to collect \$100 increased slightly from \$0.57 in 2020–21 to \$0.58 in 2021–22, including GST and its administration costs. The slight increase is largely due to a 14% increase in collections in 2021–22 and a 16% increase in costs associated with collecting tax.

The increase in ATO costs associated with collecting tax is due to the ATO returning to normal business operations after focusing on COVID-19 stimulus work throughout 2020–21.

The increase in ATO net tax collections is largely driven by strong growth in both company and individuals tax collections. Factors driving this strong growth include continued economic recovery, higher commodity prices, strong labour market conditions and strong capital gains.

Revenue collections have been volatile over the past 3 years due to the unpredictable economic impact of COVID-19 and subsequent recovery. This volatility may result in an unstable cost of collection ratio in the proceeding years.

Program 1.2 Tax Practitioners Board

The TPB

The Tax Practitioners Board (TPB) is an independent statutory body. It is responsible for the general administration of the *Tax Agent Services Act 2009* (TASA) and for registration and regulation of tax practitioners, including tax agents, business activity statement (BAS) agents and tax (financial) advisers.

Due to its operational independence and statutory obligations, the TPB has produced its own annual report to meet legislative reporting requirements in subsection 60-130(1) of the TASA, which is available at tpb.gov.au/annual-report.

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.

Annual performance statement

The annual performance statement for the TPB is included in the *Tax Practitioners Board annual report 2021–22*.

This year's performance criteria for the TPB are set out on pages 207–209 of the *Australian Taxation Office Budget Statements* (in the 2021–22 Treasury PBS) and pages 9–12 of the *Tax Practitioners Board corporate plan 2021–22*.

Program 1.3 Australian Business Registry Services

ABRS

Australian Business Registry Services (ABRS) is streamlining how businesses interact with government and manage their registry obligations, providing a unified source of trusted business information. Modernising Business Registers (MBR) is a key reform supporting deregulation and digital transformation.

The Commissioner of Taxation has been appointed as the Registrar under the:

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

ABRS has been established to assist the Registrar to carry out their functions. The Registrar has separate and distinct responsibilities from the Commissioner of Taxation, including administering director identification numbers (director ID) and assisting the Australian Securities and Investments Commission (ASIC) to manage its registry functions. The Commissioner of Taxation remains Registrar of the Australian Business Register (ABR) under the *A New Tax System (Australian Business Number) Act 1999*.

Purpose

ABRS provides critical support for businesses, government and communities through existing ABR and ASIC registry services and data. Following the launch of director ID in 2021, the MBR program is transforming registry services and will progressively deliver further ABRS functions over the coming years. The purpose of ABRS is to provide:

- effective, efficient and accessible business registry services that reduce the regulatory burden for businesses
- a unified, accessible and trusted source of business data that supports the activities of businesses, governments and the community
- robust identity verification and relationship traceability for directors through director ID, which will foster trust and confidence by creating a fairer business environment.

Program overview

This overview of ABRS performance aligns with the *ATO corporate plan 2021–22* and presents our 2021–22 performance against the one strategic initiative to deliver the program.

Overview

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.

Under a delegation from ASIC, the Registrar of ABRS is responsible for assisting ASIC to perform its registry functions, including reporting against the associated performance measures from 2021–22. As ASIC registers are migrated to the new registry system, the Registrar will assume primary responsibility for registry functions and associated reporting.

We continue to collaborate across the ATO to support ABN holders in meeting their tax and superannuation obligations, through intuitive and easy-to-use systems and tools.

This program has 2 measures, both of which were fully met.

Performance summary

In 2021–22, we continued to deliver existing registry services while progressing the MBR program.

This year, our focus was to build trust and confidence in the ABRS service promise. The ABRS website (abrs.gov.au) launch on 6 October 2021 supported awareness of ABRS and provided guidance on the new director ID requirement for company directors.

The new director ID service, hosted on the new ABRS registry platform, went live on 31 March 2022 following a successful public beta. At 30 June 2022, nearly 640,000 director IDs had been issued. ABRS continues to support new, existing and intending directors to apply for their director ID.

Work to enforce the director ID obligation for new directors is conducted through a compliance program run in partnership with ASIC, as the regulator of this requirement. Director ID has already enabled the identification of significant illegal conduct such as illegal phoenix activity, which may have otherwise remained undetected. Illegal phoenix activity is when a company is liquidated, wound up or abandoned to avoid paying its debts and a new company is then started to continue the same business activities without the debt. This causes significant impact to the community – including missed employee wages, entitlements and unpaid invoices to suppliers or sub-contractors.

The ATO has commenced actions to address the detected illegal conduct, ensuring we are working to assist the victims of tax crime as well as identifying and stopping those perpetrating these crimes.

The ABR program commitments for 2021–22 included maintaining trust and confidence in the ABR. To improve register integrity, ABRS programs removed non-entitled ABNs from the ABR, reducing the active ABN population to just over 8.9 million ABNs at 30 June 2022.

New 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.

This led to nearly 1,230 clients initiating ABN cancellations, with the Registrar assisting a further 717,700 clients to cancel their ABN. Regular integrity checks ensure the data and information on the register remains current and accurate.

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 overview

Performance results

Our 2 performance criteria for ABRS are set out on page 211 of the *Australian Taxation Office Budget Statements* (in the Treasury PBS), and pages 19 and 24 of the *ATO corporate plan 2021–22*.

Table 2.2 ABRS results, 2019–20 to 2021–22^(a)

Performance criterion	Source	Results			Target 2021–22
		2019–20	2020–21	2021–22	
Increased use of the ABR as the national business dataset	PBS 211 CP 19, 24				
▪ government agencies		405 agencies using <i>ABR Explorer</i> (10% increase) ●	407 agencies using <i>ABR Explorer</i> ●	500 agencies using <i>ABR Explorer</i> ●	420 agencies using <i>ABR Explorer</i>
		27 agencies using <i>ABR Connect</i> (58% increase) ●	29 agencies using <i>ABR Connect</i> ●	22 agencies using <i>ABR Identifier</i> ^(b) ●	18 agencies using <i>ABR Identifier</i>
▪ community		1,519m <i>ABN Lookup</i> searches (5% increase) ●	1,821m <i>ABN Lookup</i> searches (20% increase) ●	2,070m <i>ABN Lookup</i> searches (13% increase) ●	1,800m <i>ABN Lookup</i> searches
Reduction in the administrative cost to businesses and government in dealing with each other	PBS 211 CP 19, 24	\$1.95b ●	\$2.11b ●	\$2.18b ●	\$2.00b

● Target achieved ● Target substantially achieved ● Target not achieved

Notes

(a) Targets apply to 2021–22. Results from prior years should be compared to targets for those years.

(b) This was previously *ABR Connect*.

Results analysis

Increased use of the ABR as the national business dataset

All performance targets for this measure were exceeded in 2021–22.

The number of government agencies using ABR Explorer increased by 22%, and the community conducted 13% more ABN Lookup searches compared with the previous year. This demonstrates that ABR data continues to grow as the key source of business information for decision-making by all levels of government.

ABRS proactively collaborates with federal, state and local government agencies to use ABR data. For example, in 2021–22:

- 20 local and state agencies in Queensland and New South Wales accessed ABR data as part of their flood disaster management responses
- the Victorian Government used ABR data to help prevent the payment of \$83 million for incorrect or fraudulent claims made from its COVID-19 grants and stimulus programs.

We have expanded ABR non-public data to incorporate:

- 4 additional ANZSIC codes – to better reflect the economic activity of a business and/or location, and support businesses to get the right level of economic support from governments at the right time
- the ABN application date – supporting government to make informed choices when setting eligibility criteria and monitoring ABNs as a metric for grants and stimulus distribution.

We supported our ABR partner agencies to access and use non-public ABR data to carry out their legislative functions. For example, we trained 487 staff from 109 agencies in how to extract the most value from ABR data and systems.

Reduction in the administrative cost to businesses and government in dealing with each other

To calculate the reduction in the administrative cost to businesses and government in dealing with each other, we use a methodology that is regularly reviewed and updated with actual figures. The latest review of the figures and methodology was in 2020–21. The annual savings estimate for 2021–22 is \$2.18 billion, an increase of 3% on the previous year and exceeding the target of \$2 billion.

The result indicates that ABR program initiatives continue to deliver savings to business and government by:

- reducing the reporting burden
- minimising cost to business
- enhancing business interactions through natural-based systems.

Program 1.4 Australian Charities and Not-for-profits Commission

The ACNC

The Australian Charities and Not-for-profits Commission (ACNC) is the independent national regulator of charities. The ACNC Commissioner has a number of statutory functions and regulatory powers, as set out in the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Due to its operational independence and statutory obligations, the ACNC has produced its own annual report to meet legislative reporting requirements in Division 130 of the ACNC Act, which is available at [acnc.gov.au](https://www.acnc.gov.au).

Purpose

The ACNC's purpose is to:

- 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.

Annual performance statement

The annual performance statement for the ACNC is included as part of the *Australian Charities and Not-for-profits Commission annual report 2021–22*.

This year's performance criteria for the ACNC are set out on pages 212–213 of the *Australian Taxation Office Budget Statements* (in the 2021–22 Treasury PBS) and pages 9–11 of the *ACNC corporate plan 2021–22*.

Administered programs 1.5 to 1.19

Purpose

The ATO contributes to the economic and social wellbeing of Australians through governing a range of programs that result in transfers and benefits back to the community.

Performance results overview

All deliverables are achieved through making payments to eligible recipients in accordance with relevant laws.

We paid \$12.6 billion in administered payments in 2021–22, \$89.4 billion lower than 2020–21. The large decrease was due to the end of non-ongoing stimulus measures, particularly JobKeeper and cash flow boost payments.

Table 2.3 Administered payments, 2019–20 to 2021–22^(a)

Payments	2019–20 \$m	2020–21 \$m	2021–22 \$m
Fuel tax credits	7,383	7,530	7,501
Product stewardship for oil program	90	95	89
Junior Minerals Exploration Incentive	3	6	4
Private health insurance rebate	236	237	237
National rental affordability	160	162	162
Superannuation co-contribution scheme	121	120	119
Research and development refundable tax offsets ^(b)	2,333	2,707	2,716
Australian Screen Production Incentive	349	330	213
Low income superannuation tax offset	703	662	589
Interest payments on lost superannuation accounts	92	35	13
Seafarer tax offset	9	10	9
Economic response to the Coronavirus – JobKeeper	20,574	68,217	22
Economic response to the Coronavirus – Cash Flow Boost	14,454	20,901	257
Economic response to the Coronavirus – JobMaker Hiring Credit	0	7	26
Total administered payments	46,508	101,019	11,958
Distribution of super guarantee charge entitlements	611	945	645
Total^(c)	47,119	101,963	12,603

Notes

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

(b) Only refundable research and development tax offsets are administered payments.

(c) The total excludes interest on overpayments of tax (\$123 million in 2019–20, \$63 million in 2020–21, and \$63 million in 2021–22).

Performance results – programs 1.5 to 1.13 and 1.15 to 1.19

The way the ATO measures the performance of administered programs and the achievement of their purpose is set out on pages 214–224 of the *Australian Taxation Office Budget Statements* (in the Treasury PBS), and pages 25–27 of the *ATO corporate plan 2021–22*.

Table 2.4 Programs 1.5 to 1.13 and 1.15 to 1.19 Administered programs performance

Performance criterion	Source	Results			Target
		2019–20	2020–21	2021–22	2021–22
1.5 Australian Screen Production Incentive					Administer the program in accordance with the law
Value of tax offsets processed	PBS 214 CP 27	\$349.4m	\$329.6m	\$213.0m	
1.6 Junior Minerals Exploration Incentive					
<ul style="list-style-type: none"> All applications received are processed and taxpayers notified of their exploration credit allocation within 28 calendar days of the application period closing 	PBS 215 CP 26	Target met	Target met	Target met	100% notifications issued within 28 calendar days of the application period closing
<ul style="list-style-type: none"> Public reporting data uploaded on data.gov.au (and linked to the ato.gov.au website) after determination letters are issued 	PBS 215 CP 26	Target met	Target met	Target met	Within 56 calendar days of the application period closing
1.7 Fuel Tax Credits Scheme					Administer the scheme in accordance with the law
<ul style="list-style-type: none"> Value of claims 	PBS 215 CP 27	\$7.4b	\$7.5b	\$7.5b	
1.8 National Rental Affordability Scheme					Administer the scheme in accordance with the law
<ul style="list-style-type: none"> Value of tax offsets processed 	PBS 216 CP 27	\$160.0m	\$162.3m	\$162.3m	
1.9 Product Stewardship for Oil					Administer the program in accordance with the law
<ul style="list-style-type: none"> Value of revenue collected 	PBS 217 CP 27	\$31.4m	\$30.8m	\$26.1m	
<ul style="list-style-type: none"> Value of payments processed 		\$90.4m	\$95.0m	\$89.1m	
1.10 Research and Development Tax Incentive					Administer the program in accordance with the law
<ul style="list-style-type: none"> Value of claims processed for <ul style="list-style-type: none"> — 38.5% non-refundable research and development tax offset claimants — 43.5% refundable research and development tax offset claimants 	PBS 218 CP 27	\$2.1b tax offset paid	\$2.2b tax offset paid	\$2.0b tax offset paid	
<ul style="list-style-type: none"> Number of claims processed for <ul style="list-style-type: none"> — 38.5% non-refundable research and development tax offset claimants — 43.5% refundable research and development tax offset claimants 	PBS 218 CP 27	1,468	1,488	1,290	
<ul style="list-style-type: none"> Proportion of offsets processed within service standard time frames 	PBS 219 CP 27	85.6%	86.2%	94.7%	
1.11 Low Income Superannuation Tax Offset					Administer the program in accordance with the law
<ul style="list-style-type: none"> Value of entitlements paid 	PBS 219 CP 27	\$703.2m	\$661.6m	\$588.5m	

Table 2.4 Programs 1.5 to 1.13 and 1.15 to 1.19 Administered programs performance
continued

Performance criterion	Source	Results			Target
		2019–20	2020–21	2021–22	
1.12 Private Health Insurance Rebate					Administer the program in accordance with the law
■ Value of rebates processed	PBS 220 CP 27	\$235.5m	\$237.3m	\$237.0m	
1.13 Superannuation Co-contribution Scheme					Administer the program in accordance with the law
■ Value of entitlements paid	PBS 220 CP 27	\$120.8m	\$120.2m	\$118.8m	
See Table 2.5 for Program 1.14 – Superannuation Guarantee Scheme					
1.15 Targeted Assistance through the Taxation System					Administer the program in accordance with the law
■ Value of interest payments processed	PBS 222 CP 27	\$92.0m	\$34.7m	\$12.9m	
1.16 Interest on Overpayments and Early Payments of Tax					Administer the program in accordance with the law
■ Value of credit interest applied to client accounts	PBS 223 CP 27	\$121.0m	\$61.5m	\$61.9m	
1.17 Bad and Doubtful Debts and Remissions					
■ Ratio of debt uneconomical to pursue to ATO net tax collections ^(a)	PBS 223 CP 26	●	●	0.2%	Below 1%
1.18 Seafarer Tax Offset					
■ Eligible taxpayers are aware of how to claim the offset	PBS 224 CP 26	100%	100%	100%	100%
1.19 Economic Response to the Coronavirus^(b)					
■ Value of JobKeeper paid	–	\$20.6b	\$68.2b	–	–
■ Value of Cash Flow Boost paid	–	\$14.5b	\$20.9b	–	–
■ Value of Hiring credit paid	PBS 224 CP 27	●	\$6.6m	\$26.4m	Administer the program in accordance with the law

● Measure not reported

Notes

(a) New measure for this program in 2021–22.

(b) The JobKeeper and Cash Flow Boost programs ceased in 2020–21.

Results analysis

We use our systems, processes and controls to establish and maintain confidence that the correct level of payments and transfers delivered through the tax and superannuation systems are paid to eligible recipients in accordance with relevant laws, thus meeting our performance target for many of our administered program measures.

In many instances, small annual fluctuations in the value of benefits arise due to minor changes in economic conditions or the circumstances of our clients. However, there are some programs where a more substantial change in the value of benefits was observed in 2021–22. There is considerable interest in the Superannuation Guarantee scheme and changes in the number and value of liabilities raised by the ATO. Further discussion of these cases is provided below.

Administered program 1.15: Targeted Assistance through the Taxation System

In 2019–20, there was a significant increase in the value of interest paid compared to previous years. This increase can be attributed to the Protecting Your Superannuation Package legislation which took effect on 1 July 2019.

The ATO paid interest on ATO-held super amounts proactively reunified with a person's active, eligible super account or proactively paid to eligible clients – these payments commenced on 1 November 2019 and included historical amounts held by the ATO.

The subsequent decline in interest payments was anticipated, as inflows and outflows of ATO-held super normalise.

Administered program 1.19: Economic Response to the Coronavirus

The value of JobMaker Hiring Credit paid in 2021–22 was \$26.4 million, compared to \$6.6 million in 2020–21. The JobMaker Hiring Credit scheme continued to provide an incentive for businesses for each eligible additional employee they hired.

Eligible employers may receive payments of up to \$200 a week for each eligible additional employee aged 16 to 29 years (inclusive); or \$100 a week for each eligible additional employee aged 30 to 35 years (inclusive). The hiring credit is paid every 3 months in arrears to employers. The scheme ends on 6 October 2022, with the last date for claims being 31 January 2023.

Performance results – program 1.14

Table 2.5 Program 1.14 Superannuation Guarantee Scheme

Performance criterion	Source	Results			Target 2021–22
		2019–20	2020–21	2021–22	
Superannuation guarantee gap as a proportion of superannuation guarantee contributions	PBS 221 CP 26	4.0% or \$2,440m (2017–18)	3.8% or \$2,450m (2018–19)	4.9% or \$3,370m (2019–20)	Reduce the gap to a level as low as practicable given the nature and complexity of the law and the resources available
Value of superannuation guarantee charge:	PBS 221 CP 26				
▪ raised (including penalties and interest)		\$1,033.5m	\$1,683.0m	\$1,059.9m	\$812m
▪ collected		\$674.0m	\$1,039.8m	\$712.7m	\$462m
Value of superannuation guarantee entitlements distributed to individuals or superannuation funds	PBS 221 CP 26	\$611.2m	\$944.7m	\$645.4m	\$421m
Value of superannuation guarantee debt:	PBS 222 CP 26				
▪ on hand		\$2.4b	\$3.0b	\$3.1b	\$2.7b
▪ irrecoverable at law or uneconomical to pursue		\$74.6m	\$105.5m	\$104.9m	\$195m

Results analysis

Administered program 1.14: Superannuation Guarantee Scheme

The net superannuation guarantee gap is estimated to be around \$3.4 billion in 2019–20, or around 4.9% of theoretical superannuation guarantee contributions. The net superannuation guarantee gap has been range-bound between \$2.8 billion and \$3.4 billion across 2014–15 to 2019–20. Relative to theoretical contributions, there has been a general downward trend in the size of the net gap from 6.0% in 2014–15 to 4.9% in 2019–20.

Over the same period, the gross superannuation guarantee gap (inclusive of amendments) has ranged from \$3.5 billion to \$4.2 billion. As a share of theoretical contributions, the superannuation guarantee gross gap has declined steadily from 6.9% in 2014–15 to 5.9% in 2019–20. This suggests that in 2019–20 employers are paying approximately 94.1% of the superannuation guarantee contributions they are required to without ATO intervention.

This year, we have applied a higher hidden wages uplift of 2.3% to the ABS measure of wages and salaries to derive the theoretical superannuation guarantee contributions amount. This replaces the previous estimate of hidden wages uplift of 1.2%, and aligns with the findings of a comprehensive internal study. The revised 2.3% uplift is regarded as a better long-term estimate of the extent of hidden wages. We have applied the increased uplift factor retrospectively across all previous estimate years, which has in turn increased the net gap estimates for those years.

This increased hidden wage uplift is applied to a wage and salary base ranging from around \$704 billion in 2014–15 to around \$851 billion in 2019–20. The effects of this change on the estimated net gap estimates across all years are summarised in the table below.

Table 2.6 Net superannuation guarantee gap estimates, 2014–15 to 2019–20^(a)

Net gap	Unit	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Net gap 1.2% uplift	%	4.8	4.5	3.5	3.8	3.9	3.7
	\$m	2,677	2,577	2,027	2,325	2,520	2,513
Net gap 2.3% uplift	%	6.0	5.7	4.7	5.0	5.1	4.9
	\$m	3,385	3,308	2,775	3,110	3,348	3,374

Note

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

By retrospectively applying the new uplift factor, our overall superannuation guarantee gap estimates will be larger than previously published. However, overall the superannuation guarantee gap has continued to present a downward trend – suggesting improved compliance behaviours by employers in the superannuation guarantee system over time.

Since the previous published superannuation guarantee gap estimates, the ABS has also made significant revisions to its estimates of wages and salaries which had some downward impacts on the estimated tax gaps in years up to and including 2018–19.

In 2021–22, the value of superannuation liabilities raised totalled just over \$1 billion, a decrease of around 38% on the previous year. The decrease is mainly attributable to:

- a reduction in voluntary disclosures following the end of the superannuation guarantee amnesty in September 2020
- completion by December 2021 of the compliance activity backlog that was caused by staff being redeployed during 2020–21 to assist with stimulus activities.

This also led to a decrease in superannuation guarantee collections and the value of entitlements distributed to individuals or superannuation funds.

Revenue collection

As Australia's principal revenue agency, the ATO facilitates the collection of revenue to fund public goods and services for the community. We do this through a range of collection systems, including income tax, goods and services tax (GST) and excise duty.

Net tax collections in 2021–22 were \$515.6 billion, up \$64.2 billion (14.2%) over the previous year, and \$93.1 billion (22.0%) above the amount expected at the time of the 2021–22 Budget.

Company tax collections increased by \$25.7 billion (26.1%) in 2021–22. The outcome was \$42.2 billion above the budget forecast, reflecting stronger-than-expected economic conditions and strong commodity prices.

Total individuals tax collections increased by \$26.1 billion (11.2%) in 2021–22. The outcome was \$39.7 billion above the budget forecast, reflecting a stronger-than-expected labour market as well as strong capital gains, business income and lower rental deductions.

Superannuation income tax collections increased by \$13.6 billion (104.9%) in 2021–22. The outcome was \$11.3 billion above the budget forecast, reflecting stronger-than-expected economic conditions as well as a fall in refundable franking credits.

GST collections increased by \$556 million (0.8%) in 2021–22. The outcome was \$1.7 billion above the budget forecast, reflecting a stronger-than-expected recovery in economic conditions in 2020–21 flowing through to 2021–22.

Excise collections decreased by \$1.9 billion (7.9%) in 2020–21. The outcome was \$2.3 billion below the budget forecast, due to the halving of the excise rate on fuels from 30 March 2022.

Table 3.1 ATO net tax cash collections, 2019–20 to 2021–22^(a)

Tax	2019–20 \$m	2020–21 \$m	2021–22 \$m
Gross PAYG withholding ^(b)	214,426	220,457	239,669
Gross other individuals	43,713	48,769	57,432
Individual refunds	–36,219	–36,265	–38,048
Total individuals	221,920	232,961	259,052
Companies	83,971	98,636	124,358
Superannuation funds ^(c)	6,267	12,956	26,546
Resource rent taxes ^(d)	1,052	786	1,638
Fringe benefits tax ^(e)	3,850	3,569	3,331
Total income tax	317,060	348,908	414,925
Excise	23,352	24,462	22,539
Goods and services tax (GST) ^(f)	60,296	73,094	73,650
Other indirect taxes ^(g)	1,529	2,033	2,060
Total indirect taxes	85,178	99,589	98,248
Major bank levy	1,612	1,619	1,454
Superannuation guarantee charge	674	1,040	713
Foreign investment fees	94	88	133
Self-managed superannuation fund levy	127	134	130
Total net tax collections	404,745	451,379	515,603
Other revenue ^(h)	–386	1,418	1,087
Total collections	404,358	452,797	516,690
HELP/SFSS ⁽ⁱ⁾	3,416	3,754	4,261

Notes

- (a) The cash collections data presented in this table has been adjusted to exclude administered expenses and better align with the financial statements and the Final Budget Outcome. Totals may differ from the sum of components due to rounding.
- (b) Includes amounts withheld from salaries and wages, TFN and ABN withholdings, dividend, interest, royalty, and mining withholding taxes.
- (c) Includes income tax for superannuation funds and superannuation surcharge, and no TFN contributions tax.
- (d) For 2019–20, resource rent taxes include both Petroleum Resource Rent Tax and Minerals Resource Rent Tax.
- (e) Includes Australian Government departments and authorities.
- (f) Includes GST collections by the Department of Home Affairs; in 2021–22, these were \$5.7 billion. Also includes GST non-general interest charge penalties, which are not distributed to the state and territory governments under the intergovernmental agreement.
- (g) Includes wine equalisation tax (WET) and luxury car tax (LCT), of which a small amount was collected by the Department of Home Affairs.
- (h) The majority of 'other revenue' is net unclaimed superannuation monies.
- (i) Higher Education Loan Program (HELP) and Student Financial Supplement Scheme (SFSS) collections.

Table 3.2 Expected revenue – variation between budget forecast and actual net collections in 2021–22^(a)

Collected from	Collections \$m	Budget \$m	Variance \$m
Total individuals	259,052	219,400	39,652
Companies	124,358	82,198	42,160
GST	73,650	71,940	1,710
Superannuation funds	26,546	15,260	11,286
Other	31,997	33,685	-1,688
Total	515,603	422,483	93,120

Note

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

In 2021–22, we issued income tax refunds with a total value of \$51.5 billion. We also issued activity statement refunds with a total value of \$81.4 billion. Total refunds were \$132.9 billion, up 3.3% from 2020–21.

Table 3.3 Amount refunded, 2019–20 to 2021–22^(a)

Type of refund	2019–20 \$m	2020–21 \$m	2021–22 \$m
Income tax			
▪ Income tax – Total individuals ^(b)	36,219	36,265	38,048
▪ Income tax – Companies	12,517	11,131	10,612
▪ Income tax – Superannuation funds ^(c)	6,130	3,265	2,307
▪ Income tax – Resource rent taxes ^(d)	32	45	50
▪ Income tax – Fringe benefits tax ^(e)	436	818	472
Total income tax	55,334	51,524	51,490
Excise	48	45	25
Activity statements ^(f)	76,898	77,159	81,429
Total	132,280	128,728	132,944

Notes

(a) Refunds data presented in this table has been adjusted to exclude all administered expenses and better align with our financial statements and the Final Budget Outcome. Totals may differ from the sum of components due to rounding.

(b) Excludes administered payments, such as private health insurance rebate.

(c) Includes superannuation surcharge refunds.

(d) For 2019–20, resource rent taxes include both Petroleum Resource Rent Tax and Minerals Resource Rent Tax.

(e) Includes Australian Government departments and authorities.

(f) Excludes fuel tax credits business activity statement (BAS) refunds.

Tax performance

Our tax performance program includes a suite of measures that provide insights into the health and operation of the tax and superannuation systems, and the impact of our actions. Some of these measures, including tax gap estimates and tax assured, are ‘lag’ measures and tell us about past performance – because we can only develop meaningful estimates once lodgments and amendments are as close to complete as possible. This means that our most recent tax gap and tax assured estimates are primarily related to the 2019–20 income tax year.

We also measure our impact on tax collection through our total revenue effects measure, which combines the revenues directly from audit actions with the increased revenue from influencing taxpayers to voluntarily pay the right amount of tax. This measure relates to the additional revenue collected in 2021–22, noting the amount can relate to multiple prior tax years.

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

Tax gap estimates

Tax gaps estimate the difference between what the ATO collects and the amount that would have been collected if every taxpayer was fully compliant with the law.

The tax gap prior to the impact of our engagement is referred to as the gross gap. The tax gap after our intervention is the net gap. The tax gap estimates shown in the following tables are net gaps; this shows the final amount that remains uncollected after ATO action.

Our latest tax gap estimate shows that for 2019–20, the total theoretical tax liability (the amount of tax we would collect if everyone was fully compliant with tax law) was \$479.8 billion and we received \$446.4 billion or 93% of this amount. This means that the overall tax gap for 2019–20 is estimated to be \$33.4 billion, or 7.0% of the tax that should have been reported. We collected most of the tax voluntarily, reflecting a system that is operating well.

The latest year estimate suggests that overall tax performance improved in 2019–20, with 10 of the 15 estimates showing an observable improvement. While the tax performance estimate improved, the reliability of the estimate has decreased. This is due to a lower reliability associated with the tax gap estimate for small business income (the single largest component of the gap).

The reliability rating reduction for small business income tax is due to incomplete sampling within the random enquiry program used for estimating the gap. The sampling has not yet been completed due to an appropriate shift in resources to support small businesses during the pandemic. The estimate will be revised next year to reflect the completed program, which could also revise the overall tax gap estimate.

Throughout the pandemic, the ATO remained committed to supporting the community, which included administering the government’s economic stimulus package. This year the tax gap includes economic stimulus payment gap estimates for the JobKeeper and Cash Flow Boost

stimulus measures. Unlike other gap estimates, and for simplicity of calculation and presentation, these are presented as relating to the most relevant year for the measure, even though payments actually straddled years (see Table 3.7). Due to the non-ongoing nature of these stimulus measures, the payment gap is being estimated once, unlike other gap estimates that are estimated every year.

More detail on each tax gap estimate, including analysis, trends, drivers and latest findings is available at ato.gov.au/taxgap.

Table 3.4 Net tax gap estimate – all federal taxes, 2016–17 to 2020–21^{(a)(b)(c)(d)}

All taxes	Reliability assessment	Unit	2016–17	2017–18	2018–19	2019–20	2020–21
Tax gap	n/a ^(e)	%	7.4	7.3	7.4	7.0	–
		\$m	31,250	33,392	34,606	33,383	–

– = Results are not available for the given year.

Notes

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

(b) Due to data lags, the estimate for 2020–21 is not available.

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

(d) This estimate covers all transactional-based and income-based taxes estimated, as outlined in tables 3.5 and 3.6.

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

We group our tax gap estimates into 3 main categories: transaction-based taxes, income-based taxes and administered programs (see Tables 3.5, 3.6 and 3.7). Recognising the importance of having reliable and credible tax gap estimates, we continue to engage with independent experts to provide advice on our estimation approaches.

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

Table 3.5 Net tax gap estimates – transaction-based taxes, 2016–17 to 2020–21^{(a)(b)(c)}

Tax type	Reliability assessment	Unit	2016–17	2017–18	2018–19	2019–20	2020–21
Taxes on goods and services							
GST	Medium	%	6.3	6.8	7.7	6.3	5.9
		\$m	4,060	4,610	5,369	4,254	4,138
Luxury car tax	Medium	%	7.0	8.6	7.9	3.3	–
		\$m	51	65	57	22	–
Wine equalisation tax	Medium	%	2.8	3.4	3.1	3.0	–
		\$m	24.9	32.5	32.0	31.6	–
Excise and customs duties							
Alcohol excise	Low	%	9.3	9.3	9.3	9.4 ^(d)	–
		\$m	552	580	603	629	–
Fuel excise	High	%	2.5	1.3	1.4	3.2	2.4
		\$m	444	250	266	618	475
Tobacco duty	Medium	%	5.4	6.3	7.5	8.9	10.4
		\$m	621	837	1,036	1,331	1,891

– = Results are not available for the given year.

Notes

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

(b) Due to data lags, only limited estimates are available for 2020–21.

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

(d) After estimating the alcohol excise gap, we have become aware of subsequent compliance activity. This suggests that the published estimate may understate the true gap. We have lowered our reliability rating to reflect this. The effect of this activity will be reflected in next year's estimate.

Table 3.6 Net tax gap estimates – income-based taxes, 2016–17 to 2020–21^{(a)(b)(c)}

Tax on income	Reliability assessment	Unit	2016–17	2017–18	2018–19	2019–20	2020–21
Fringe benefits tax	Medium	%	21.1	22.1	22.0	20.3	–
		\$m	1,113	1,091	1,097	991	–
High wealth	High	%	7.8	6.8	7.0	6.7	–
		\$m	590	622	687	737	–
Individuals not in business	High	%	6.4	6.4	5.9	5.6	–
		\$m	8,984	9,655	9,036	9,030	–
Large corporate groups	High	%	3.3	4.1	4.3	4.2	–
		\$m	1,649	2,322	2,669	2,580	–
Large superannuation funds	High	%	1.3	1.4	1.9	1.9	–
		\$m	152	179	167	230	–
Medium business	Medium	%	7.1	6.4	6.9	7.0	–
		\$m	891	874	909	994	–
Small superannuation funds	Low	%	2.9	2.1	2.3	2.1	–
		\$m	43	36	36	37	–
Small business	Medium	%	13.2	12.6	12.7	11.6 ^(d)	–
		\$m	12,060	12,219	12,662	11,886	–
Petroleum resource rent tax	Reliable	%	1.3	1.4	1.8	1.3	–
		\$m	13	17	19	13	–

– = Results are not available for the given year.

Notes

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

(b) Due to data lags, estimates for 2020–21 are not available.

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

(d) The small business income tax gap estimate is based on a random enquiry program. The preliminary estimate was prepared from a smaller sample size due to the impacts of COVID-19 on our audit program – leading to lower confidence. As such, this is a preliminary estimate that will be updated in 2022–23 and calculated from a larger sample size.

Table 3.7 Net gap estimates – programs we administer, 2016–17 to 2020–21^{(a)(b)(c)}

Administered programs	Reliability assessment	Unit	2016–17	2017–18	2018–19	2019–20	2020–21
Superannuation guarantee	Medium	%	4.7	5.0	5.1	4.9	–
		\$m	2,755	3,110	3,348	3,374	–
Pay as you go (PAYG) withholding	Medium	%	3.5	2.6	1.9	1.5	–
		\$m	6,483	5,148	3,883	3,371	–
Product stewardship for oil	High	%	0.4	0.1	–0.1	0.0	0.2
		\$m	0.48	0.15	–0.07	0.06	0.27
Fuel tax credits	Low	%	0.7	1.9	0.5	0.2	–
		\$m	47	125	38	13	–
JobKeeper	Reliable	%	–	–	–	–	2.4
		\$m	–	–	–	–	2,180
Cash Flow Boost	Reliable	%	–	–	–	2.7	–
		\$m	–	–	–	943	–

– = Results are not available for the given year.

Notes

(a) All estimates are rounded to the nearest \$ million, except for product stewardship for oil.

(b) Due to data lags, only limited estimates for 2020–21 are available.

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

Tax assured

Tax assured is an estimate of the proportion of tax that we are highly confident is correctly reported.

This measure is based on the concept of 'justified trust'. We achieve justified trust and consider tax to be assured when we have high-quality positive evidence that the reporting of taxable income, deductions and offsets is complete and accurate.

We collect evidence to assure tax from a range of sources, including third parties, to match against information reported to us or directly from businesses we engage with, to review and conclude they have paid the right amount of tax.

For individuals, our primary approach is to assure tax by matching information on taxpayers' income tax returns with third-party data, such as:

- salary and wage information received from employers through the PAYG withholding system
- interest and dividend data from financial institutions and public companies
- pensions and allowances from government departments.

For businesses, particularly larger businesses, we primarily assure tax by reviewing objective evidence obtained through one-to-one engagements with them.

Under our justified trust program, we undertake specific tax assurance engagements with:

- the top 100 and next 1,000 public and multinational businesses
- the top 500 private groups.

We also assure indirect tax through our ongoing relationships with large excise clients.

At 30 June 2022, we estimated that 45.8% of total tax reported for the 2019–20 tax year could be assured. During 2021–22, we also assured an additional 1.2% for the 2018–19 tax year, bringing the total tax assured estimate for that year to 46.7%.

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

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

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

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

Total revenue effects

Total revenue effects is the measure we use to understand the revenue impact of the activities we undertake to improve taxpayer compliance. These activities ultimately improve levels of willing participation in the systems and programs we administer. Understanding and measuring the impact of our activities helps us to develop effective new strategies and improve existing ones.

In calculating total revenue effects, we include the following:

- Liabilities, including penalties and interest, that are directly connected to adjustments we make through our audit actions to ensure the right amount of tax and superannuation is assessed and paid. This includes the value of incorrect claims we stopped prior to payment (previously part of audit yield).
- Estimated additional tax paid voluntarily by clients we influence, where there is a clear causal connection with our engagements. This includes our preventative actions, as well as taxpayers' sustained compliance following earlier compliance engagements (previously categorised as wider revenue effects).
- Revenue associated with our actions to improve or enforce lodgment of due returns and statements, as well as sustained lodgment compliance following these actions (previously included across both the audit yield and wider revenue effects categories).

In 2021–22, the total revenue effects from all these activities totalled \$15.5 billion, against our target of \$15 billion.

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

Table 3.8 Total revenue effects, 2019–20 to 2021–22^(a)

All taxes	2019–20	2020–21	2021–22
Total revenue effects ^(b)	\$13.7b	\$11.5b	\$15.5b
■ Audit actions and incorrect claims stopped ^(c)	\$5.3b	\$4.4b	\$7.9b
■ Preventative actions and sustained compliance	\$2.5b	\$2.0b	\$2.3b
■ Lodgment actions	\$4.2b	\$2.4b	\$4.2b
■ Sustained lodgment compliance	\$1.8b	\$1.5b	\$1.1b
■ Stimulus compliance ^(d)	–	\$1.2b	–
Liabilities raised ^{(e)(f)(g)}	\$12.7b	\$12.0b	\$17.3b
Compliance activities ^(g)	0.9m	1.0m	1.1m
Lodgment activities ^(g)	3.0m	4.2m	3.7m

Notes

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

(b) Total revenue effects categorisations were updated in 2021–22. Audit actions and incorrect claims stopped was previously categorised as audit yield. Preventative actions and sustained compliance was previously categorised as wider revenue effects. Lodgment actions and sustained lodgment compliance were not previously separately reported in this table but were included across the audit yield and wider revenue effect categories. Results for 2019–20 and 2020–21 have been retrospectively split into these new categories for comparative purposes.

(c) The 2021–22 result includes outcomes relating to Operation Protego.

(d) The combined impact of our stimulus compliance activities between March 2020 and June 2021 was reported in 2020–21 only.

(e) Some liabilities raised relate to compliance activity in previous years.

(f) The 2020–21 and 2021–22 liabilities raised figures exclude \$2.6 billion and \$1.4 billion respectively of liabilities that are considered outliers. Outlier cases include mistakes or deliberate fraud cases that are of such high value that our automated risk detection processes identify and stop such claims. These figures are excluded to avoid distorting the true impact of ATO discretionary action.

(g) Liability and activity figures only include liabilities and activities related to audit actions and incorrect claims stopped and lodgment actions (excludes prevention and sustained compliance and sustained lodgment).

Audit actions and incorrect claims stopped

Compliance activities normalised as 2021–22 progressed, which contributed to the overall revenue result exceeding the target. This was despite audit actions still being affected by external factors, including a continued cautious compliance approach in 2020–21 due to COVID-19 as well as periods in 2021–22 where we again paused or tailored our compliance activities to best support taxpayers impacted by natural disasters.

The ability of some taxpayers to pay, particularly in the small business market, continued to be below pre-pandemic levels. Our pre-issue and refund integrity activities continued to ensure limited payment of incorrect refunds which would otherwise result in additional debt.

In 2021–22, we undertook just over one million client engagement activities, and we estimate that our audit actions and incorrect claims stopped contributed \$7.9 billion in total revenue effects.

Operation Protego

In the latter part of 2021–22, our intelligence sources (external and internal), risk models and pre-issue integrity activities identified a significant increase in attempts to obtain false GST refunds, which saw a significant value of fraudulent GST refunds issued. Operation Protego was established in April 2022 to prevent further fraud and recover fraud that had already occurred. The successful conduct of this operation resulted in significant liability and total revenue effects.

In terms of revenue impacts on the 2021–22 year, our investigations led to liabilities raised of approximately \$1.2 billion. Most of this amount relates to fraudulent claims made prior to mid-April 2022, with approximately \$500 million of the liabilities raised prior to 30 June 2022 and the remainder raised in the 2022–23 year (up to 31 August 2022).

Between mid-April 2022 and 30 June 2022, when a range of interventions and system-strengthening activities took full effect, we reviewed and stopped around \$1.7 billion in further suspect GST refunds prior to payment.

At 31 August 2022, approximately \$66 million had already been recovered through a range of strategies. Broader and stronger compliance and debt recovery actions will continue in 2022–23. However, in many cases recovery of refunds already issued will not be routine due to the fraudulent nature of activities and the financial position of many of the perpetrators.

For further details on the project, including our cross-agency criminal law approach, see Strategic objective: G1 Government on page 16.

Prevention and sustained compliance

This is the fifth year we have reported on prevention and sustained compliance (previously referred to as wider revenue effects), which includes:

- the impact we have on improving voluntary compliance following an initial compliance action (sustained compliance)
- our early interventions and preventative actions that improve voluntary compliance prior to lodgment.

Prevention and sustained compliance are measured on a case-by-case basis for significant taxpayers, including private groups and large and multinational businesses, and estimated through statistical models for our individuals and small business populations.

A component of the 2021–22 sustained compliance results is due to some oil and gas companies now starting to pay tax because of our past actions that limited overstated carried forward losses. This contribution to total revenue effects is expected to further increase next year.

The estimated \$2.3 billion effect of our prevention activities and sustained compliance comprises:

- \$429 million voluntary compliance due to our preventative actions (preventing problems before they happen)
- \$1.9 billion attributed to sustained compliance following our previous compliance interactions (locking in future compliance, not just fixing the past).

Lodgment actions

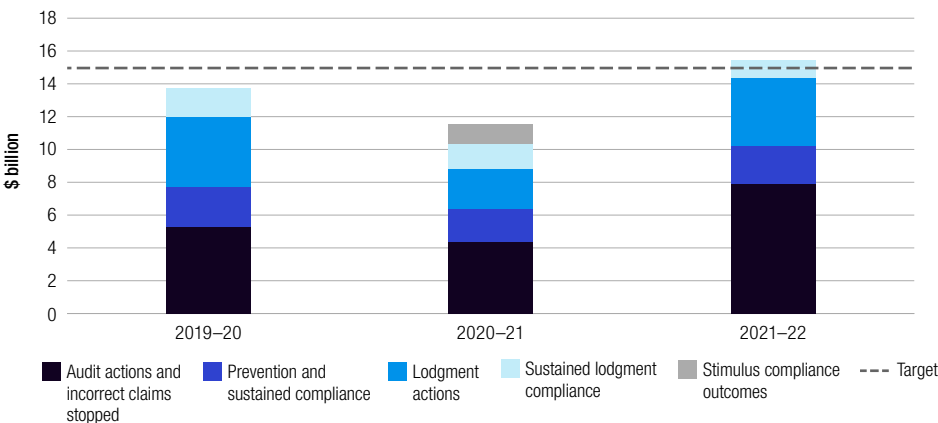
For the first part of 2021–22, our client engagement approach recognised the continuing challenges of COVID-19 and natural disasters, and we continued the strong focus on help and assistance for affected clients. Our help and assist activities encouraged clients to lodge even if they were not able to pay the full amount due, and to contact us to discuss the options available to get back on track.

We recommenced firmer and stronger action across all taxpayer groups in November 2021, albeit still in a very measured and client-supportive fashion. This resulted in increased enforcement action during the second half of the year.

In 2021–22:

- the 3.7 million lodgment-related activities we undertook contributed \$4.2 billion in total revenue effects
- sustained lodgment compliance following action contributed \$1.1 billion in total revenue effects.

Figure 3.1 Total revenue effects, 2019–20 to 2021–22 by estimated source of total revenue effects



Notes

- Revenue attributed to audit actions and incorrect claims stopped and lodgment actions is a combination of actual cash collections and estimates of collections based on sampling.
- Collections also include collections on tax, penalties and interest raised in prior years.
- Cash collections include cash paid on disputed amended assessments raised.
- Client engagement includes all preventative and corrective interactions and excludes lodgment.
- The combined impact of our stimulus compliance activities between March 2020 and June 2021 was reported in 2020–21 only.

Income tax

Through our correct reporting and lodgment activities, we raised an additional \$13.5 billion in tax liabilities in 2021–22. Cash collections from our incorrect claims stopped, audit and lodgment actions was \$7.2 billion and revenue attributed to our preventative and sustained compliance, and lodgment sustained compliance was \$2.8 billion, resulting in total revenue effects of \$10 billion.

Table 3.9 Income tax liabilities raised (plans and results), 2019–20 to 2021–22

Liabilities / wider revenue effects plans and results	2019–20 \$m	2020–21 \$m	2021–22 \$m
Plans	14,154	13,026	13,054 ^(a)
Liabilities raised	12,676	11,078	13,527 ^{(b)(c)}

Notes

- (a) The plan for 2020–21 and 2021–22 was lower than prior years in recognition of COVID-19 impacts on the community and delivery of work programs.
- (b) This includes around \$444 million in income tax liabilities, including \$215 million from large businesses, as a result of voluntary disclosures in 2021–22.
- (c) Liabilities raised for the purposes of comparison to our plans include estimates of prevention and sustained compliance revenue effects (previously wider revenue effects) which are not included in Table 3.8.

Table 3.10 Income tax total revenue effects, 2019–20 to 2021–22^{(a)(b)}

Results	2019–20 \$m	2020–21 \$m	2021–22 \$m
Measures			
Audit actions / incorrect claims stopped	2,290	1,744	2,459
Lodgment actions	1,762	829	1,350
Preventative actions and sustained compliance	498	875	799
Sustained lodgment compliance	281	297	306
Base			
Audit actions / incorrect claims stopped	1,383	1,094	1,463
Lodgment actions	1,245	954	1,882
Preventative actions and sustained compliance	1,606	693	1,102
Sustained lodgment compliance	1,074	874	592
Total	10,139	7,361	9,952^(c)

Notes

- (a) Totals may differ from the sum of components due to rounding. The figures in these tables may be different to previous years to reflect adjustments, updates and corrections identified and made. These changes relate solely to active compliance results. These corrections do not impact the budget or our financial statements.
- (b) Total revenue effects categorisations were updated in 2021–22. Audit actions and incorrect claims stopped was previously categorised as audit yield. Preventative actions and sustained compliance was previously categorised as wider revenue effects. Lodgment actions and sustained lodgment compliance were not previously separately reported in this table but were included across the audit yield and wider revenue effect categories.
- (c) Results include around \$208 million in income tax collections, including \$74 million from large businesses, as a result of voluntary disclosures in 2021–22.

Goods and services tax

Through our correct reporting and lodgment activities, we raised an additional \$6.4 billion in GST liabilities in 2021–22. Cash collections from our incorrect claims stopped, audit and lodgment actions was \$4.5 billion and revenue attributed to our preventative and sustained compliance, and lodgment sustained compliance was \$614 million, resulting in total revenue effects of \$5.1 billion.

Table 3.11 GST liabilities raised (plans and results), 2019–20 to 2021–22

Liabilities / wider revenue effects plans and results	2019–20 \$m	2020–21 \$m	2021–22 \$m
Plans	3,705	3,188	3,937
Liabilities raised	3,675	3,594	6,419 ^{(a)(b)}

Notes

- (a) This includes around \$671 million in GST liabilities, including \$270 million from large businesses, as a result of voluntary disclosures in 2021–22.
- (b) Liabilities raised for the purposes of comparison to our plans include estimates of prevention and sustained compliance revenue effects (previously wider revenue effects) which are not included in Table 3.8.

Table 3.12 GST total revenue effects, 2019–20 to 2021–22^{(a)(b)}

Results	2019–20 \$m	2020–21 \$m	2021–22 \$m
Measures ^{(a)(c)}			
Audit actions/incorrect claims stopped	396	734	1,597
Lodgment actions	873	384	635
Preventative actions and sustained compliance	85	93	77
Sustained lodgment compliance	163	156	154
Base			
Audit actions/incorrect claims stopped	766	423	1,854
Lodgment actions	390	343	417
Preventative actions and sustained compliance	285	333	313
Sustained lodgment compliance	315	214	70
Total	3,273	2,679	5,117^(c)

Notes

- (a) Totals may differ from the sum of components due to rounding. The figures in these tables may be different to previous years to reflect adjustments, updates and corrections identified and made. These changes relate solely to active compliance results. These corrections do not impact the budget or our financial statements.
- (b) Total revenue effects categorisations were updated in 2021–22. Audit actions and incorrect claims stopped was previously categorised as audit yield. Preventative actions and sustained compliance was previously categorised as wider revenue effects. Lodgment actions and sustained lodgment compliance were not previously separately reported in this table but were included across the audit yield and wider revenue effect categories.
- (c) Result includes around \$509 million in GST collections, including \$229 million from large businesses, as a result of voluntary disclosures in 2021–22.

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

Excise and other indirect taxes

In 2021–22, we raised excise liabilities of \$12.0 million from correct reporting activities and collected \$6.5 million in cash (including collections from liabilities raised in previous years).

For excise transfers (predominantly fuel tax credits), our compliance activities resulted in adjustments in favour of taxpayers of \$137.6 million, and adjustments in favour of revenue of \$92.6 million. Of adjustments in favour of revenue, we collected \$63.4 million from liabilities raised this year and previous years.

As a result of undertaking activities aimed at improving levels of willing participation within the tax and superannuation systems, it is estimated that an additional \$11.5 million in fuel tax credits has been claimed by taxpayers.

Penalties and interest

Interest is charged on unpaid tax liabilities to ensure fairness for taxpayers who do pay on time and the community as a whole. The penalty provisions encourage taxpayers to take reasonable care in complying with their tax obligations. We can generally remit (reduce or cancel) interest charges and penalties where this is fair and reasonable. Table 3.13 shows the penalties and interest for 2019–20 to 2021–22.

Table 3.13 Penalties and interest, 2019–20 to 2021–22

Penalties and interest		2019–20 \$m	2020–21 \$m	2021–22 \$m
Penalties	Applicable	499	1,345	2,430
	Remitted	220	149	458
	Collected	311	219	1,170
Interest	Applicable	2,325	4,559	4,301
	Remitted	1,062	1,079	1,056
	Collected	2,071	1,609	1,746

Additional analysis on the behavioural penalties imposed during 2021–22 is available at ato.gov.au/behaviouralpenalties.

04

Management and accountability

Corporate governance

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

- sound governance structures
- integrated fraud and risk management
- open and transparent operations
- being accountable to our stakeholders.

We fulfil our corporate governance responsibilities by complying with accountability requirements in legislation and policy and meeting public expectations of good management. We regularly review our corporate governance arrangements and ensure our staff have training and information on how the ATO is governed and how we are all held to account.

Our governance structures

Our governance system leads and guides our organisation. It sets the direction required to achieve our outcomes and meet our commitments to government and the community. Our governance model helps us optimise performance, oversee progress against our purpose and strategic objectives, fulfil our accountabilities, and discharge our obligations. Our governance structure is shown in Figure 4.1.

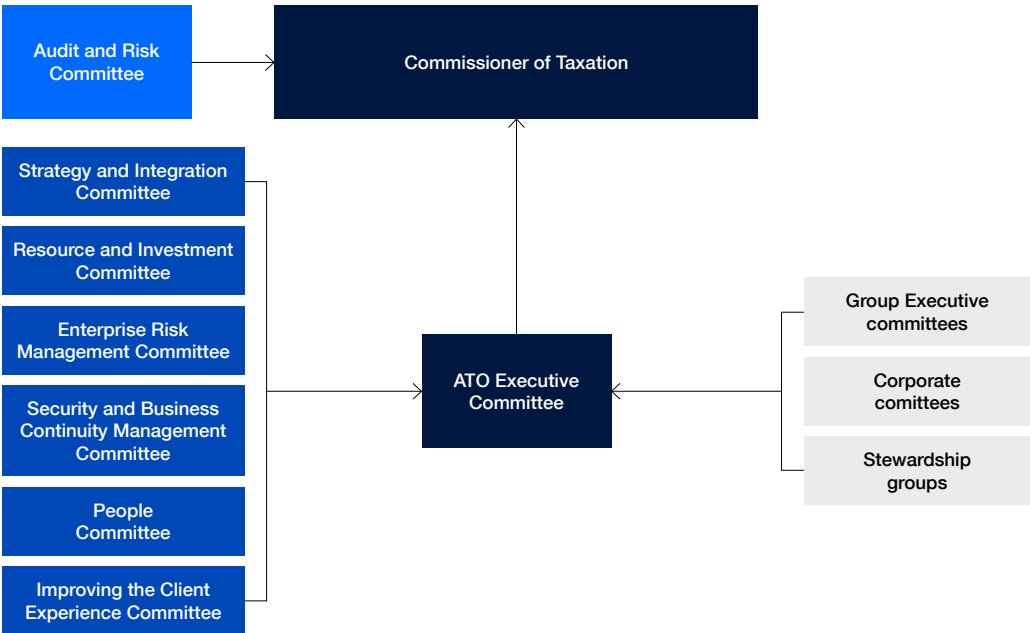
The Commissioner is responsible for governing the ATO; from setting our strategic direction, through to ensuring we meet expected outcomes and obligations. The Commissioner is supported by both the Audit and Risk Committee and the ATO Executive Committee.

The Audit and Risk Committee provides the Commissioner with independent assurance and advice on the appropriateness of the ATO’s annual financial statements, performance statements, performance reporting, system of risk oversight and management, and system of internal controls. For more information about committee members, see the Audit and Risk Committee on page 82.

The ATO Executive Committee is supported by an established structure of senior management committees, group executive committees, key corporate committees and stewardship groups. These groups monitor various aspects of our performance, make decisions and recommendations, and help us to be responsive to emerging change. The members of the Executive team and their specific responsibilities are outlined on pages 6–9.

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

Figure 4.1 ATO governance structure, at 30 June 2022



The ATO organisational structure is shown in Figure 1.2 on page 10.

The Accountable Authority

It is a requirement of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to list the details of the Accountable Authority during the current reporting period. This is provided in Table 4.1.

Table 4.1 Details of the Accountable Authority, 2021–22

Name	Position title	Period as the Accountable Authority	
		Date of commencement	Date of cessation
Chris Jordan AO	Commissioner of Taxation	1 January 2013	29 February 2024

Fraud and risk management

The minimum standards for the management of fraud are set out in the PGPA Act. They include conducting fraud risk assessments, developing and implementing a fraud control plan, and having mechanisms for dealing with fraud. The PGPA Act also requires that agencies establish and maintain appropriate systems and internal controls for risk oversight and management.

Fraud management

The *Commonwealth fraud control framework 2017* outlines the Australian Government's requirements for fraud control, including that government entities put in place a comprehensive fraud control program with appropriate prevention, detection, investigation and reporting strategies.

Fraud against the Commonwealth is a criminal offence that impacts directly on Australians. It undermines confidence in the government and reduces the funds available for delivering public goods and services. The ATO considers and addresses potentially fraudulent activity occurring within our organisation, the Tax Practitioners Board (TPB) and Australian Charities and Not-for-profits Commission (ACNC), and fraud risks from external sources.

Internal fraud prevention and investigations

Throughout the year, we prevented, detected, disrupted and investigated potentially fraudulent activity in the ATO, TPB and ACNC in line with the requirements of the Commonwealth fraud control framework.

Potential fraudulent behaviour is identified through a variety of means – including data interrogation, risk assessment and tip-offs – through both internal and external channels. All allegations are assessed and actioned appropriately, including collaborating with the Australian Federal Police if necessary.

Over the course of this year, we identified 367 matters of potential internal fraud, corruption or serious misconduct risk that required further investigation. Table 4.2 shows the number of internal fraud allegations or reports investigated, by outcome, for 2021–22.

Table 4.2 Internal fraud allegations or reports investigated, by outcome, 2021–22

Outcome	Number investigated
Substantiated ^(a)	51
Unsubstantiated	237
Unable to be determined	4
Ongoing at 30 June 2022	75
Total	367

Note

(a) Of the 51 substantiated matters, one warranted referral for criminal prosecution and the remaining 50 were dealt with administratively or procedurally under Australian Public Service (APS) Code of Conduct determinations.

Unauthorised access remains the largest category of allegations, and 84% of cases were identified through our proactive detection scans and integrity monitoring. The majority involved an employee accessing their own records, those of family members or known associates. While such accesses usually do not indicate malicious fraudulent behaviour, the ATO treats breaches seriously and comprehensive investigations are conducted.

During the year, 2 matters under prosecution action by the Commonwealth Director of Public Prosecutions were finalised before the courts. One former employee was convicted in relation to supplying forged medical certificates to the ATO and was sentenced to a 12-month good behaviour bond, 12 months under the supervision of an authorised corrective services officer, and ordered to repay over \$19,000 to the Commonwealth. Another former employee inappropriately accessed the tax records of 4 people known to them on numerous occasions. The employee pleaded guilty to 2 counts of unauthorised access to restricted data and 2 counts of abuse of public office, and was sentenced to 120 hours of community service.

We continually monitor our systems to identify material shifts in risk exposure and conduct regular risk assessments to inform the *ATO fraud and corruption control plan 2021–22*.

We invest extensively in fraud prevention activities and provide support for staff to minimise the risk of internal fraud and corruption. We continually develop our range of self-help material and contemporary communication products, including our ‘Speak Up’ concept that provides staff with a trusted place to report integrity concerns.

We also run education and awareness sessions, engaging staff in conversations about potential internal fraud and corruption risks within their business areas. These sessions complement the ATO’s mandatory security, privacy and fraud training package, which is to be completed annually by all ATO, TPB and ACNC staff.

Crime in the tax and superannuation systems

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

We lead and participate in taskforces that provide a whole-of-government response to serious financial crime and related non-compliant behaviour that may undermine the integrity of our tax and superannuation systems. The ATO is the lead agency for the Serious Financial Crime, Phoenix and Black Economy taskforces, and contributes to the outcomes of the Illicit Tobacco Taskforce by targeting, disrupting and dismantling organised crime syndicates that deal in illicit tobacco.

For more information about our work to protect the integrity of the tax and superannuation systems, see Strategic objective: G1 Government on page 16.

In our efforts to protect the tax and superannuation systems, we strengthened international alliances through our involvement in the Joint Chiefs of Global Tax Enforcement, and have further strengthened our engagement with a number of public-private partnerships. We also actively supported the Organisation for Economic Co-operation and Development (OECD) in its efforts to enhance international cooperation in the fight against international tax and other related crimes.

For more information about our work with the OECD, see Strategic objective: C2 Client on page 26.

Risk management

Whole-of-government requirements for risk management are set out in the *Commonwealth risk management policy*, and in section 16 of the PGPA Act – which specifies that agencies have a duty to establish and maintain an appropriate system of risk oversight, management and internal control.

The Commissioner and members of the ATO Executive promote a positive and sensible approach to risk management, and continuous improvement of risk practice across the ATO.

The ATO Chief Risk Officer directs a program of work to ensure fit-for-purpose risk management is embedded into decision-making processes across our day-to-day operations through supporting the execution of our Enterprise Risk Management Framework.

The Enterprise Risk Management Committee (ERMC) has primary responsibility for maintaining a view of the ATO's priority risks and the broader system of risk oversight and management in operation. In conjunction with the Audit and Risk Committee, assurance is provided to the ATO Executive that risk is being effectively identified and appropriately managed throughout the organisation.

In 2021–22, we continued to manage organisational risks while recovering from the impacts of the COVID-19 pandemic. We progressed our risk management approaches across 12 priority risks – to assess their impacts on our strategic objectives and ensure adequate governance oversight. We determined accountabilities and assessed performance against tolerance, with increased scrutiny of risks that are out of tolerance.

As a part of our continuous improvement to risk culture, we delivered a broad staff risk-awareness campaign to promote awareness of systemic drivers of risk. Into 2022–23, we will build on this work, with a strong focus on senior leadership risk behaviours, including risk identification and escalation.

Internal audit

The Chief Internal Auditor directs a comprehensive program of assurance, audit and advisory services. This work assists the Commissioner, Audit and Risk Committee and ATO Executive to achieve their business objectives. The ATO Internal Audit branch works together with other internal assurance teams to develop, maintain and monitor efficient and effective systems of internal control, risk management and corporate governance. In 2021–22, Internal Audit tabled 18 reports with the Audit and Risk Committee covering a wide range of topics, including ATO conformance with obligations, procurement and contract management and IT security. The branch also works with internal and external scrutineers on matters of mutual interest, coordinating assurance activity and reducing duplication of audit effort.

Audit and Risk Committee

Our Audit and Risk Committee provides independent assurance and advice on the appropriateness of the ATO's annual financial statements, performance statements, performance reporting, system of risk oversight and management, and system of internal controls. The committee's charter outlining the functions of the committee is available at ato.gov.au/auditandriskcommitteecharter.

Committee members bring a broad range of private and public sector experience and skills, including finance, accounting, audit, legal, compliance, risk management, due diligence, and information technology. In order to provide advice and assurance to the Commissioner about the appropriateness of the ATO's financial and performance reporting, the committee is supported by specialised subcommittees for financial statements and performance statements. The committee complies with section 45 of the PGPA Act and section 17 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) on audit committees for Commonwealth entities.

All members of the committee during 2021–22 are listed in Table 4.3. In 2021–22 the committee comprised 4 independent members. ATO senior executives attend as observers and advisers.

Table 4.3 Details of the Audit and Risk Committee, 2021–22^(a)

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended / total meetings ^(b)	Total annual remuneration \$
Peter Achterstraat AM (Chair)	<ul style="list-style-type: none"> ■ Bachelor of Commerce, Bachelor of Laws, Bachelor of Economics (Hons) ■ Fellow of Chartered Accountants Australia and New Zealand, Certified Practicing Accountants (CPA) Australia, the Governance Institute of Australia and the Australian Institute of Management ■ Chair of the Portfolio Audit Committee of the Department of Agriculture, Water and Environment since January 2022 ■ Chair of the Australian Securities and Investments Commission (ASIC) Audit and Risk Committee since October 2019 ■ Commissioner of the NSW Productivity Commission since May 2018 ■ Chair of the ATO Audit and Risk Committee since March 2018 ■ President of the Australian Institute of Company Directors (NSW Division), 2014–2020 ■ President of the Institute of Public Administration Australia (NSW Division), 2009–2014 ■ Auditor-General of NSW, 2006–2013 	12/12	106,189
Carol Holley	<ul style="list-style-type: none"> ■ Bachelor of Arts ■ Fellow of the Australian Institute of Company Directors, and Chartered Accountants Australia and New Zealand ■ Member of the ATO Audit and Risk Committee since January 2020 ■ Current chair or member of several Audit and Risk Committees of the NSW Government ■ Former non-executive director and chair of several other Audit and Risk Committees, including: <ul style="list-style-type: none"> — Australian Nuclear and Science Organisation, 2016–2021 — Defence Housing Australia, 2009–2016 — Australian Pharmaceutical Industries, 2006–2016 	10/12	51,471

Table 4.3 Details of the Audit and Risk Committee, 2021–22^(a) continued

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended / total meetings ^(b)	Total annual remuneration \$
Diana Wright	<ul style="list-style-type: none"> ■ FCPA (Fellow Certified Practicing Accountant), PhD London University, MSc and BSc (Combined Honours) London University, Diploma of the Imperial College London University ■ Independent member of the ATO Audit and Risk Committee since July 2021 ■ Member of the Department of Environment Audit Committee 2010–2014 ■ Member of the Financial Reporting Council 2000–2001 ■ Member of the Department of Finance Audit Committee 1998–2001 ■ 30 years experience in the Australian Public Service, including as a senior executive (SES Band 2) developing, implementing, managing, evaluating and reviewing major government policy and programs, international treaties and Commonwealth legislation 	11/12	47,713
Mark Sercombe	<ul style="list-style-type: none"> ■ Bachelor of Economics ■ Certified Information Systems Auditor ■ Certified Internal Auditor, Information Security Management Systems Lead Auditor ISO 27001 ■ Fellow of Chartered Accountants Australia and New Zealand ■ Professional Fellow of Institute of Internal Auditors ■ Independent member of the ATO Audit and Risk committee since July 2021 ■ Member of the Audit and Risk Committees of several NSW public sector entities and NSW local governments since 2017 ■ Founder and leader of a boutique risk advisory and assurance firm serving private and public sector organisations since 2015 ■ Sessional lecturer, University of Sydney's Business School (since 2016) and former Deloitte Partner (1997–2014) ■ Specialist in IT risk and assurance including projects, cybersecurity, business systems and privacy since 1985 	12/12	54,857

Notes

(a) While the ATO Audit and Risk Committee financial year operates from 7 October to 2 October, the details in this table cover the period from 1 July 2021 to 30 June 2022.

(b) The number of meetings attended are in accordance with their term as a member of the Audit and Risk Committee, which may not be the full year. Meetings held out of session are excluded.

The ATO Audit and Risk Committee includes the TPB and ACNC. The TPB and ACNC also have their own Audit and Risk Committees, which are considered subcommittees of the ATO's Audit and Risk Committee. The TPB and ACNC are independent statutory authorities, however the Commissioner is the accountable authority for the ATO, TPB and ACNC.

Conformance with obligations

Our 'Conformance with obligations' program is a key component of our governance arrangements. The program is aligned with International Standard *ISO 37301:2021 Compliance management systems – Requirements with guidance for use*. The program aims to:

- reduce the risk of non-conformance, while increasing the likelihood of early detection and correction
- improve employee awareness of legal and policy obligations at all levels of the organisation
- foster a culture that does not tolerate illegal or unethical behaviour, preventing corporate misconduct
- drive positive organisational change through monitoring, measurement and assessment
- enhance community confidence in our activities.

Assurance that we are meeting our legislative and policy obligations is provided in quarterly conformance statements from responsible senior management and from our integrity indicator results. By asking our business areas how they are managing potential risks and instances of non-conformance, we drive continuous improvement in our systems and procedures. Findings are regularly reviewed by the Audit and Risk Committee.

Open and transparent operations

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

External scrutiny

External scrutineers provide independent reviews of the ATO's operation – either as the result of their own annual program of work, or in response to concerns raised by members of the public and the Australian Parliament. Reviews help us to identify options for improving services to our clients, address potential barriers to willing participation, and ensure the successful delivery of outcomes in our administration of the tax and superannuation systems.

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

Judicial reviews and administrative tribunals

The courts may be called upon to determine the application of tax law. See Appendix 5 for a list of significant cases decided by the courts and the Administrative Appeals Tribunal (AAT).

Australian Information Commissioner

The Office of the Australian Information Commissioner (OAIC), established under the *Australian Information Commissioner Act 2010*, provides independent oversight of privacy protection and access under the *Freedom of Information Act 1982* (FOI Act).

In 2021–22, we registered 12 cases where the OAIC notified the ATO of a review of our FOI Act decisions. In the same period, the OAIC finalised 12 cases. Of these, 5 were discontinued by the OAIC, and in the remaining 7 cases the OAIC affirmed 6 ATO decisions and varied one. No cases were withdrawn by the applicant.

Details of OAIC investigations are available at [oaic.gov.au](https://www.oaic.gov.au).

Freedom of information

We use our website to give people access to documents and policies that we use in making decisions. In addition, we provide information under the FOI Act. Past documents released under the FOI Act are publicly listed on our FOI Act disclosure log, other than documents exempt from this requirement. The disclosure log is available at ato.gov.au/foi.

As an agency covered by the FOI Act, the ATO is also required to publish information as part of the Information Publication Scheme (IPS), displaying on our website a plan showing what information we publish in accordance with the IPS requirements. The ATO IPS plan is available at ato.gov.au/ips. As the TPB and ACNC operate as independent bodies, they publish separate plans on their websites. See tpb.gov.au and acnc.gov.au.

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

Auditor-General

The Auditor-General, operating under the *Auditor-General Act 1997*, is supported by the Australian National Audit Office (ANAO) to produce independent performance audits, financial statement audits, and assurance reviews.

The following performance audits concerning the ATO were tabled in 2021–22:

- Administration of the Research and Development Tax Incentive (November 2021)
- Administration of the JobKeeper Scheme (April 2022)
- Addressing Superannuation Guarantee Non-Compliance (April 2022)
- Management of Staff Leave in the Australian Public Service (June 2022).

The reports on these performance audits are available at [anao.gov.au](https://www.anao.gov.au). Details of the ANAO financial audit of our operations are provided in Part 5 of this report.

Parliamentary committees

Each year, the ATO appears before a number of parliamentary committees to answer questions about our administration of the tax and superannuation systems.

In 2021–22, we appeared with Treasury at 3 Senate Estimates hearings, responded to 144 questions on notice, and provided evidence to the following parliamentary committees and inquiries:

- House of Representatives Standing Committee on Tax and Revenue
 - Inquiry into housing affordability and supply in Australia
- Joint Standing Committee on Public Works Committee inquiry into Australian Taxation Office Proposed Fit-out of New Leased Premises at 255 George Street, Sydney CBD, NSW
- Senate Select Committee on Australia as a Technology and Financial Centre
- Senate Select Committee on COVID-19
- Senate Select Committee on Job Security
- Senate Standing Committee on Economics
 - Inquiry into Australia's oil and gas reserves
 - Inquiry into Coronavirus Economic Response Package Amendment (Ending JobKeeper Profiteering) Bill 2021
 - Inquiry into Corporate Collective Investment Vehicle Framework and Other Measures Bill 2021
 - Inquiry into unlawful underpayment of employees' remuneration
- Senate Standing Committees on Environment and Communications inquiry into oil and gas exploration and production in the Beetaloo Basin
- Senate Standing Committee on Legal and Constitutional affairs inquiry into the adequacy and efficacy of Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regime.

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

Inspector-General of Taxation and Taxation Ombudsman

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

The IGTO released the following reviews and reports in 2021–22:

- An investigation into the ATO's administration of JobKeeper enrolment deferral decisions (September 2021)
- An investigation into the effectiveness of ATO communications of taxpayers' rights to complain, review and appeal (October 2021).

The full reports are available at igt.gov.au.

The ATO and IGTO have worked together to ensure complaints are directed and escalated through the right channels. This streamlining of processes has contributed to a significant reduction in the number of complaints the ATO received via the IGTO, compared to previous years.

In 2021–22, the ATO received 414 complaints via the IGTO (compared to 686 in 2020–21). Of these:

- 110 complaints (26.6%) had not previously been lodged with us and were subsequently transferred back to our complaint-handling process
- 304 complaints (73.4%) were referred to us to provide a response to the IGTO for resolution with the client.

IGTO-reported complaints encompass assistance and assurance, and are more enquiry-like in nature.

Commonwealth Ombudsman

While the IGTO investigates complaints from the public about administrative actions of the ATO and TPB, the Commonwealth Ombudsman provides oversight in the ATO's management of allegations and complaints made under the *Public Interest Disclosure Act 2013* (PID Act) and *Public Interest Disclosure Standard 2013* (PID Standard).

Public interest disclosures received by the ATO, TPB and ACNC are managed in accordance with ATO procedures, which meet the requirements of the PID Act, PID Standard and Commonwealth Ombudsman guidelines.

During 2021–22:

- 26 disclosures were made direct to the ATO
- 8 disclosures were assessed by ATO authorised officers to meet the criteria under section 26 of the PID Act
- 4 investigations were finalised, with 3 resulting in no findings of disclosable conduct, and 1 finding of disclosable conduct.

Australian Commission for Law Enforcement Integrity

On 1 January 2021, the ATO came under the jurisdiction of the Australian Commission for Law Enforcement Integrity (ACLEI) – the statutory authority which detects, investigates and prevents corrupt conduct in Australian Government agencies with prescribed law enforcement functions.

The ATO works closely with the ACLEI to maintain a strong integrity system and manage corruption issues under the requirements of the *Law Enforcement Integrity Commissioner Act 2006* (LEIC Act) and *Law Enforcement Integrity Commissioner Regulations 2017* (LEIC Regulations).

During 2021–22:

- the Commissioner of Taxation, under section 19 of the LEIC Act, notified the Integrity Commissioner of 7 corruption issues
 - 3 joint investigations commenced into matters assessed as raising a corruption issue
 - 2 were considered more appropriate for the ATO to investigate unsupervised
 - 1 was deemed to not raise a corruption issue pursuant to section 6 and section 7 of the LEIC Act
 - 1 was assessed as being out of jurisdiction
- 4 referrals from other sources (and provided to the ATO for information) were deemed not to raise a corruption issue pursuant to section 6 or section 7 of the LEIC Act
- 2 corruption issues were finalised
 - 1 investigation was completed and a decision made to prepare a section 54 report
 - 1 was discontinued after reconsideration under section 42(3).

Disability reporting

Australia's Disability Strategy 2021–2031 is the national disability policy framework that aims for an inclusive Australian society to ensure people with disability can fulfil their potential, as equal members of the community. It sets out a plan for continuing to improve the lives of people with disability in Australia over the next 10 years. The strategy was developed by Australian state, territory and local governments, through more than 2 years of engagement with people with disability, their families and carers. All levels of government have committed to deliver comprehensive and visible reporting, available on the strategy's website at dss.gov.au.

The ATO is also committed to achieving the outcomes of the *Australian Public Service Disability Employment Strategy 2020–25*. Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the *APS Statistical Bulletin*. These reports are available at apsc.gov.au.

The ATO *2024 Diversity and Inclusion Strategy* launched in August 2021 outlines how we will create a more diverse and inclusive workplace. Through this strategy, we will continue to support individuals who identify with disability – through employment, retention and career development initiatives. In 2021–22, the number of employees who identify in our human resource system as living with disability increased to 4.7% (up from 4.2% in 2021) of our ongoing workforce.

In 2021–22, the ATO appointed 2 disability inclusion officers to support staff with disability and to improve understanding of disability across the ATO. We also undertook targeted recruitment using affirmative measures to increase employment opportunities for people with disability. We continued to provide employment opportunities for people on the autism spectrum via entry-level employment programs.

The ATO ranked second on the 2021 Australian Network on Disability (AND) Index out of 26 participating organisations. The AND Index is a national benchmark for the inclusion of people with disability and helps us understand, assess, and improve access and inclusion. The ATO was awarded 'Best in Class' in the Commitment category.

The ATO offers all staff support and reasonable adjustment options and local assistance via our site-based People Support teams. We also promote our National Disability and Ally Network and the Neurodiversity Employee Network, to facilitate the sharing of experiences for staff who identify as having disability, as well as allies who are closely connected to someone who has disability or neurodiversity.

Disability reporting includes TPB and ACNC information.

Being accountable to our stakeholders

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

The Taxpayers' Charter outlines our commitment to dealing with taxpayers in a way that is professional, considers their circumstances, and provides them with relevant information.

We understand that people will sometimes be unsatisfied with their interactions with us. Our complaints process is designed to make it easy for them to raise an issue with us.

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

Taxpayers' Charter

We work to build a relationship with the community that is based on mutual trust and respect. Our Taxpayers' Charter sets out our commitment to act professionally, treat taxpayers fairly and reasonably, and help them meet their obligations by providing accurate, consistent and clear information. The charter explains:

- taxpayers' rights
- taxpayers' taxation obligations
- what taxpayers can do if they are not satisfied with our decisions, actions or service
- the standard of service taxpayers can expect from us.

Information describing how the charter applies in different contexts – for example, in an audit – is available at ato.gov.au/charter.

For more information about how we measure the effectiveness of the Taxpayers' Charter, see Appendix 2 on page 199.

Complaints handling

The ATO continues to focus on improving the experience of our clients. Complaints, feedback and compliments provide valuable insights that help us to enhance our services. Across all categories, we received 25,667 complaints in 2021–22.

Complaints continue to represent a very small proportion of our interactions with clients. We met our service commitment target, with a complaint finalisation result of 85% resolved in 15 business days or within the date negotiated with the client.

In 2021–22, the ATO received 2,330 items of feedback which most often related to enhancements to our services and systems, including telephony, as well as our communication products and channels, including ato.gov.au. In addition, we received 2,206 compliments from the community. This recognised our efforts to deliver good-quality client experiences, often relating to positive interactions with our staff, the knowledge of our people and their professional attitude and behaviour.

Figure 4.2 Complaint issues, 2021–22



Note

The number of complaint issues is different to the total number of complaints, for the following reasons:

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

Reporting on tax administration

The *Taxation Administration Act 1953* (TAA) provides the ATO with powers to administer the tax system. Under section 3B of the Act, we must report each year on whether the information we hold has been disclosed to other parties.

Disclosures to ministers

During 2021–22, there were 5 occasions on which information was disclosed to ministers under subsection 355-55(1) in Schedule 1 of the TAA:

- 4 occasions to the Assistant Treasurer
- 1 occasion to the Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women's Economic Security.

Requests and disclosures made to law enforcement agencies

Subsection 355-70(1) in Schedule 1 of the TAA allows the ATO to disclose information to law enforcement agencies in certain circumstances. Details of the information requests made and subsequently provided under this section are reported in Appendix 11 on page 225.

Disclosure of protected information

We are required to report on the number (if any) of taxation officers found guilty of disclosing protected information, which is a specific offence listed in section 355-25 in Schedule 1 of the TAA.

In 2021–22, no taxation officers were found guilty of such an offence. One employee however was found guilty of unauthorised access to restricted data under subsection 478.1(1) of the *Criminal Code Act 1995* (Cth).

Exercise of the Commissioner's remedial power

Subdivision 370-A in Schedule 1 of the TAA grants the Commissioner limited powers to modify the operation of the law where it is not working as intended or is creating disproportionate compliance costs. The Commissioner's remedial power provides the ability to resolve smaller unforeseen or unintended outcomes in the tax and superannuation law in limited circumstances.

The Commissioner did not exercise this power in 2021–22.

The Commissioner published 11 additional issues to the list of when the Commissioner's remedial power was considered but not exercised in 2021–22.

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

Workforce management

The ATO's workforce showed both resilience and flexibility in 2021–22. As the COVID-19 pandemic continued to disrupt how we work, we delivered essential tax and superannuation outcomes and key elements of the Modernising Business Registers program. At the same time, some of our staff were redeployed to other APS agencies – to help deliver critical services to Australians affected by the pandemic and natural disasters.

Acknowledging our own staff have been affected by these circumstances, we invested in a wide range of wellbeing tools and services, with a particular focus on reducing the risk of burnout and fatigue. Together with a refreshed culture strategy and our diversity and inclusion initiatives, this support has helped us maintain a thriving, healthy and productive workforce, and a culture where people can bring their best selves to work.

We complemented this by continuing to drive high performance through robust performance management, continuous professional development, and a focus on growing strong and capable leaders.

In 2021–22, we also:

- increased the size of our entry-level programs, seeing our largest graduate cohort complete the program in early 2022 and move into permanent roles across the ATO
- implemented a new school leavers program
- increased the number of intakes through our First Nations employment program, Evergreen.

These efforts have helped position us as an employer of choice, recruiting new talent to deliver priority work and converting a portion of our casual workforce to ongoing employment.

To ensure our recruitment activities provide us access to the workforce we need, we also have a long-term plan to make the best use of our property footprint – aligned to the labour market.

Together, these factors have positioned us well to attract and retain talented people – in an increasingly tight labour market – who will make a meaningful contribution to the tax, superannuation and registry systems, and serve the community into the future.

Statistics on our employees

Along with our legislative obligations, we need to understand the size and constitution of our workforce – including working patterns, employment types, diversity, skill sets, work distribution, accommodation requirements and employee retention rates. The following workforce statistics include staff working for the ATO, TPB and ACNC, unless noted otherwise.

Our workforce

Table 4.4 is our 2021–22 staffing profile, showing the number of employees by substantive classification level, employment type and working pattern at 30 June 2022. Table 4.5 shows the same information for the previous year.

Table 4.4 Employees, by level and employment type, at 30 June 2022

Level	Ongoing			Non-ongoing			Casual	Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	Total casual	
SES 3	2	0	2	0	0	0	0	2
SES 2	26	0	26	0	0	0	0	26
SES 1	179	12	191	0	0	0	0	191
EL 2	1,636	115	1,751	12	5	17	1	1,769
EL 1	3,624	395	4,019	22	3	25	1	4,045
APS 6	3,805	532	4,337	47	3	50	1	4,388
APS 5	1,702	231	1,933	35	3	38	0	1,971
APS 4	2,652	347	2,999	102	3	105	9	3,113
APS 3	2,146	396	2,542	88	18	106	97	2,745
APS 2	407	94	501	14	3	17	1,318	1,836
APS 1	38	19	57	18	3	21	211	289
Total	16,217	2,141	18,358	338	41	379	1,638	20,375

Table 4.5 Employees, by level and employment type, at 30 June 2021

Level	Ongoing			Non-ongoing			Casual	Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	Total casual	
SES 3	2	0	2	0	0	0	0	2
SES 2	25	1	26	0	0	0	0	26
SES 1	173	7	180	0	0	0	0	180
EL 2	1,541	107	1,648	33	10	43	0	1,691
EL 1	3,410	376	3,786	59	5	64	0	3,850
APS 6	3,592	476	4,068	89	11	100	2	4,170
APS 5	1,642	233	1,875	75	10	85	2	1,962
APS 4	2,767	376	3,143	130	5	135	16	3,294
APS 3	2,304	444	2,748	178	262	440	160	3,348
APS 2	467	95	562	29	10	39	1,862	2,463
APS 1	15	9	24	4	2	6	265	295
Total	15,938	2,124	18,062	597	315	912	2,307	21,281

Ongoing employees

Table 4.6 displays our ongoing workforce by substantive classification level, gender and working pattern at 30 June 2022. Table 4.7 shows the same information for the previous year.

Table 4.6 Ongoing employees, by level and gender, at 30 June 2022

Level	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
SES 3	0	0	0	2	0	2	0	0	0	2
SES 2	15	0	15	11	0	11	0	0	0	26
SES 1	93	2	95	84	10	94	2	0	2	191
EL 2	901	10	911	735	105	840	0	0	0	1,751
EL 1	1,867	42	1,909	1,757	353	2,110	0	0	0	4,019
APS 6	1,851	54	1,905	1,952	477	2,429	2	1	3	4,337
APS 5	813	20	833	887	211	1,098	2	0	2	1,933
APS 4	1,137	43	1,180	1,512	304	1,816	3	0	3	2,999
APS 3	925	68	993	1,214	328	1,542	7	0	7	2,542
APS 2	134	9	143	273	85	358	0	0	0	501
APS 1	18	9	27	20	10	30	0	0	0	57
Total	7,754	257	8,011	8,447	1,883	10,330	16	1	17	18,358

Table 4.7 Ongoing employees, by level and gender, at 30 June 2021^(a)

Level	Male			Female			Indeterminate		Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Total indeterminate	
SES 3	0	0	0	2	0	2	0	0	2
SES 2	16	0	16	9	1	10	0	0	26
SES 1	94	0	94	78	7	85	1	1	180
EL 2	847	10	857	694	97	791	0	0	1,648
EL 1	1,765	47	1,812	1,645	329	1,974	0	0	3,786
APS 6	1,760	55	1,815	1,829	421	2,250	3	3	4,068
APS 5	765	21	786	877	212	1,089	0	0	1,875
APS 4	1,231	47	1,278	1,533	329	1,862	3	3	3,143
APS 3	973	72	1,045	1,329	372	1,701	2	2	2,748
APS 2	141	7	148	326	88	414	0	0	562
APS 1	10	4	14	5	5	10	0	0	24
Total	7,602	263	7,865	8,327	1,861	10,188	9	9	18,062

Note

(a) There were no part-time ongoing employees who identified as indeterminate gender at 30 June 2021.

Non-ongoing employees

Non-going employees are engaged for a specified term or for the duration of a specified task in accordance with the *Public Service Act 1999*, whereas casual employees are engaged to perform duties that are irregular or intermittent.

Table 4.8 shows our non-ongoing workforce by substantive level, gender and working pattern at 30 June 2022. Table 4.9 shows the same information for the previous year.

Table 4.8 Non-ongoing employees, by level and gender, at 30 June 2022^{(a)(b)}

Level	Male			Female			Indeterminate		Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Total indeterminate	
SES 2	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0
EL 2	8	2	10	4	3	7	0	0	17
EL 1	13	2	15	9	1	10	0	0	25
APS 6	22	1	23	23	2	25	2	2	50
APS 5	13	1	14	22	2	24	0	0	38
APS 4	34	1	35	68	2	70	0	0	105
APS 3	28	8	36	57	10	67	3	3	106
APS 2	4	1	5	10	2	12	0	0	17
APS 1	15	2	17	2	1	3	1	1	21
Total	137	18	155	195	23	218	6	6	379

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no part-time non-ongoing employees who identified as indeterminate gender at 30 June 2022.

Table 4.9 Non-ongoing employees, by level and gender, at 30 June 2021 ^(a)

Level	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	21	3	24	12	7	19	0	0	0	43
EL 1	32	1	33	27	4	31	0	0	0	64
APS 6	47	2	49	42	9	51	0	0	0	100
APS 5	28	2	30	47	8	55	0	0	0	85
APS 4	52	2	54	78	3	81	0	0	0	135
APS 3	80	101	181	97	160	257	1	1	2	440
APS 2	11	2	13	18	8	26	0	0	0	39
APS 1	0	0	0	4	2	6	0	0	0	6
Total	271	113	384	325	201	526	1	1	2	912

Note

(a) Excludes casual employees, contractors and others paid through a third party.

Diversity

The ATO recognises that a diverse and inclusive workforce improves the experience of staff and enhances our interactions with clients. Workforce diversity and inclusion builds organisational capability by promoting equity and bringing diversity to the way we work, leading to greater creativity, improved productivity and better outcomes. We aim to improve the client experience by designing and delivering client services that support the diverse community we serve.

The *ATO 2024 Diversity and inclusion strategy* represents our ongoing commitment to increasing diversity and fostering inclusion in the ATO.

In 2021–22, we:

- implemented tailored diversity targets at group level, for representation of Aboriginal and Torres Strait Islander peoples, people with disability and women in leadership roles
- appointed 30 SES diversity champions and added 2 new champion roles – Reconciliation Action Plan (RAP) champion and LGBTI+ Ally champion
- appointed 2 disability inclusion officers, to support staff who identify with disability and to continue to create a more accessible and inclusive workplace.

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

Table 4.10 shows the proportion of our employees in diversity groups. Table 4.11 shows the numbers of Aboriginal and Torres Strait Islander employees by employment type.

Table 4.10 Ongoing employees belonging to diversity groups, at 30 June^{(a)(b)}

Group	2021 %	2022 %	Change from 2021
Aboriginal and Torres Strait Islander people	2.9	2.9	–
With disability	4.2	4.7	0.5
Culturally and linguistically diverse	22.3	22.3	–
Lesbian, gay, bisexual, trans/transgender and intersex (LGBTI+)	2.0	2.5	0.5
Mature age	36.3	36.4	0.1

Notes

(a) We provide staff with the opportunity to self-report as Aboriginal and Torres Strait Islander people, having a disability, being culturally and linguistically diverse or identifying as LGBTI+.

(b) Information on gender equality (the sixth diversity group) is provided in Tables 4.6–4.9.

Table 4.11 Indigenous employees, by employment type, at 30 June

Type	At 30 June 2021			At 30 June 2022		
	Indigenous employees	Total employees	Indigenous employees %	Indigenous employees	Total employees	Indigenous employees %
Ongoing	532	18,062	2.9	532	18,358	2.9
Non-ongoing	2	912	0.2	0	379	–
Casual	6	2,307	0.3	8	1,638	0.5
Total	540	21,281	2.5	540	20,375	2.7

Job families

We use job families to categorise roles. While some roles lend themselves to particular work areas, others are found across the ATO.

Table 4.12 Employees, by job family, at 30 June^{(a)(b)}

Job family	2021 %	2022 %
Accounting/Finance	1.3	1.4
Administration	3.7	3.9
Analytics, risk and intelligence	6.8	7.4
Communication/Marketing	1.7	1.7
Engagement, assurance and compliance	27.6	25.7
Entry level programs	3.0	2.5
Governance and performance	5.7	6.5
Human resources management	2.9	3.1
Information and organisation professionals	1.7	2.1
Information technology	8.2	8.8
Law	7.8	8.2
Other agencies	1.2	1.3
Project management	2.9	3.0
Senior executive	1.2	1.3
Service delivery	24.2	22.9
Total	100	100

Notes

(a) Includes ongoing, non-ongoing and casual employees; excludes external contractors.

(b) Job family category names may vary from previous annual reports – to align with changes in organisational governance or capability initiatives.

Table 4.13 Employees, by business area, at 30 June 2022^{(a)(b)}

Business area	Number of employees
ATO Corporate	499
ATO Executive	15
ATO Finance	625
ATO People ^(c)	1,272
Australian Business Registry Services	597
Australian Charities and Not-for-profits Commission	121
Client Account Services	3,319
Client Engagement Group Services	218
Enterprise Solutions and Technology	2,150
Enterprise Strategy and Design	188
Individuals and Intermediaries	909
Integrated Compliance	1,017
Law Design and Policy Strategy and Support	74
Lodge and Pay	1,694
Objections and Review	538
Office of the Chief Tax Counsel	376
Policy, Analysis and Legislation	171
Private Wealth	1,503
Public Groups and International	1,623
Service Delivery Strategy and Support	420
Small Business	1,161
Smarter Data Program	658
Superannuation and Employer Obligations	1,081
Tax Practitioners Board	146
Total	20,375

Notes

(a) Includes ongoing, non-ongoing and casual employees; excludes external contractors.

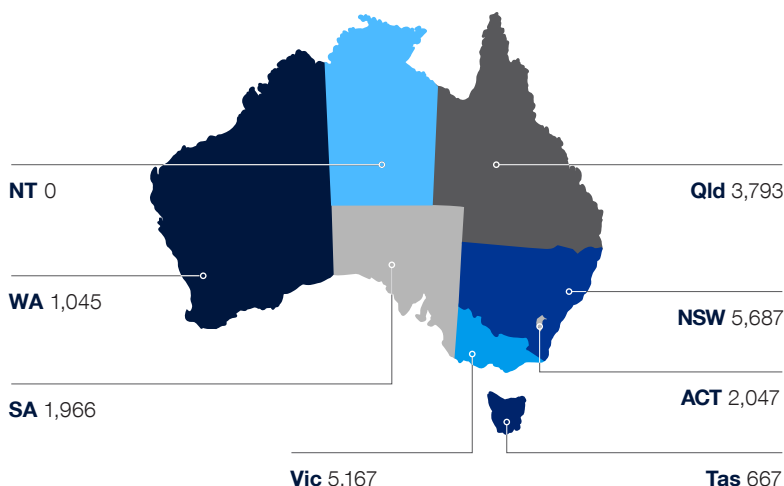
(b) Business area category names may vary from previous annual reports – to align with changes in organisational governance or structure.

(c) Includes entry-level program participants and secondments.

Locations

The ATO is located in 25 buildings across Australia and colocated with Services Australia in 6 staffed shopfront sites and 15 self-service shopfronts. The ATO property portfolio is managed in accordance with the *Commonwealth Property Management Framework*.

Figure 4.3 Our workforce by location, at 30 June 2022



Note

Does not include overseas staff.

Table 4.14 shows our workforce by location and employment type, at 30 June 2022, compared to the previous year. Some regions are made up of multiple locations – and in the following tables:

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

Table 4.14 Total employees, by location and employment type, at 30 June^(a)

State/ Territory	Region	At 30 June 2021				At 30 June 2022			
		Ongoing	Non-ongoing	Casual	Total	Ongoing	Non-ongoing	Casual	Total
NSW	Albury	577	39	355	971	597	2	310	909
	Gosford	348	15	37	400	370	5	46	421
	Newcastle	509	15	1	525	500	5	6	511
	Sydney	3,093	193	346	3,632	3,117	77	242	3,436
	Wollongong	306	13	213	532	330	2	78	410
	Total	4,833	275	952	6,060	4,914	91	682	5,687
Qld	Brisbane	3,075	156	196	3,427	3,222	49	221	3,492
	Townsville	289	5	8	302	298	2	1	301
	Total	3,364	161	204	3,729	3,520	51	222	3,793
SA	Adelaide	1,664	80	304	2,048	1,696	35	235	1,966
Tas	Burnie	62	5	15	82	65	0	22	87
	Hobart	477	21	122	620	475	13	92	580
	Total	539	26	137	702	540	13	114	667
Vic	Geelong	91	3	0	94	90	1	0	91
	Melbourne	4,402	206	565	5,173	4,477	82	302	4,861
	Traralgon	180	31	0	211	191	24	0	215
	Total	4,673	240	565	5,478	4,758	107	302	5,167
WA	Perth	920	76	138	1,134	924	38	83	1,045
ACT	Canberra	2,067	54	7	2,128	2,003	44	0	2,047
Overseas	Various	2	0	0	2	3	0	0	3
Grand total	All locations	18,062	912	2,307	21,281	18,358	379	1,638	20,375

Note

(a) There were no employees in the Northern Territory at 30 June 2022.

Ongoing employees

Table 4.15 shows our ongoing workforce by location, gender and working pattern, at 30 June 2022. Table 4.16 shows the same information for the previous year.

Table 4.15 Ongoing employees, by location and gender, at 30 June 2022^(a)

State/ Territory	Region	Male			Female			Indeterminate			Total
		Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	Albury	185	13	198	326	72	398	1	0	1	597
	Gosford	140	4	144	179	47	226	0	0	0	370
	Newcastle	176	5	181	264	55	319	0	0	0	500
	Sydney	1,217	36	1,253	1,542	319	1,861	3	0	3	3,117
	Wollongong	149	4	153	145	32	177	0	0	0	330
	Total	1,867	62	1,929	2,456	525	2,981	4	0	4	4,914
Qld	Brisbane	1,442	39	1,481	1,468	270	1,738	3	0	3	3,222
	Townsville	78	2	80	179	39	218	0	0	0	298
	Total	1,520	41	1,561	1,647	309	1,956	3	0	3	3,520
SA	Adelaide	735	30	765	757	171	928	3	0	3	1,696
Tas	Burnie	19	2	21	29	15	44	0	0	0	65
	Hobart	167	11	178	213	84	297	0	0	0	475
	Total	186	13	199	242	99	341	0	0	0	540
Vic	Geelong	36	2	38	47	5	52	0	0	0	90
	Melbourne	2,053	69	2,122	1,886	466	2,352	2	1	3	4,477
	Traralgon	48	3	51	95	44	139	1	0	1	191
	Total	2,137	74	2,211	2,028	515	2,543	3	1	4	4,758
WA	Perth	410	11	421	422	80	502	1	0	1	924
ACT	Canberra	896	26	922	895	184	1,079	2	0	2	2,003
Overseas	Various	3	0	3	0	0	0	0	0	0	3
Grand total	All locations	7,754	257	8,011	8,447	1,883	10,330	16	1	17	18,358

Note

(a) There were no ongoing employees in the Northern Territory at 30 June 2022.

Table 4.16 Ongoing employees, by location and gender, at 30 June 2021 ^{(a)(b)}

State/ Territory	Region	Male			Female			Indeterminate		Total
		Full time	Part time	Total male	Full time	Part time	Total female	Full time	Total indeterminate	
NSW	Albury	174	8	182	332	63	395	0	0	577
	Gosford	141	2	143	165	40	205	0	0	348
	Newcastle	175	9	184	275	50	325	0	0	509
	Sydney	1,196	35	1,231	1,532	329	1,861	1	1	3,093
	Wollongong	133	3	136	136	34	170	0	0	306
	Total	1,819	57	1,876	2,440	516	2,956	1	1	4,833
Qld	Brisbane	1,357	47	1,404	1,419	248	1,667	4	4	3,075
	Townsville	76	3	79	170	40	210	0	0	289
	Total	1,433	50	1,483	1,589	288	1,877	4	4	3,364
SA	Adelaide	731	32	763	718	182	900	1	1	1,664
Tas	Burnie	14	2	16	33	13	46	0	0	62
	Hobart	160	10	170	217	90	307	0	0	477
	Total	174	12	186	250	103	353	0	0	539
Vic	Geelong	34	0	34	48	9	57	0	0	91
	Melbourne	2,039	65	2,104	1,867	430	2,297	1	1	4,402
	Traralgon	47	3	50	83	46	129	1	1	180
	Total	2,120	68	2,188	1,998	485	2,483	2	2	4,673
WA	Perth	408	13	421	406	93	499	0	0	920
ACT	Canberra	915	31	946	926	194	1,120	1	1	2,067
Overseas	Various	2	0	2	0	0	0	0	0	2
Grand total	All locations	7,602	263	7,865	8,327	1,861	10,188	9	9	18,062

Notes

(a) There were no part-time ongoing employees who identified as indeterminate gender at 30 June 2021.

(b) There were no ongoing employees in the Northern Territory at 30 June 2021.

Non-ongoing employees

Non-ongoing employees are engaged for a specified term or task. In some circumstances their engagement can be extended up to 3 years. The term 'non-ongoing' does not include casual (irregular/intermittent) employees, contractors or others paid through a third party.

Table 4.17 shows our non-ongoing employees by location and gender, at 30 June 2022, further broken down by working pattern. Table 4.18 shows the same information for the previous year.

Table 4.17 Non-ongoing employees, by location and gender, at 30 June 2022^{(a)(b)(c)}

State/ Territory	Region	Male			Female			Indeterminate		Total
		Full time	Part time	Total male	Full time	Part time	Total female	Full time	Total indeterminate	
NSW	Albury	1	0	1	1	0	1	0	0	2
	Gosford	1	0	1	3	1	4	0	0	5
	Newcastle	0	0	0	5	0	5	0	0	5
	Sydney	25	1	26	49	2	51	0	0	77
	Wollongong	1	0	1	1	0	1	0	0	2
	Total	28	1	29	59	3	62	0	0	91
Qld	Brisbane	22	4	26	17	5	22	1	1	49
	Townsville	0	1	1	1	0	1	0	0	2
	Total	22	5	27	18	5	23	1	1	51
SA	Adelaide	15	1	16	16	3	19	0	0	35
Tas	Burnie	0	0	0	0	0	0	0	0	0
	Hobart	4	0	4	9	0	9	0	0	13
	Total	4	0	4	9	0	9	0	0	13
Vic	Geelong	1	0	1	0	0	0	0	0	1
	Melbourne	36	1	37	38	4	42	3	3	82
	Traralgon	6	1	7	12	4	16	1	1	24
	Total	43	2	45	50	8	58	4	4	107
WA	Perth	16	2	18	20	0	20	0	0	38
ACT	Canberra	9	7	16	23	4	27	1	1	44
Overseas	Various	0	0	0	0	0	0	0	0	0
Grand total	All locations	137	18	155	195	23	218	6	6	379

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no part-time non-ongoing employees who identified as indeterminate gender at 30 June 2022.

(c) There were no non-ongoing employees in the Northern Territory at 30 June 2022.

Table 4.18 Non-ongoing employees, by location and gender, at 30 June 2021^{(a)(b)}

State/ Territory	Region	Male			Female			Indeterminate			Total
		Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	Albury	4	13	17	4	18	22	0	0	0	39
	Gosford	2	0	2	10	3	13	0	0	0	15
	Newcastle	1	0	1	13	1	14	0	0	0	15
	Sydney	45	35	80	62	51	113	0	0	0	193
	Wollongong	8	0	8	5	0	5	0	0	0	13
	Total	60	48	108	94	73	167	0	0	0	275
Qld	Brisbane	46	28	74	49	33	82	0	0	0	156
	Townsville	1	1	2	3	0	3	0	0	0	5
	Total	47	29	76	52	33	85	0	0	0	161
SA	Adelaide	21	12	33	21	26	47	0	0	0	80
Tas	Burnie	3	0	3	2	0	2	0	0	0	5
	Hobart	1	5	6	1	14	15	0	0	0	21
	Total	4	5	9	3	14	17	0	0	0	26
Vic	Geelong	2	0	2	1	0	1	0	0	0	3
	Melbourne	96	1	97	97	11	108	1	0	1	206
	Traralgon	7	2	9	12	10	22	0	0	0	31
	Total	105	3	108	110	21	131	1	0	1	240
WA	Perth	21	11	32	16	27	43	0	1	1	76
ACT	Canberra	13	5	18	29	7	36	0	0	0	54
Grand total	All locations	271	113	384	325	201	526	1	1	2	912

Notes

(a) Excludes casual employees, contractors and others paid through a third party.

(b) There were no non-ongoing employees in the Northern Territory at 30 June 2021.

Employee retention and separation

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

Table 4.19 shows the numbers of ongoing employees by years of service, at 30 June 2021 and 30 June 2022.

Table 4.19 Years of service for ongoing employees, at 30 June

Years of service	At 30 June 2021	At 30 June 2022	Change %
0–4 years	4,543	4,669	2.8
5–9 years	2,600	2,934	12.8
10–14 years	3,557	3,245	–8.8
15–19 years	3,098	3,344	7.9
20–24 years	2,376	2,389	0.5
25–29 years	330	395	19.7
30–34 years	908	636	–30.0
35–39 years	567	642	13.2
40–44 years	73	91	24.7
45–49 years	10	13	30.0
50 years or more	0	0	–
Total	18,062	18,358	1.6

Table 4.20 shows the numbers of ongoing employees that left the ATO during the year, grouped by reason for separation, for 2020–21 and 2021–22.

Table 4.20 Reasons for ongoing employee separations, 2020–21 and 2021–22

Employee separations	2020–21	2021–22	Change %
Age retirement	331	436	31.7
Dismissal	14	14	–
Invalidity and death	27	34	25.9
Movement to another agency	97	253	160.8
Redundancy	44	42	–4.5
Resignation	325	613	88.6
Total	838	1,392	66.1

Our employment arrangements

The policy outlining remuneration and conditions for Australian Public Service (APS) agencies is set by Australian Government *Public Sector Workplace Relations Policy 2020*.

More information about remuneration in the APS is available in the APSC's *Remuneration report*, available at apsc.gov.au.

The following information on our employment arrangements includes staff working for the ATO, TPB and ACNC, unless noted otherwise.

Workplace agreements

The majority of our APS 1 to Executive level (EL) 2 staff are employed under the *ATO enterprise agreement 2017*, which sets out employment conditions. This agreement had a nominal expiry date of 3 August 2020.

The agreement is retained by a determination under subsection 24(1) of the *Public Service Act 1999* that commenced on 19 November 2019.

The determination will end at the earlier of the following:

- the day a new enterprise agreement is made in accordance with the *Fair Work Act 2009*
- the day another determination under subsection 24(1) of the *Public Service Act 1999*, which revokes the current determination, comes into effect.

Table 4.21 shows the numbers of staff covered by the enterprise agreement, and those employed under other employment arrangements.

There are 44 non-SES employees who have an Individual Flexibility Arrangement in place, which alters one or more specific aspects of the ATO Enterprise Agreement.

Table 4.21 Employment arrangements of substantive SES and non-SES employees, at 30 June 2022

Arrangement	SES	Non-SES	Total
ATO Enterprise Agreement 2017 ^(a)	0	20,156	20,156
Determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	219	0	219
Total	219	20,156	20,375

Note

(a) Agreement retained by a determination under subsection 24(1) of the *Public Service Act 1999* that commenced on 19 November 2019.

Remuneration

Base rates of pay and other remuneration arrangements are set, for the majority of non-SES staff, in the ATO enterprise agreement. The agreement includes provision for individual salary advancement within set ranges subject to satisfactory performance, including some other assessment factors for EL 2 employees. The rates for ATO staff for 2021–22 are shown in Table 4.22.

The *APS executive remuneration management policy* sets out arrangements for the management of executive remuneration, including an approval process for remuneration proposals above a notional amount. Total remuneration for staff in the SES includes a notional component for provision of a motor vehicle and parking, and for superannuation calculated at 15.4% of 101% of base salary.

Table 4.22 Salary ranges (excluding non-salary benefits) by classification level, at 30 June 2022

Level	Minimum \$	Maximum \$
SES 3	295,562	339,223
SES 2	227,146	260,851
SES 1	174,563	206,359
EL 2	132,950	158,363
EL 1	110,473	120,439
APS 6 and equivalent	86,247	99,027
APS 5 and equivalent	79,880	84,682
APS 4 and equivalent	71,653	77,768
APS 3 and equivalent	64,323	69,396
APS 2 and equivalent	56,515	62,634
APS 1 and equivalent	49,977	55,195
Cadets while undertaking practical training in the workplace	49,977	55,195
Cadets while undertaking study	17,185	27,784

The Remuneration Tribunal sets the remuneration and conditions for the Commissioner. The tribunal issues the *Guide to the Principal Executive Office (PEO) structure*, which is used by the Commissioner to determine remuneration and conditions for Second Commissioners. Second Commissioners and those who have acted in a Second Commissioner role for 3 months or more are also eligible for performance pay under the guidelines. The remuneration of our key management personnel, including performance pay, is shown in Table 4.23.

Key management personnel

The Commissioner and other members of the ATO Executive are considered key management personnel as they have responsibility and authority for planning, directing and controlling the activities of the ATO. Details about the responsibilities of the ATO Executive are outlined in Part 1 of this report.

Table 4.23 Remuneration for key management personnel, 2021–22^{(a)(b)(c)(d)(e)}

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits			Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Superannuation contributions	Long service leave	Other long-term benefits	
Chris Jordan AO	Commissioner of Taxation	\$819,825	\$0	\$1,094	\$23,695		-\$11,193	\$0	\$833,421
Janine Bristow	Chief Finance Officer	\$263,600	\$0	\$33,653	\$47,439		-\$7,425	\$0	\$337,267
Jacqui Curtis PSM	Chief Operating Officer	\$308,688	\$0	\$69,472	\$63,335		\$14,307	\$0	\$455,802
Jeremy Hirschhorn ^(f)	Second Commissioner	\$387,791	\$61,630	\$2,736	\$36,455		-\$4,145	\$0	\$484,467
Ramez Katf	Second Commissioner	\$389,077	\$61,630	\$2,736	\$23,695		-\$2,371	\$0	\$474,767
Melinda Smith	Chief Service Delivery Officer	\$395,365	\$0	\$0	\$23,695		-\$1,075	\$0	\$417,985
Kirsten Fish ^(g)	Second Commissioner	\$323,456	\$54,192	\$11,038	\$25,927		-\$4,190	\$0	\$410,423

Notes

- (a) Totals may differ from the sum of components due to rounding.
 (b) Staff are not offered long-term benefits other than long service leave. Only Second Commissioners are eligible for bonuses. Bonuses relate to performance payments which are made in line with the provision set out in the relevant Remuneration Tribunal Determination.
 (c) Base salary may be higher than the maximum salary range due to the inclusion of annual leave paid and the net movement in annual leave balances in the reporting period.
 (d) Long service leave (LSL) is calculated using accounting inputs such as the 10-year Commonwealth bond rate. A decrease in the discount rate between reporting periods has resulted in an overall decrease in LSL values, including negative values for some key management personnel.
 (e) Key management personnel information for TPB and ACNC is published in their annual reports.
 (f) Figures include higher duties while acting as Commissioner during 2021–22.
 (g) Figures reflect period occupied in Second Commissioner position.

Senior executives

Under the PGPA Act, we must provide summary information about the remuneration of senior executive officers who are not listed as key management personnel. For the ATO, this comprises our SES Band 1 and 2 officers, including those who may have acted through the year. The information is provided in Table 4.24.

Table 4.24 Remuneration for senior executives, 2021–22^{(a)(b)(c)}

Total remuneration bands	No. of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0–\$220,000	96	\$83,947	\$0	\$15,005	\$14,837	–\$67	\$0	\$0	\$113,721
\$220,001–\$245,000	45	\$173,138	\$0	\$32,328	\$33,539	–\$2,005	\$0	\$0	\$237,000
\$245,001–\$270,000	88	\$195,708	\$0	\$32,622	\$35,949	–\$5,969	\$0	\$0	\$258,310
\$270,001–\$295,000	31	\$212,174	\$0	\$32,992	\$37,404	–\$5,196	\$0	\$0	\$277,374
\$295,001–\$320,000	14	\$238,375	\$0	\$33,431	\$43,927	–\$7,524	\$0	\$0	\$308,209
\$320,001–\$345,000	12	\$254,066	\$0	\$33,968	\$44,241	–\$3,782	\$0	\$7,454	\$335,947
\$345,001–\$370,000	1	\$327,872	\$0	\$22,671	\$23,695	–\$6,442	\$0	\$0	\$367,795
\$420,001–\$445,000	1	\$212,079	\$0	\$30,655	\$33,025	\$0	\$0	\$166,142	\$441,901
\$495,001–\$520,000	1	\$208,792	\$0	\$265,094	\$29,048	–\$3,174	\$0	\$0	\$499,759

Notes

- (a) Totals may differ from the sum of components due to rounding.
(b) Figures reflect period occupied in an SES position for greater than 3 months.
(c) Long service leave (LSL) is calculated using accounting inputs such as the 10-year Commonwealth bond rate. A decrease in the discount rate between reporting periods has resulted in an overall decrease in LSL values, including negative values for some key management personnel.

Other highly paid staff

Other highly paid staff are those officials who are not listed as key management personnel or senior executives, and whose total remuneration in 2021–22 exceeded \$235,000.

The ATO has 3 staff in this category. Details are provided in Table 4.25.

Table 4.25 Remuneration for other highly paid staff, 2021–22^{(a)(b)(c)}

Total remuneration bands	No. of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
\$245,001–\$270,000	1	\$58,607	\$0	\$1,811	\$29,110	\$0	\$0	\$160,893	\$250,421
\$295,001–\$320,000	1	\$177,025	\$0	\$90,715	\$29,185	–\$1,502	\$0	\$0	\$295,423
\$320,001–\$345,000	1	\$201,012	\$0	\$113,671	\$33,447	–\$9,257	\$0	\$0	\$338,873

Notes

- (a) There were no other highly paid staff in the \$235,000–\$245,000 total remuneration band.
- (b) Totals may differ from the sum of components due to rounding.
- (c) Long service leave (LSL) is calculated using accounting inputs such as the 10-year Commonwealth bond rate. A decrease in the discount rate between reporting periods has resulted in an overall decrease in LSL values, including negative values for some key management personnel.

Non-salary benefits

The ATO provides its staff with a range of non-salary benefits.

SES officers are entitled to:

- cash in lieu of a motor vehicle
- parking at work or cash in lieu of parking
- airline lounge memberships if 8 or more return trips are planned for the year.

Executive level 2 employees are entitled to:

- a taxable annual allowance (\$1,811 in 2021–22) to assist with the purchase of items and services that help maintain or increase their level of professionalism, such as membership of a professional association
- airline lounge memberships if they are likely to undertake 8 or more return flights in the following year.

We offer our staff non-salary benefits in some circumstances:

- Our executive officers are offered an iPad or iPhone for work use, along with other employees who frequently travel, work remotely or manage a large number of staff.
- Fees will be reimbursed for employees who must be a member of a professional body or require an annual licence or professional practising certificate in order to perform their duties.
- We provide support for approved employees to undertake eligible part-time studies, which may include time off work and/or financial assistance.
- All employees who are likely to undertake 12 or more return flights in the following year can apply for airline lounge memberships.

We also offer salary packaging to all ongoing employees, and employees with an individual agreement. We outsource salary packaging administration and novated leasing arrangements to an external company called Smartsalary. Our employees have access to salary packaging of the following items:

- cars and utility vehicles (novated lease), with fringe benefits tax (FBT) applicable
- car parking, with FBT applicable
- superannuation, self-only, exempt from FBT
- airline lounge membership, exempt from FBT
- professional association membership fees and subscriptions, exempt from FBT
- portable electronic devices, exempt from FBT.

Around 2,300 employees had salary packaging arrangements in place in 2021–22.

Work health and safety

The ATO has a number of obligations under the *Work Health and Safety Act 2011* (WHS Act) and our own enterprise agreement. We take these obligations seriously, as the health and wellbeing of our workforce is critical to supporting engagement, productivity and serving the community.

In early 2022, an audit of the ATO Work Health and Safety (WHS) Management System was undertaken by an independent consultant. There were no areas of non-conformance identified, highlighting the ATO's robust WHS system is operating effectively.

Our vision is for a healthy and safe workforce as we adapt to a changing world. Our census results indicate the staff perception of wellbeing support is consistently higher than similar APS agencies. We have a range of initiatives to support us in achieving this outcome and to eliminate or minimise work health and safety risks. Examples include:

- a structured consultation program with our staff and their representatives about health and safety matters
- regular work health and safety inspections in all ATO sites
- a bespoke IT program on all ATO computers that enables staff to self-manage and monitor keyboard use, encouraging regular recuperative breaks and stretches/exercise
- first aid services at all sites
- annual flu vaccinations offered to all staff
- establishment of a wellbeing framework that encourages staff to participate in initiatives that prioritise their wellbeing
- staff can access up to 2 hours of paid work time to receive a COVID-19 vaccination
- employee assistance program (EAP) available to all staff and their families
- implementation of an organisation-wide Mental Health Strategy.

Work health and safety reporting includes TPB and ACNC information.

Table 4.26 Safety, Rehabilitation and Compensation Commission performance indicators, 2019–20 to 2021–22^(a)

Indicator	2019–20	2020–21	2021–22
P1.1 Incidence of injuries with 5 or more days lost time per 1,000 full-time equivalent employees	0.7	0.5	0.7
P1.2 Incidence of injuries with 30 or more days lost time per 1,000 full-time equivalent employees	0.4	0.4	0.6
P1.3 Incidence of injuries with 60 or more days lost time per 1,000 full-time equivalent employees	0.3	0.2	0.3
P4 Lost time injury (claims) frequency rate	0.4	0.3	0.5
C1 Average time taken (in calendar days from date of injury to lodging claim with Comcare)	41	56	75
R1 Percentage of claims with incapacity for 10 or more days and a return to work plan (%)	45	67	47
R2 Quality of return to work (% achieving return to work on case closure)	60	58	88

Note

(a) Figures for previous years in this table may vary from those reported in past annual reports as Comcare may continue to accept claims for past years.

Table 4.27 Notifiable incidents, 2019–20 to 2021–22

Incident	2019–20	2020–21	2021–22
Dangerous occurrence	5	1	1
Serious personal injury	0	2	4
Death	0	0	0
Total	5	3	5

Details of work health and safety investigations

The WHS Act requires that we provide information about any investigations conducted during the year that relate to us, including details of all notices given to us during the year under Part 10 of the Act.

During 2021–22:

- Comcare was satisfied with ATO action on notifiable incidents, therefore no incidents required investigation
- we received no notices under Part 10 of the Act – enforcement measures.

Carer recognition

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

We do however support carers in the workplace through our employment policies, including flexible hours, access to carers leave, and our network of Carers, Helpers and Interested others in the ATO (CHIATO). Flexible working arrangements in the ATO have continued to be accessed over the past 12 months. The types of flexible working arrangements available to ATO staff to support carers include:

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

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

Financial performance

The ATO is responsible for the management of substantial Commonwealth funds and must demonstrate effective and efficient management of resources in accordance with the Australian Government's policies and the requirements of other agencies, such as the Australian National Audit Office (ANAO).

For our financial statements (as required by subsection 43(4) of the PGPA Act), see Part 5.

For details on how we have performed against our financial performance measures in our corporate plan, see strategic objective F1 Financial in the annual performance statement on page 36.

Operating expense budget

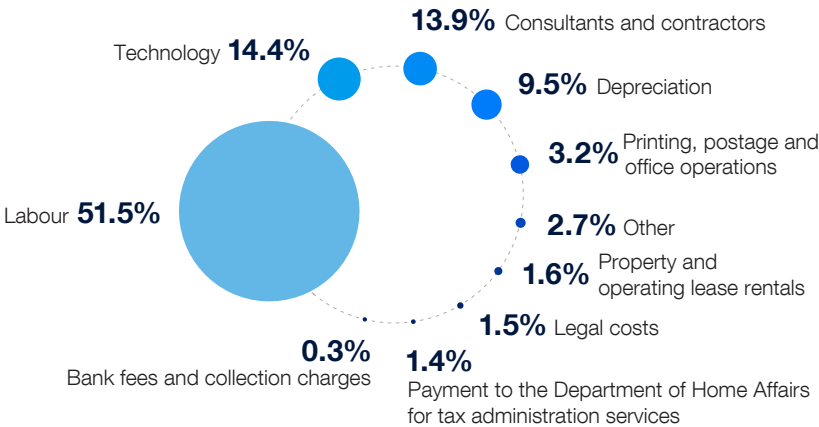
The ATO actively manages its budget through governance and assurance processes, including oversight by senior management committees. These committees provide an integrated approach to effective resource management and prioritisation of significant investment decisions.

The ATO has continued to deliver on the government's policy in a challenging environment impacted by factors such as the COVID-19 pandemic and natural disasters. These factors have required the ATO to be flexible and adaptable in redirecting resources to address emerging priorities.

The ATO's operating budget for 2021–22 was \$3.9 billion (excluding depreciation), and the financial result for the year was an operating deficit of \$39 million or 1.0% over budget.

This result includes lease principal repayments under the Australian Accounting Standards Board (AASB) 16 leasing standard and excludes non-cash financial accounting adjustments, such as write-off expenses, depreciation, amortisation, finance lease and revaluation adjustments made for our financial statements and other adjustments outside of the ATO's control.

Figure 4.4 Operating expenditure, 2021–22



Capital budget

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

The ATO commenced 2021–22 with a capital budget of \$212.5 million, which comprised:

- departmental capital budget of \$119.3 million
- equity funding of \$93.2 million.

During the year, the capital budget increased by \$23.1 million as a result of both government and ATO decisions.

The ATO's 2021–22 capital expenditure was \$137.2 million. The ATO has received approval to carry forward 2021–22 capital underspends to support government priorities and legislative projects in future years.

Table 4.28 Capital expenditure, 2019–20 to 2021–22^(a)

Capital item	2019–20 \$m	2020–21 \$m	2021–22 \$m
Building improvements	10.7	17.9	37.3
Internally developed software	123.1	102.1	74.5
IT infrastructure and hardware	9.0	15.0	25.2
Purchased software	7.3	5.3	0.1
Total	150.2	140.3	137.2

Note

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

Administering GST

The ATO administers the goods and services tax (GST) on behalf of the Australian states and territories. The states and territories reimburse the Commonwealth for the ATO's cost of administering GST. Our obligations to the states and territories are set out in the GST Administration Performance Agreement between the ATO and the Council on Federal Financial Relations (as per the *Intergovernmental Agreement on Federal Financial Relations*).

The agreed estimate for administering GST in 2021–22 was \$675.7 million. The final cost of GST administration is subject to a special purpose audit by the ANAO. The final audited cost is reported against the agreed estimate and presented to the states and territories at the conclusion of the audit.

GST administration outcomes and performance are published annually in the GST administration annual performance report, which is available at ato.gov.au/GSTadministration.

Agency resource statement

Table 4.29 Agency resource statement, 2021–22^(a)

Agency resources	Actual available appropriations for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining \$'000
Ordinary annual services^(b)			
Departmental appropriation			
Prior-year departmental appropriation	497,092	452,030	45,062
Departmental appropriation ^(c)	3,890,030	3,519,532	370,498
Appropriation reductions	–18,100	–	–18,100
Section 74 receipts	183,369	183,369	–
Section 75 transfer	960	960	–
Total	4,553,351	4,155,891	397,460
Administered expenses			
Current-year's appropriation used for current-year's payments	8,577	851	7,726
Total	8,577	851	7,726
Total ordinary annual services	4,561,928	4,156,742	405,186
Other services^(d)			
Departmental non-operating			
Prior-year departmental appropriation	80,943	29,876	51,067
Equity injections	97,282	25,467	71,815
Appropriation reductions	–45,833	–	–45,833
Total	132,392	55,343	77,049
Total other services	132,392	55,343	77,049
Special appropriations			
Special appropriations limited by criteria/entitlement			
<i>Product Grants and Benefits Administration Act 2000 – product stewardship for oil program</i>		89,057	
<i>Public Governance, Performance and Accountability Act 2013 – section 77 (Repayments by the Commonwealth)</i>		57,158	
<i>Small Superannuation Accounts Act 1995 – section 76(9)</i>		113	
<i>Superannuation Guarantee (Administration) Act 1992</i>		675,887	
<i>Taxation Administration Act 1953 – section 16 (Cash Flow Boost for Employers)</i>		257,021	
<i>Taxation Administration Act 1953 – section 16 (JobKeeper Payment)</i>		22,496	
<i>Taxation Administration Act 1953 – section 16 (JobMaker Hiring Credit)</i>		26,412	
<i>Taxation Administration Act 1953 – section 16 (non-refund items)</i>		11,626,283	
<i>Taxation Administration Act 1953 – section 16 (tax refunds)</i>		128,475,591	
Total special appropriations		141,230,018	

Table 4.29 Agency resource statement, 2021–22 continued

Agency resources	Actual available appropriations for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining \$'000
Special accounts			
Opening balance	294,189		
Receipts to special accounts	5,134,636		
Payments made		5,100,616	
Closing balance			328,210
Total resourcing and payments	10,123,145	150,542,719	

Notes

- (a) This includes all programs outlined in Table 4.30 Budgeted expenses and resources for Outcome 1.
- (b) This includes *Appropriation Act (No.1) 2021–22*, *Appropriation Act (No.3) 2021–22*, prior-year departmental appropriations, PGPA Act section 74 agency receipts and PGPA Act section 75 transfer.
- (c) Includes \$120.3 million in 2021–22 for the Departmental Capital Budget. For accounting purposes, this amount has been designated as 'contributions by owners'.
- (d) This includes *Appropriation Supply Act (No.2) 2021–22*, *Appropriation Act (No.4) 2021–22* and prior-year departmental appropriations.

Table 4.30 Budgeted expenses and resources for Outcome 1, 2021–22^(a)

Budgeted expenses and resources	Budget ^(b) 2021–22 \$'000	Actual expenses 2021–22 \$'000	Variation 2021–22 \$'000
Program 1.1: Australian Taxation Office			
Administered expenses			
Ordinary annual services	8,577	851	7,726
Departmental expenses			
Departmental items	3,867,508	3,866,798	710
Total for Program 1.1	3,876,085	3,867,649	8,436
Program 1.2: Tax Practitioners Board			
Departmental expenses			
Departmental items	20,841	21,606	–765
Total for Program 1.2	20,841	21,606	–765
Program 1.3: Australian Business Registry Services			
Departmental expenses			
Departmental items	156,082	149,896	6,186
Total for Program 1.3	156,082	149,896	6,186
Program 1.4: Australian Charities and Not-for-profits Commission			
Departmental expenses			
Special account	18,676	17,076	1,600
Total for Program 1.4	18,676	17,076	1,600
Program 1.5: Australian Screen and Digital Game Production Incentive			
Administered expenses			
Special appropriations	450,000	227,577	222,423
Total for Program 1.5	450,000	227,577	222,423

Table 4.30 Budgeted expenses and resources for Outcome 1, 2021–22^(a) *continued*

Budgeted expenses and resources	Budget ^(b) 2021–22 \$'000	Actual expenses 2021–22 \$'000	Variation 2021–22 \$'000
Program 1.6: Junior Minerals Exploration Incentive			
Administered expenses			
Special appropriations	–14,918	–33,850	18,932
Total for Program 1.6	–14,918	–33,850	18,932
Program 1.7: Fuel Tax Credits Scheme			
Administered expenses			
Special appropriations	6,893,969	7,058,205	–164,236
Total for Program 1.7	6,893,969	7,058,205	–164,236
Program 1.8: National Rental Affordability Scheme			
Administered expenses			
Special appropriations	144,846	146,756	–1,910
Total for Program 1.8	144,846	146,756	–1,910
Program 1.9: Product Stewardship for Oil			
Administered expenses			
Special appropriations	83,901	88,722	–4,821
Total for Program 1.9	83,901	88,722	–4,821
Program 1.10: Research and Development Tax Incentive			
Administered expenses			
Special appropriations	2,728,645	3,082,936	–354,291
Total for Program 1.10	2,728,645	3,082,936	–354,291
Program 1.11: Low Income Superannuation Tax Offset			
Administered expenses			
Special appropriations	498,272	491,822	6,450
Total for Program 1.11	498,272	491,822	6,450
Program 1.12: Private Health Insurance Rebate			
Administered expenses			
Special appropriations	226,325	240,996	–14,671
Total for Program 1.12	226,325	240,996	–14,671
Program 1.13: Superannuation Co-contribution Scheme			
Administered expenses			
Special appropriations	124,000	103,206	20,794
Total for Program 1.13	124,000	103,206	20,794
Program 1.14: Superannuation Guarantee Scheme			
Administered expenses			
Special appropriations	612,000	666,281	–54,281
Total for Program 1.14	612,000	666,281	–54,281

Table 4.30 Budgeted expenses and resources for Outcome 1, 2021–22^(a) continued

Budgeted expenses and resources	Budget ^(b) 2021–22 \$'000	Actual expenses 2021–22 \$'000	Variation 2021–22 \$'000
Program 1.15: Targeted Assistance Through the Taxation System			
Administered expenses			
Special appropriations	22,808	43,837	–21,029
Total for Program 1.15	22,808	43,837	–21,029
Program 1.16: Interest on Overpayment and Early Payments of Tax			
Administered expenses			
Special appropriations	70,000	156,076	–86,076
Total for Program 1.16	70,000	156,076	–86,076
Program 1.17: Bad and Doubtful Debts and Remissions			
Administered expenses			
Special appropriations	7,429,000	7,962,558	–533,558
Total for Program 1.17	7,429,000	7,962,558	–533,558
Program 1.18: Seafarer Tax Offset			
Administered expenses			
Special appropriations	9,000	9,157	–157
Total for Program 1.18	9,000	9,157	–157
Program 1.19: Economic Response to the Coronavirus			
Administered expenses			
Special appropriations			
Cash Flow Boost for Employers	12,666	19,330	–6,664
JobMaker Hiring Credit	20,815	17,540	3,275
JobKeeper Payment	–14,656	–79,992	65,336
Total for Program 1.19	18,825	–43,122	61,947
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services	8,577	851	7,726
Special appropriations	11,867,673	12,238,599	–370,926
Expenses not requiring appropriation in budget year	7,429,000	7,962,558	–533,558
Departmental expenses			
Departmental appropriation	3,872,280	3,874,621	–2,341
Special accounts	18,676	17,076	1,600
Expenses not requiring appropriation in budget year ^(c)	172,151	163,679	8,472
Total expenses for Outcome 1	23,368,357	24,257,384	–889,027

Notes

- (a) This table is prepared on the basis of accrued expense amounts, while the administered payments table on page 55 is prepared on a cash basis.
- (b) Budget 2021–22 relates to Estimated actual expenses published in the 2022–23 Portfolio Budget Statements, and includes any subsequent adjustments made to the original 2021–22 Budget.
- (c) Expenses not requiring appropriation in the budget year includes depreciation, resources received free of charge and write-down and impairment of assets.

Efficient administrative practices

Along with agency budgets that provide funding to deliver specific programs, government expenditure is guided by legislation that provides direction and sets minimum requirements, including reporting obligations. The ATO complies with the PGPA Act, PGPA Rule, ANAO requirements, and the *Environment Protection and Biodiversity Conservation Act 1999*.

Asset management

The ATO has an asset management framework in place which outlines how we plan and maintain the optimal asset mix for effective delivery of our programs.

The ATO's approach to asset management includes:

- detailed procedures and guidance on asset management
- an asset register, which is subject to a regular stocktake.

Procurement

Procurement refers to the whole process of acquiring goods or services – from identifying a need, through to obtaining and paying for the goods or services. If relevant, it also includes the ongoing contract management and disposal of goods.

The ATO's approach to procuring goods and services – including consultancies – is consistent with, and reflects the principles of, the *Commonwealth procurement rules* and various procurement-related legislation and government policies. To ensure this, the ATO has a range of system-based and other controls in place and conducts regular assurance processes.

Standard ATO contracts include a clause requiring suppliers to comply with all legislative and government policy obligations, including those relating to taxation and workplace health and safety. In addition, we have worked closely with our suppliers throughout the COVID-19 pandemic to ensure there are adequate COVID-19 safety measures in place for their employees and we have made working from home available to labour hire personnel wherever possible throughout the pandemic.

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

Contracting

All ATO contracts of \$100,000 or more provide for the Auditor-General to have access to the contractor's premises.

The ATO had no contracts in excess of \$10,000 that were exempted by the Accountable Authority from being published on AusTender because it would disclose exempt matters under the FOI Act.

Consultancy contracts

The ATO uses consultancy services to obtain independent advice, often of a specialised nature, to assist with decision-making at the agency level.

Consultants are engaged through a procurement process, using open tender, limited tender or an established panel arrangement. All consultants who require unsupervised access to ATO premises or ATO information are required to complete mandatory training on security, as well as workplace health and safety.

During 2021–22, the ATO entered into 68 new reportable consultancy contracts, involving total actual expenditure of \$5.1 million. In addition, 76 ongoing reportable consultancy contracts were active during 2021–22, involving total actual expenditure of \$9.2 million. Prior-year contracts accounted for 62.2% of total consultancy expenditure.

Table 4.31 Number of and expenditure on reportable consultancy contracts, 2019–20 to 2021–22^(a)

Reportable consultancy contracts	2019–20	2020–21	2021–22
Number of new contracts engaging consultants	126	113	68
New contracts expenditure	\$5.6m	\$8.4m	\$5.1m
Number of ongoing contracts engaging consultants	82	52	76
Ongoing contracts expenditure	\$5.7m	\$4.8m	\$9.2m

Note

(a) Amounts are GST inclusive.

Table 4.32 Significant reportable consultancy contracts expenditure, 2021–22^{(a)(b)(c)(d)}

Organisation	Expenditure \$	Proportion of total expenditure %
KPMG	3,431,687	23.9
The Boston Consulting Group	3,069,075	21.4
Deloitte Touche Tohmatsu	1,424,070	9.9
IBM Australia Limited	600,820	4.2
WAVE Design Consulting Pty Ltd	524,710	3.7
Total	9,050,362	63.1

Notes

(a) Amounts are GST inclusive.

(b) Provides information on those organisations that received the 5 largest shares of an entity's expenditure on such contracts, and those organisations that received 5% or more of an entity's expenditure.

(c) Where expenditure with an organisation is spread across both reportable consultancy and reportable non-consultancy contracts, only the expenditure on reportable consultancy contracts is considered for this table.

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

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website at tenders.gov.au.

Non-consultancy contracts

Non-consultancy services are engaged through a procurement process, using open tender, limited tender or an established panel arrangement. Suppliers' employees and contractors who require unsupervised access to ATO premises or ATO information are required to complete mandatory training on security, as well as workplace health and safety.

During 2021–22, the ATO entered into 1,006 new reportable non-consultancy contracts, involving total actual expenditure of \$242.0 million. In addition, 1,602 ongoing reportable non-consultancy contracts were active during 2021–22, involving total actual expenditure of \$1,734.2 million.

Table 4.33 Number of and expenditure on reportable non-consultancy contracts, 2021–22^{(a)(b)}

Reportable non-consultancy contracts	2020–21	2021–22
Number of new non-consultancy contracts	1,485	1,006
New non-consultancy contracts expenditure	\$304.7m	\$242.03m
Number of ongoing non-consultancy contracts	1,512	1,602
Ongoing non-consultancy contracts expenditure	\$1,656.0m	\$1,734.2m

Notes

(a) Amounts are GST inclusive.

(b) This is the second year we have been required to publish data on reportable non-consultancy contracts.

Table 4.34 Significant reportable non-consultancy contracts expenditure, 2021–22^{(a)(b)(c)(d)}

Organisation	Expenditure \$	Proportion of total expenditure %
DXC Enterprise Australia Pty Ltd	217,360,395	10.9
Accenture Australia Pty Ltd	216,784,750	10.9
Optus Networks Pty Ltd	113,643,561	5.7
Leidos Australia Pty Ltd	111,598,717	5.6
Probe Operations Pty Ltd	85,449,368	4.3
Total	744,836,791	37.4

Notes

(a) Amounts are GST inclusive.

(b) Provides information on those organisations that received the 5 largest shares of an entity's expenditure on such contracts, and those organisations that received 5% or more of an entity's expenditure.

(c) Where expenditure with an organisation is spread across both reportable consultancy and reportable non-consultancy contracts, only the expenditure on reportable consultancy contracts is considered for this table.

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

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website at tenders.gov.au.

Small and medium enterprises

The ATO supports small and medium business participation in the Commonwealth Government procurement market. Our support focuses on removing barriers to their participation and includes:

- streamlined tender requirements for lower value and less complex contracts
- adhering to the principles of the Commonwealth Government's Digital Sourcing Framework, which includes structuring procurements in a way that enables small and medium enterprises to compete fairly to provide components of large ICT projects
- actively seeking opportunities to engage Aboriginal and Torres Strait Islander businesses.

Small-to-medium enterprises and small enterprise participation statistics are available on the Department of Finance website at finance.gov.au/procurement. The Australian Government has set 2 targets for contracts awarded to businesses with less than 200 employees:

- 10% of all contracts (by value)
- at least 35% of contracts valued up to \$20 million (by value).

The ATO met both targets in 2021–22.

The ATO recognises the importance of ensuring small businesses are paid on time. The ATO achieved 95% compliance in 2021–22. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website at treasury.gov.au.

Indigenous procurement policy

In 2021–22, we spent over \$23.5 million with Aboriginal and Torres Strait Islander businesses. This expenditure relates to both new contracts entered into during 2021–22 (134 with a total value of \$7.6 million) and contracts entered into during previous years.

Grants

The ATO provides a small number of discretionary grants, including funding for legal institutes, and to encourage community participation in the tax and superannuation systems through sponsorship and mentoring arrangements.

The ATO's grant activities meet the requirements and principles of grants administration contained in the *Commonwealth grants rules and guidelines 2017*, including reporting and publishing of all grants provided throughout the year.

During 2021–22, the ATO awarded 15 grants, of which 14 were to support the National Tax Clinic program.

Information about the National Tax Clinic program is available at ato.gov.au/nationaltaxclinic. All grants awarded are published on grants.gov.au.

Compliance with finance law

The PGPA Act requires that agencies provide a statement of significant issues reported to the minister under paragraph 19(1)(e) of the Act, which relates to non-compliance with finance law and action taken to remedy non-compliance.

The ATO had no instances of significant non-compliance with finance law to report to the minister in 2021–22.

Ecologically sustainable development and environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires all Commonwealth agencies to report on certain aspects of ecologically sustainable development and environmental performance.

Appropriations – departmental funding for ecologically sustainable development

The ATO does not receive departmental funding for work that specifically contributes to ecologically sustainable development. However, in making decisions on expenditure, we apply the *Commonwealth procurement rules* and guidance from the Department of Finance on informed decision-making processes.

The *Commonwealth procurement rules* include the need to consider the environmental aspects of the purchase and, where the procurement is via tender, a tenderer's practices regarding environmental impacts.

In April 2021, we established the *2024 ATO environmental sustainability strategy*. The ATO's 2024 targets are to reduce:

- our greenhouse gas emissions by at least 10% from 2019–20 levels
- the amount of waste from ATO offices going to landfill by at least 5% from 2019–20 levels.

At 30 June 2022, the ATO is on track to meet these targets.

In 2021–22, the ATO minimised our environmental impact by meeting the requirements of the Energy Efficiency in Government Operations (EEGO) policy for 'Tenant light and power' and 'Central services' performance ratings.

Table 4.35 Energy intensity ratings and EEGO targets, 2021–22

Category (and unit of measure)	EEGO target	ATO performance
Tenant light and power (MJ per person per annum)	7,500	4,379
Central services (MJ per m ² per annum)	400	110

Additionally, 95% of the ATO's eligible tenancies that qualify for a rating have achieved or exceeded the minimum National Australian Built Environment Rating System (NABERS) rating of 4.5 stars.

Appropriations – administered funding

In 2021–22, the ATO administered appropriations for 2 energy and fuel schemes that provide credits and grants to reduce the costs of some fuels, or to provide a benefit to encourage recycling of waste oils. These were:

- Program 1.7 Fuel Tax Credits Scheme (page 56)
- Program 1.9 Product Stewardship for Oil (page 56).

More information about fuel schemes is available at ato.gov.au/business/fuel-schemes.

About the financial statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations including simplified disclosures for Tier 2 entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Included in the ATO's financial statements are the operations of the Australian Charities and Not-for-profits Commission (ACNC) through the ACNC Special Account; the operations of the Australian Business Registry Services (ABRS) and Tax Practitioners Board (TPB).



Auditor-General for Australia

**INDEPENDENT AUDITOR'S REPORT****To the Assistant Treasurer, Minister for Financial Services****Opinion**

In my opinion, the financial statements of the Australian Taxation Office (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Commissioner of Taxation and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matter
Accuracy of taxation revenue

Refer to Note 14 'Administered – Income'

I focused on the estimation processes adopted by the Entity for financial reporting of taxation revenue given the value of the transactions and the complexity and judgement involved in the estimation processes and calculations. The reliable estimation of taxation revenue is complex due to uncertain timing of tax return assessments, payments and forecasting of likely taxation revenue outcomes. The Entity applies significant judgement when selecting the appropriate base for revenue recognition.

The Entity uses two bases for revenue recognition – the Economic Transactions Method (ETM) and the Taxation Liability Method (TLM). Under the ETM the Entity recognises taxation revenue when it gains control over future economic benefits that arise from tax legislation. The ETM involves significant estimates based on available information. The TLM recognises revenue at the earlier of when an assessment of tax liability is or can be made, or payment is received. Revenue recognised under the TLM is generally recognised at a later time than if it were measured under the ETM.

The methodologies used by the Entity to recognise taxation revenue involve data analysis and estimation processes that increase the likelihood of error. As part of the estimation process, the Entity conducts data analysis of past taxpayer behaviours and records, together with assumptions about economic factors such as future wage growth and gross domestic product.

For the year ended 30 June 2022, the Entity reported total taxation revenue of \$528,364 million.

How the audit addressed the matter

To audit the accuracy of taxation revenue, I assessed the:

- appropriateness of the base for revenue recognition with reference to the accuracy of prior year results and historical trends;
- design, implementation and operating effectiveness of the taxation estimation process controls and the associated validation procedures together with the completeness, relevance and accuracy of data used in developing taxation revenue estimates;
- reasonableness of the interpretation and analysis of data used by the Entity for material estimates and recalculated these estimates as at 30 June 2022; and
- adequacy of documentation to support the Entity's judgements made in relation to key estimates and allocations of revenue at year-end. This included an assessment of the quality assurance process over manual adjustments processed as at 30 June 2022.

Key audit matter**Valuation of taxation receivables and provision for refunds**

Refer to Note 15 'Administered – Non-Financial Assets & Note 16 'Administered – Provisions'

I focused on the calculations that support the valuation of the impairment of taxation receivables and estimates of amendments arising from disputed cases and allowances for taxation receivables and the provision for income taxation refunds. These balances reduce the total comprehensive income reported by the Entity and involve significant judgement.

In each component there are complex methodologies and assumptions underpinning the calculation and assessment of the recoverability of taxation receivables, and the calculation of the provision for refunds. Estimate methodologies are based on assumptions including taxpayer compliance and lodgment history, the existence of dispute over a receivable and the taxpayer's capacity to pay. Models use historical data to predict future taxpayer behavior.

For the year ended 30 June 2022, the Entity reported:

- total taxation receivables of \$70,621 million;
- impairment allowance of \$30,251 million;
- allowance for credit amendments of \$5,829 million; and
- provision for refunds of \$2,363 million.

How the audit addressed the matter

To audit the valuation of taxation receivables and provision for refunds, I:

- evaluated the adequacy of the Entity's oversight processes which included the documentation and quality assurance processes to support judgements made in relation to overdue and disputed debts;
- assessed the work undertaken by the Entity's actuary by evaluating the reasonableness of the underlying assumptions and methodology developed and adopted by the Entity;
- assessed the completeness of the source data used in estimating the balances;
- recalculated the impairment allowance at balance date and assessed whether it was appropriately reflected in the Entity's financial statements;
- tested a sample of individual taxation receivables, to assess the Entity's application of taxation law and the revenue recognition for individual taxpayers' accounts; and
- examined the provision balance and evaluated the appropriateness of management's processes to determine whether judgements and assumptions used remain appropriate and reasonable for the impairment rate applied to large disputed taxation cases where an individual assessment has not been made.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Commissioner of Taxation is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Commissioner of Taxation is also responsible for such internal control as the Commissioner of Taxation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner of Taxation is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner of Taxation is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Grant Hehir
Auditor-General
Canberra

20 September 2022

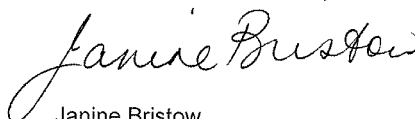
AUSTRALIAN TAXATION OFFICE**STATEMENT BY THE COMMISSIONER OF TAXATION
AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Taxation Office will be able to pay its debts as and when they fall due.



Chris Jordan
COMMISSIONER OF TAXATION
AS THE ACCOUNTABLE AUTHORITY
AUSTRALIAN TAXATION OFFICE
20 September 2022



Janine Bristow
CHIEF FINANCE OFFICER
AUSTRALIAN TAXATION OFFICE

20 September 2022

Australian Taxation Office
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

		2022	2021	Original
	Note	\$'000	\$'000	budget
				\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	2,082,986	2,042,169	2,184,457
Suppliers	1B	1,573,224	1,581,329	1,388,595
Depreciation and amortisation	4A	385,651	384,843	432,837
Finance costs	1C	12,067	12,126	11,775
Impairment loss on financial instruments	1D	311	-	-
Write-down and impairment of other assets	1E	840	196	-
Other expenses	1F	298	337	-
Total expenses		4,055,377	4,021,000	4,017,664
Own-source revenue				
Rendering of services	2A	86,560	71,699	87,371
Rental income	2B	15,750	16,409	16,036
Other revenue and gains	2C	8,405	7,498	25,092
Impairment gain on financial instruments	2E	-	948	-
Total own-source revenue		110,715	96,554	128,499
Net cost of services		(3,944,662)	(3,924,446)	(3,889,165)
Revenue from the Australian Government	2D	3,770,651	3,831,811	3,682,694
Deficit on continuing operations		(174,011)	(92,635)	(206,471)
OTHER COMPREHENSIVE LOSS				
Items not subject to subsequent reclassification to net cost of services				
Revaluation of restoration obligations provision		(1,832)	(29)	-
Other changes in asset revaluation reserves		19,421	-	-
Total comprehensive loss		(156,422)	(92,664)	(206,471)

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

Budget variances commentary: Statement of comprehensive income

Affected line items	Explanation of major variances
Employee benefits	The lower than expected employee benefits expense is primarily due to the effects of the long-term government bond rate on employee leave provision balances.
Suppliers	The higher than expected actual is driven by an increase in operating expenditure for projects that were originally anticipated to require a higher level of capital investment. The cost of supporting the delivery of government stimulus measures at the start of the financial year also contributed to this variance.
Depreciation and amortisation	The lower than expected actual is mainly driven by lower than anticipated asset additions for computer software. This is due to capital expenditure for some IT projects being subsequently determined as operating in nature, resulting in lower amortisation.
Other revenue and gains	The lower than expected actual is primarily driven by lower revenue from court awarded costs and indemnity recoveries, which have been negatively impacted by the ongoing effects of the COVID-19 pandemic.
Revenue from the Australian Government	Higher actual revenue is due to additional funding for measures announced at MYEFO 2021-22 and the reclassification of capital funding to support IT projects that had capital deliverables subsequently determined to be operating in nature.
Other changes in asset revaluation reserves	The variance is the outcome of the annual assets fair value review. Leasehold improvement assets have been attributed a higher fair value due to the increase in average costs for fit-outs and materials in the current environment. The budget estimates do not pre-empt the outcome of asset reviews.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash	3A	34,860	48,996	36,243
Trade and other receivables	3B	571,662	668,862	520,793
Total financial assets		606,522	717,858	557,036
Non-financial assets¹				
Buildings	4A	1,003,236	995,411	988,938
Buildings - leasehold improvements	4A	173,012	148,177	175,889
Plant and equipment	4A	99,011	100,065	45,511
Intangibles - computer software	4A	454,664	490,055	565,012
Other non-financial assets	4B	104,023	74,088	5,024
Total non-financial assets		1,833,946	1,807,796	1,780,374
Total assets		2,440,468	2,525,654	2,337,410
LIABILITIES				
Payables				
Employees	5A	50,841	42,557	52,863
Suppliers	5B	212,068	254,968	243,414
Other payables	5C	4,846	4,981	3,459
Total payables		267,755	302,506	299,736
Interest bearing liabilities				
Leases	6A	1,113,741	1,115,303	1,072,146
Total interest bearing liabilities		1,113,741	1,115,303	1,072,146
Provisions				
Employee provisions	7A	716,666	778,962	727,916
Other provisions	7B	35,202	19,045	6,271
Total provisions		751,868	798,007	734,187
Total liabilities		2,133,364	2,215,816	2,106,069
Net assets		307,104	309,838	231,341
EQUITY				
Contributed equity		2,265,802	2,112,114	2,322,312
Reserves		140,743	123,154	122,807
Accumulated deficit		(2,099,441)	(1,925,430)	(2,213,778)
Total equity		307,104	309,838	231,341

¹ Right-of-use assets are included in the following line items:
- Buildings
- Plant and equipment

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

Budget variances commentary: Statement of financial position

Affected line items	Explanation of major variances
Trade and other receivables	The higher than budgeted actual is primarily driven by a higher than expected appropriation receivable aligning with the timing of payment for goods and services.
Plant and equipment	The higher than expected actual is primarily driven by the recognition of an additional finance lease, which was not anticipated at the time the original budget was prepared.
Intangibles - computer software	The lower than budgeted actual is primarily driven by lower than anticipated capital expenditure on major IT projects. Expenditure originally budgeted as capital was subsequently determined to be operating in nature.
Other non-financial assets	The higher than expected actual is primarily driven by a number of large supplier prepayments made during the year.
Suppliers	The lower than expected actual is primarily driven by a reduction in pending payments for services provided on behalf of the ATO.
Leases	The higher than budgeted actual is primarily due to the recognition of new leases, the timing of which was not anticipated when the original budget was prepared.
Other provisions	The higher than expected actual is primarily driven by new restoration and makegood requirements as part of new leases that were signed during the financial year, and additional provisions for legal costs for unforeseen cases not factored into the budget.
Contributed equity	The lower than expected contributed equity is primarily due to a reclassification of funding from capital to operating to support IT project expenditure, subsequently determined to be operating in nature.
Reserves	The higher than expected reserves is due to an increase in the asset revaluation reserves, following the annual assets fair value review. Leasehold improvement assets have been attributed a higher fair value due to the increase in average costs for fit-outs and materials in the current environment. The budget estimates do not pre-empt the outcome of asset reviews.
Accumulated deficit	The favourable variance in accumulated deficit is due to the actual operating deficit being lower than budgeted. This variance is supported by the explanations provided above in the Statement of Comprehensive Income.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Contributed equity			Asset revaluation surplus			Retained earnings			Total equity		
	2022	2021	Original budget	2022	2021	Original budget	2022	2021	Original budget	2022	2021	Original budget
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	2,112,114	1,897,779	2,115,520	123,154	123,183	122,807	(1,925,430)	(1,832,795)	(2,007,307)	309,838	188,167	231,020
Opening balance	2,112,114	1,897,779	2,115,520	123,154	123,183	122,807	(1,925,430)	(1,832,795)	(2,007,307)	309,838	188,167	231,020
Comprehensive gain/(loss)												
Other comprehensive gain/(loss)	-	-	-	17,589	(29)	-	-	-	-	17,589	(29)	-
(Deficit) for the period	-	-	-	-	-	-	(174,011)	(92,635)	(206,471)	(174,011)	(92,635)	(206,471)
Total comprehensive gain/(loss)	-	-	-	17,589	(29)	-	(174,011)	(92,635)	(206,471)	(156,422)	(92,664)	(206,471)
Transactions with owners												
Distributions to owners												
Returns of contributed equity ¹	(63,933)	(32,316)	-	-	-	-	-	-	-	(63,933)	(32,316)	-
Contributions by owners												
Equity injection - appropriations	97,282	126,249	88,741	-	-	-	-	-	-	97,282	126,249	88,741
Departmental capital budget	120,339	118,644	118,051	-	-	-	-	-	-	120,339	118,644	118,051
Restructuring ²	-	1,758	-	-	-	-	-	-	-	-	1,758	-
Total transactions with owners	153,688	214,335	206,792	-	-	-	-	-	-	153,688	214,335	206,792
Transfers between equity components	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June	2,265,802	2,112,114	2,322,312	140,743	123,154	122,807	(2,099,441)	(1,925,430)	(2,213,778)	307,104	309,838	231,341

¹ Return of contributed equity relates to amounts withheld through a section 51 determination which represent a loss of control to the ATO. Current year amount also includes repeal of Appropriation Act (No.2) 2019-20 and Supply Act (No. 2) 2019-20 which automatically lapsed on 1 July 2022.

² On 15 April 2021, as a result of the Modernising Business Register (MBR) program, \$1,758,000 of net assets were transferred from the Australian Securities and Investments Commission (ASIC) to the ATO.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

Accounting policy

Equity Injection

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and departmental capital budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangement

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Budget variances commentary: Statement of changes in equity

Explanation of major variances
The variances are supported by the explanations provided above in the Statement of Comprehensive Income and Statement of Financial Position.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
CASH FLOW STATEMENT
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000	Original budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		3,898,069	3,771,865	3,681,962
Rendering of services		111,548	98,948	125,104
Receipts transferred from the official public account		334,823	299,960	-
GST received		155,267	171,908	131,034
Other		31,962	3,929	-
Total cash received		4,531,669	4,346,610	3,938,100
Cash used				
Employees		2,136,824	2,012,867	2,188,693
Suppliers		1,831,846	1,794,052	1,505,507
Interest payments on lease liabilities		11,668	12,018	11,775
S.74 receipts transferred to the official public account		338,632	304,787	-
Total cash used		4,318,970	4,123,724	3,705,975
Net cash from operating activities		212,699	222,886	232,125
Cash used				
Purchase of property, plant and equipment		51,384	31,549	60,135
Purchase of intangibles		82,223	117,352	152,357
Total cash used		133,607	148,901	212,492
Net cash used by investing activities		(133,607)	(148,901)	(212,492)
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity		133,607	148,901	206,792
Total cash received		133,607	148,901	206,792
Cash used				
Principal payments of lease liabilities		226,835	210,016	226,366
Total cash used		226,835	210,016	226,366
Net cash used by financing activities		(93,228)	(61,115)	(19,574)
Net increase in cash held		(14,136)	12,870	59
Cash at the beginning of the reporting period		48,996	36,126	36,184
Cash at the end of the reporting period	3A	34,860	48,996	36,243

Budget variances commentary: Statement of cash flows

Explanation of major variances

The variances are supported by the explanations provided above in the Statement of Comprehensive Income and Statement of Financial Position.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Note	2022 \$'m	2021 \$'m	Original budget \$'m
NET COST OF SERVICES				
Expenses				
Subsidies	13A	10,537	80,785	11,731
Personal benefits	13B	836	1,008	1,068
Impairment of receivables ¹		6,448	7,960	5,323
Penalty and interest charge remission expenses		1,514	1,228	1,330
Interest on overpayments and early payments		156	55	100
Superannuation guarantee charge		666	879	417
Unclaimed superannuation monies interest		44	26	19
Other expenses		1	-	6
Total expenses		20,202	91,941	19,994
Revenue				
Income tax	14A	423,439	352,180	329,418
Indirect tax	14B	101,705	100,984	100,700
Other taxes	14C	3,220	3,501	3,100
Non-taxation	14D	909	1,135	221
Total revenue		529,273	457,800	433,439
Net contribution by services		509,071	365,859	413,445
Surplus on continuing operations		509,071	365,859	413,445
Total comprehensive income		509,071	365,859	413,445

¹ Includes write-offs of \$2,860 million (2021: \$2,510 million) less re-raises of \$148 million (2021: \$233 million) and the movement in the impairment provision of \$3,736 million (2021: \$5,683 million).

The above schedule should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

Budget variances commentary: Schedule of comprehensive income

Affected line items	Explanation of major variances
Subsidies	The actuals are lower than budget primarily due to weakness in fuel tax credits driven by a temporary reduction in the fuel excise rate for part of the 2021-22 year. The Australian screen production incentive was also lower than budget due to weakness in the location and the post digital and visual effects tax offsets. This weakness has been partially offset by strength in research and development tax incentive claims.
Personal benefits	The actuals are lower than budget due to lower than expected eligible recipients of the low income superannuation tax offset.
Impairment of receivables	The actuals are higher than budget primarily due to continued increase in aged debts which are impaired at a higher rate. This is partially offset by lower than expected write-off activity.
Penalty and interest charge remission expense	The actuals are higher than budget due to higher than expected remissions for income tax withholding, other individuals and goods and services tax. These were partially offset by lower than expected remissions from companies.
Interest on overpayments	The actuals are higher than budget due to the implementation of a new methodology allowing for provision for interest on overpayment to be calculated on all dispute cases. This has resulted in a higher expense than budget, while payments were broadly in line with expectations.
Superannuation guarantee charge	The actuals are higher than budget primarily due to strength in superannuation guarantee charge revenue as a result of revenue raised from completion of a backlog of activity.

The above schedule should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

Budget variances commentary: Schedule of comprehensive income (continued)

Affected line items	Explanation of major variances
Income tax	The actuals are higher than budget largely reflecting higher than expected individuals and company taxes. Strength in company tax revenue reflects the continued faster than expected economic recovery and higher commodity prices which have flowed through to profits. Strength in individuals revenue was driven by stronger than expected labour market conditions, strong capital gains and strong business income as well as lower rental deductions due to historically low interest rates.
Indirect tax	The actuals are higher than budget partly due to stronger than expected growth in dwelling investment. This was partially offset by lower excise duty due to the reduction in excise rates on fuels for part of the year.
Other taxes	The actuals are higher than budget primarily due to strength in superannuation guarantee charge revenue as a result of completion of a backlog of activity.
Non-taxation	The actuals are higher than budget due to higher than expected unclaimed superannuation monies. This is primarily due to higher inflows from inactive low balance accounts; closures of eligible rollover funds; and trustee voluntary payments.

The above schedule should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2022

	Note	2022 \$'m	2021 \$'m	Original budget \$'m
ASSETS				
Financial assets				
Cash		466	393	470
Cash held in special accounts ¹		78	75	76
Total financial assets		544	468	546
Non-financial assets				
Receivables	15A	34,876	29,965	38,333
Accrued revenues	15B	15,227	14,207	15,023
Total non-financial assets		50,103	44,172	53,356
Total assets administered on behalf of the Australian Government		50,647	44,640	53,902
LIABILITIES				
Payables				
Subsidies		292	363	45
Personal benefits		10	11	8
Superannuation guarantee charge		74	62	43
Taxation refunds due		1,939	1,196	1,216
Superannuation holding account		78	76	93
Other payables		1	3	3
Total payables		2,394	1,711	1,409
Provisions				
Subsidies	16	4,055	4,427	4,428
Personal benefits	16	1,042	1,150	1,136
Other accrued expenses	16	59	28	53
Income taxation refunds	16	2,340	1,886	1,610
Indirect taxation refunds	16	23	216	278
Superannuation guarantee payments	16	707	696	864
Unclaimed superannuation payments	16	772	775	725
Other refunds	16	26	15	31
Interest on overpayment of taxes	16	104	11	19
Total provisions		9,128	9,204	9,145
Total liabilities administered on behalf of the Australian Government		11,522	10,915	10,554
Net assets		39,125	33,725	43,349

¹ Cash held in special accounts does not include amounts held in trust for special accounts of \$237 million (2021: \$207 million). See Note 20 special accounts for more information.

The above schedule should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2022

Accounting policy

Administered liabilities

Administered liabilities include payables and provisions. Payables are recognised for claims on hand and provisions are raised for accrued expenses in accordance with the accounting policy in Note 13 Administered expenses. The majority of the ATO's administered liabilities are not categorised as financial liabilities as they are statutory in nature.

Budget variances commentary: Schedule of assets and liabilities

Affected line items	Explanation of major variances
Receivables	The actual is lower than budget due to increased impairment of small debts, primarily activity statement debts and income tax debts, and the continued increase in aged debts which are impaired at a higher rate. This is partially offset by higher individual and goods and services tax receivables partly due to much lower than expected write-offs, which have not returned to normal levels since COVID-19.
Subsidies payable	The actuals are higher than budget due to the timing difference in cash flow boost payments.
Taxation refunds due payable	The actuals are higher than budget as taxation refunds due payable are volatile in nature due to the timing of lodgments, payments and compliance activity from year to year.
Income taxation refunds	The actuals are higher than budget primarily due to a higher provision for refunds for company income tax. Provisions for refunds can be volatile due to the timing of lodgments, payments and compliance activity from year to year.
Indirect taxation refunds	The actuals are lower than budget primarily due to a lower provision for refunds for goods and services tax. Provisions for refunds can be volatile due to the timing of lodgments, payments and compliance activity from year to year.
Superannuation guarantee charge provision	The actuals are lower than budget primarily due to a lower than expected outcome in 2020-21 which was not known at the time of preparing the budget. This was due to an increase in the bad and doubtful debt provision which reduced the provision for superannuation guarantee charge payments. The movement in the provision for 2021-22 was broadly in line with expectations.

The above schedule should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED RECONCILIATION SCHEDULE
for the year ended 30 June 2022

	2022 \$'m	2021 \$'m
Opening assets less liabilities as at 1 July	33,725	18,416
Adjustments to equity		
Family tax benefit equity transfer	65	(45)
Higher education loan program equity transfer	213	256
Trade support loan equity transfer	27	(12)
Student financial supplement scheme equity transfer	2	(24)
Net (cost of)/contribution by services		
Income	529,273	457,800
Expenses	(20,202)	(91,941)
Transfers (to)/from the Australian Government		
Appropriation transfers from the official public account		
Annual appropriations	-	-
Special appropriations (unlimited)	141,247	204,681
Appropriation transfers to the official public account		
Transfers to the official public account	(645,225)	(555,406)
Closing assets less liabilities as at 30 June	39,125	33,725

Accounting Policy

Administered cash transfers to and from the official public account

Revenue collected by the ATO for use by the Australian Government rather than the ATO is administered revenue. Collections are transferred to the official public account (OPA) maintained by the Department of Finance. Cash is drawn from the OPA to make payments under Parliamentary appropriations. Transfers to and from the OPA are adjustments to the administered cash held by the ATO on behalf of the Australian Government and are reported in the schedule of administered cash flows and in the administered reconciliation schedule.

The above schedule should be read in conjunction with the accompanying notes.

Australian Taxation Office
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2022

	2022 \$'m	2021 \$'m
OPERATING ACTIVITIES		
Income tax	414,854	348,869
Indirect tax	98,311	99,585
Other revenue	3,557	4,222
Superannuation holding account	2	-
Subsidies paid	(11,001)	(99,965)
Personal benefits	(944)	(1,019)
Interest	(63)	(63)
Other	(662)	(982)
Net cash from operating activities	504,054	350,647
Cash at the beginning of the reporting period	468	546
Cash from the official public account		
Appropriations	141,231	204,663
Special accounts	16	18
Total cash used from the official public account	141,247	204,681
Cash to the official public account		
Administered receipts	(645,209)	(555,388)
Special accounts	(16)	(18)
Total cash to the official public account	(645,225)	(555,406)
Cash at the end of the reporting period	544	468

Accounting policy

The administered cash flow statement represents the total cash received or paid through primary operating activities of the ATO, and categories disclosed above are treated on a net basis. For example, a refund relating to income tax is defined as an overpayment of tax and treated as a reduction to the income tax category. Positive amounts represent an inflow and negative amounts represent an outflow for the relevant category. More detailed information in relation to refunds can be found in Note 19C special appropriations.

The above statement should be read in conjunction with the accompanying notes.

Australian Taxation Office
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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Australian Taxation Office

Notes to and forming part of the financial statements

Overview

The Australian Taxation Office (ATO) conducts the following administered activities on behalf of the Australian Government:

- collecting revenue;
- administering the Goods and services tax (GST) on behalf of the Australian states and territories;
- administering a range of programs that provide transfers and benefits to the community;
- administering the major aspects of Australia's superannuation system; and
- custodian of the Australian Business Register.

The ATO's administered programs are:

- Australian screen production incentive
- Junior minerals exploration incentive
- Fuel tax credits scheme
- National rental affordability scheme
- Product stewardship for oil
- Research and development tax incentive
- Low income superannuation tax offset
- Private health insurance rebate
- Superannuation co-contribution scheme
- Superannuation guarantee scheme
- Targeted assistance through the taxation system
- Interest on overpayments and early payments of tax
- Bad and doubtful debts and remissions
- Seafarer tax offset
- Economic response to the coronavirus

The ATO is a non-corporate Commonwealth entity, domiciled in Australia. The main office location is 52 Goulburn Street, Sydney, Australia.

Basis of preparation of the financial statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations including simplified disclosures for Tier 2 entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements have been prepared on a going concern basis. The ATO's departmental activities are dependent on government policy and continued funding by the Parliament.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand (departmental) or the nearest million (administered), unless disclosure of the full amount is required.

Australian Taxation Office

Notes to and forming part of the financial statements

Unless an alternate treatment is required by an accounting standard or the FRRs, assets and liabilities are recognised in the Statement of Financial Position when, and only when, it is probable that economic benefits will flow to the ATO or a future sacrifice of economic benefits will be required and the amount can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Unrecognised liabilities are reported in Note 9 Contingent assets and liabilities.

Unless an alternate treatment is required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

The ATO reporting entity

Included in the ATO's financial statements are the operations of the Australian Charities and Not-for-profit (ACNC) through the ACNC Special Account; the operations of the Australian Business Registry Services (ABRS) and Tax Practitioners Board (TPB).

Reporting of administered activities

The Administered Schedules of Comprehensive Income, Assets and Liabilities, Administered Reconciliation Schedule and Administered Cash Flow Statement reflect the Government's transactions, through the ATO, with parties outside of the Government.

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

A commitment note is not prepared for administered financial statements due to the nature of the items reported being legislated and not contractual arrangements.

Significant accounting judgements and estimates for departmental items

Item	Note
The fair value of leasehold improvements is determined by estimating the depreciated replacement cost after taking the useful life and remaining useful life of the asset into consideration.	4
The fair value of plant and equipment is determined based on the market value for items of similar type and age or, where there is no active or comparable market, by estimating the depreciated replacement cost.	4

No other accounting assumptions or estimates have been identified that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Australian Taxation Office

Notes to and forming part of the financial statements

Significant accounting judgements and estimates for administered items

Item	Note
Accrual for administered expense items	13
Taxation revenue items reported under the economic transaction method	14
General interest charge revenue and remission expense that have not as yet been posted to taxpayers' accounts	14
Penalties and interest charges and settlements	14
Allowance for impairment losses	15
Allowance for credit amendments and provision for refunds – key assumptions and methodologies used	15

Accrual estimates for administered expense items and certain taxation revenue products are inherently subject to measurement uncertainty due to volatility in economic conditions and taxpayer behaviour. Forecasting models are used to produce these estimates and are based on a combination of projections using historical data, judgement and assumptions. The assumptions and inputs are based on what the ATO believes to be the relevant inputs to arrive at the best estimate.

Actual outcomes could differ from the estimates used due to the areas of uncertainty involved. Each year the ATO reviews the performance of its accruals by comparing historical estimates to actual outcomes. Where there are material differences an analysis will be performed to understand the cause of the difference. Where the cause can be identified, the methodology will be updated. It may also be determined that a change in revenue/expense recognition is required. Where the cause cannot be identified, the results of the materiality tests will be monitored, analysed, and assessed over a three year period to determine whether a change of methodology or revenue/expense recognition basis is appropriate. If after three consecutive years the materiality tests have failed with no cause identified, a recommendation for change of methodology or revenue recognition will be undertaken. Additionally, changes may be made to the methodology, where appropriate, to improve the estimate.

In the 2021-22 financial year materiality tests were exceeded for the prior year accrued expense estimate for low income superannuation tax offset and accrued revenue estimates for fringe benefits tax and unclaimed superannuation monies. In each of these instances, the source of the differences is unknown and continues to be monitored. Refer to accounting policy in note 13 and 14.

The increased uncertainty surrounding the expected value and timing of payments of administered receivables as a result of the COVID-19 pandemic has continued into the 2021-22 financial year. Administered receivables are higher and more aged which increases the risk of collectability. Structural shifts in repayment behaviour could cause material changes to the impairment allowance. The ATO has engaged the Australian Government Actuary to provide ongoing monitoring and evaluation of estimated impairment. Refer to the accounting policy in Note 15.

No other accounting assumptions or estimates have been identified that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

New accounting standards

No accounting standard has been adopted earlier than the application date as stated in the standard. All new, revised or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material financial impact on the ATO's financial statements, unless stated below.

Standard / Interpretation	Nature of change
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

Australian Taxation Office

Notes to and forming part of the financial statements

Changes in accounting estimates

There have been no material changes in accounting estimates applied to the 2021-22 departmental financial statements.

Material changes in accounting estimates have been made to the following administered items in the 2021-22 administered financial statements:

- Provisions for interest on overpayments. Refer to the accounting policy at Note 13;
- Accrued expenses for cashflow boost payments for employers, fuel tax credits scheme, research and development tax incentive, junior minerals exploration incentive and low income superannuation tax offset. Refer to the accounting policy at Note 13;
- Accrued revenues for fringe benefits tax, unclaimed superannuation monies and self managed superannuation fund levy. Refer to the accounting policy at Note 14;
- Allowance for credit amendments and provision for refund. Refer to the accounting policy at Note 14; and
- Contingent liabilities. Refer to the accounting policy at Note 17.

Prior period footnote disclosure - Administered Schedule of Comprehensive Income

In the prior period, write-off and re-raise amounts disclosed in the footnote disclosure on the Administered Schedule of Comprehensive Income were overstated by \$58 million. The 2021 disclosures have been amended in the current period to remove these duplicated amounts and write-off and re-raise amounts have both been reduced by \$58 million accordingly. The error was a disclosure error only and did not impact the Administered Schedule of Comprehensive Income nor the Administered Schedule of Assets and Liabilities.

Taxation

The ATO is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable under the applicable legislation; and
- for receivables and payables.

Events after the reporting date

On 12 September 2022, the ATO committed to sign a new 15 year building lease commencing in 2025. The terms of the lease will be finalised in 2025 and the financial impact of this commitment cannot presently be quantified.

There was no other subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the ATO.

Australian Taxation Office

Notes to and forming part of the financial statements

1: Expenses

	2022	2021
	\$'000	\$'000
Note 1A: Employee benefits		
Wages and salaries	1,552,601	1,490,735
Superannuation:		
Defined contribution plans	160,703	148,392
Defined benefit plans	157,504	166,924
Leave and other entitlements	204,455	227,632
Separation and redundancies	4,141	5,472
Other employee expenses	3,582	3,014
Total employee benefits	2,082,986	2,042,169

Accounting policy

Accounting policies for employee related expenses is contained in Note 7A Employee provisions.

Note 1B: Suppliers

Goods and services supplied or rendered

Contractors and consultants	561,707	600,087
IT and communications	582,239	586,434
Legal	70,763	62,080
Office operations	128,466	117,680
Property	63,003	59,527
Tax administration services provided by the Department of Home Affairs	55,927	56,200
Other	107,679	96,275
Total goods and services supplied or rendered	1,569,784	1,578,283

Other suppliers

Short term leases ¹	286	90
Workers compensation expenses	3,154	2,956
Total other suppliers	3,440	3,046
Total suppliers	1,573,224	1,581,329

¹The ATO has one short-term lease commitment as at 30 June 2022.

The above lease disclosures should be read in conjunction with the accompanying notes 1C, 2B, 4A and 6A.

Accounting policy

Short term leases and leases of low value assets

The ATO has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Australian Taxation Office
Notes to and forming part of the financial statements

	2022	2021
	\$'000	\$'000
Note 1C: Finance costs		
Interest on lease liabilities	11,668	12,018
Unwinding of discount	399	108
Total finance costs	12,067	12,126

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 2B, 4A and 6A.

Accounting policy

All finance charges are expensed as incurred.

Note 1D: Impairment loss on financial instruments

Impairment on trade and other receivables	311	-
Total impairment loss on financial instruments	311	-

Note 1E: Write-down and impairment of other assets

Impairment of plant and equipment	13	127
Impairment of intangibles other than goodwill	827	69
Total write-down and impairment of other assets	840	196

Note 1F: Other expenses

Compensation	252	291
Losses from asset sales	46	46
Total other expenses	298	337

Australian Taxation Office

Notes to and forming part of the financial statements

2: Own-source revenue

	2022	2021
	\$'000	\$'000
Note 2A: Rendering of services		
Rendering of services	86,560	71,699
Total revenue from rendering of services	86,560	71,699
Disaggregation of rendering of services		
Type of customer:		
Australian Government entities (related parties)	85,236	69,932
State and Territory Governments	243	283
Non-government entities	1,081	1,484
	86,560	71,699

Accounting policy

Revenue from rendering of services is recognised when the ATO satisfies a performance obligation by performing a promised service to a customer. Revenue is recognised either as:

- the performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits provided by the ATO or
- the performance obligation is satisfied at a point in time when the customer obtains control of the asset.

Receivables for goods and services, which have 28 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Australian Taxation Office**Notes to and forming part of the financial statements**

	2022	2021
	\$'000	\$'000
Note 2B: Rental income		
Finance lease:		
Finance income	250	318
Operating lease:		
Lease income	15,500	16,091
Total rental income	15,750	16,409

Finance leases

The ATO in its capacity as lessor has two subleases that are recognised as a finance sublease. A sublease is classified as a finance sublease when the right-of-use asset transferred comprises of 75% or more of the underlying head lease right-of-use asset.

Maturity analysis of finance lease receivables

	2022	2021
	\$'000	\$'000
Within 1 year	7,888	7,607
One to two years	8,179	7,888
Two to three years	4,242	8,179
Three to four years	843	4,242
Four to five years	-	843
More than 5 years	-	-
Total undiscounted lease payments receivable	21,152	28,759
Unearned finance income	298	548
Net investment in leases	20,854	28,211

Operating leases

The ATO in its capacity as lessor has a range of long and short-term leases with fixed dates for expiry. A number of subleases are due to end over the next five years.

Maturity analysis of operating lease income receivables:

	2022	2021
	\$'000	\$'000
Within 1 year	10,905	15,923
One to two years	5,388	7,993
Two to three years	3,433	4,454
Three to four years	2,503	2,756
Four to five years	2,124	1,898
More than 5 years	236	1,499
Total undiscounted lease payments receivable	24,589	34,523

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1C, 4A and 6A.

The ATO subleases space excess to its needs in certain office buildings. Sublease terms (including rent escalation clauses and make good requirements) are consistent with those in the head lease in order to reduce the risk associated with the ATO's obligations under the head lease. These leases have a range of terms between one month and ten years, reflecting the ATO's expected operational needs for the subleased premises.

Australian Taxation Office

Notes to and forming part of the financial statements

	2022 \$'000	2021 \$'000
Note 2C: Other revenue		
Recovery of legal costs	4,371	3,625
Resources received free of charge		
Remuneration of auditors	3,000	3,000
Secondments	1,023	821
Other revenue ¹	11	52
Total other revenue	8,405	7,498

¹ Includes amounts related to refunds/(reversals) and overpayments/(underpayments) of \$3,000 (2021: \$26,000).

Accounting policy

Revenue from recovery of legal costs is recognised at the time the court awards those costs to the ATO.

Resources received free of charge are recognised as revenue when the fair value can be reliably measured at the time the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Note 2D: Revenue from the Australian Government

Departmental appropriations	3,770,651	3,831,811
Total revenue from the Australian Government	3,770,651	3,831,811

Accounting policy

Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from the Australian Government when the ATO gains control of the appropriation.

Appropriation receivables are recognised at their nominal amounts.

	2022 \$'000	2021 \$'000
Note 2E: Impairment gain on financial instruments		
Reversal of impairment on trade and other receivables	-	948
Total impairment gain on financial instruments	-	948

3: Financial assets

Note 3A: Cash

Special account - ACNC	13,229	10,913
Cash on hand or on deposit	21,631	38,083
Total cash	34,860	48,996

Accounting policy

Cash is recognised at its nominal amount. Cash includes cash on hand or on deposit, and cash held in bank and the official public account for special accounts.

Australian Taxation Office
Notes to and forming part of the financial statements

	2022	2021
	\$'000	\$'000
Note 3B: Trade and other receivables		
Services receivables in connection with		
Service receivables	14,038	8,392
Total service receivables	14,038	8,392
 Appropriations receivables		
Existing programs		
Cash held in the official public account: ATO	474,508	578,035
Total appropriations receivables	474,508	578,035
 Other receivables		
GST receivable from the ATO (as Tax Administrator)	47,040	36,359
Lease receivables	22,452	30,781
Other receivables	24,028	27,273
Total other receivables	93,520	94,413
Total trade and other receivables (gross)	582,066	680,840
 Less impairment loss allowance	(10,404)	(11,978)
Total trade and other receivables (net)	571,662	668,862

Australian Taxation Office Notes to and forming part of the financial statements

4: Non-financial assets

Note 4A: Current year - Reconciliation of the opening and closing balances of property, plant, equipment, and intangibles 2022

	Buildings		Buildings - Plant and equipment		Intangibles - computer software		Total
	\$'000	\$'000	leasehold improvements	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021							
Gross book value	1,436,126	206,712		143,504	1,854,250		3,640,592
Work in progress	-	14,981		3,208	90,112		108,301
Accumulated depreciation, amortisation and impairment	(440,715)	(73,516)		(46,647)	(1,454,307)		(2,015,185)
Total as at 1 July 2021	995,411	148,177		100,065	490,055		1,733,708
Additions:							
Purchase or internally developed	-	37,283		25,243	74,664		137,190
Right-of-use assets	228,202	-		260	-		228,462
Revaluations recognised in other comprehensive income	-	19,421		-	-		19,421
Impairment write-offs recognised in net cost of services	-	-		(13)	(827)		(840)
Disposals	-	-		(12)	-		(12)
Other movements of right-of-use assets	-	-		(2,355)	-		(2,355)
Depreciation / amortisation expense	-	(31,869)		(17,572)	(109,228)		(158,669)
Depreciation on right-of-use assets	(220,377)	-		(6,605)	-		(226,982)
Total as at 30 June 2022	1,003,236	173,012		99,011	454,664		1,729,923
Total as at 30 June 2022 represented by							
Gross book value	1,664,328	153,515		158,223	1,924,530		3,900,596
Work in progress	-	30,094		9,305	46,534		85,933
Accumulated depreciation, amortisation and impairment	(661,092)	(10,597)		(68,517)	(1,516,400)		(2,256,606)
Total as at 30 June 2022	1,003,236	173,012		99,011	454,664		1,729,923
Carrying amount of right-of-use assets	1,003,236	-		48,308	-		1,051,544

Australian Taxation Office

Notes to and forming part of the financial statements

Revaluations of tangible assets

Buildings – leasehold improvements and plant and equipment are recognised at fair value. All revaluations are conducted in accordance with the ATO revaluation policy stated below. The ATO engaged the service of accredited valuer, Jones Lang LaSalle (JLL), to conduct a physical inspection fair value review as at 31 March 2022. Fair values were estimated based on highest and best use and the valuation premise utilised was that market participants would maximise the value of the asset by using the asset in combination with other assets as a group (an in-combination basis). JLL relied upon the accuracy of the ATO's fixed asset register and that any items not sighted are in fair to good operational condition. There is a revaluation surplus of \$140.7m (2021: \$123.2m), an increase of \$17.6m from the prior period. There are no restrictions on the reserve.

Accounting policy

Assets are initially recognised at cost, except as stated below. The initial cost of an asset includes transaction costs and an estimate of the cost of dismantling and removing the item and restoring the site in which it is located, where applicable.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Tangible assets

Asset recognition thresholds

Purchases of leasehold improvements and plant and equipment are recognised initially at cost in the statement of financial position, except for assets costing less than the relevant asset recognition threshold. Asset recognition thresholds can be found in the table below, except for ACNC and TPB assets, which have an asset recognition threshold of \$3,000.

Leased right of use (ROU) assets

Leased ROU assets are capitalised at the commencement date of the lease and are comprised of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by ATO as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 *Leases*, the ATO adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, leasehold improvements and plant and equipment assets (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less accumulated depreciation and accumulated impairment losses. The ATO conducts a comprehensive valuation every three years for all tangible assets. Valuation reviews ensure that the carrying amounts of assets do not materially differ from the fair value as at the reporting date. Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Any accumulated depreciation and accumulated impairment as at the revaluation date are eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciation methods and rates (useful lives) are reviewed at each reporting date and necessary adjustments are recognised in the current or future reporting periods, as appropriate.

If an asset is not fully constructed at the reporting date, its cost to date is reported as an asset under construction. Depreciation does not commence until the asset is available for use.

Australian Taxation Office**Notes to and forming part of the financial statements**

Depreciation rates applying to each class of depreciable asset are based on the following useful lives and methods:

Asset type	Threshold	2022	2021
Leasehold improvements	\$1,000,000	Lesser of lease term or a maximum 20 year useful life (Straight-line method)	Lesser of lease term or a maximum 20 year useful life (Straight-line method)
Plant and equipment			
Other than desktop computers, laptops, monitors and printers	Bulk purchases furniture and fittings \$200,000 Individual purchases plant and equipment \$3,000	5 – 25 years (Straight-line method)	5 – 25 years (Straight-line method)
Desktop computers, laptops, monitors and printers	Bulk purchases \$200,000 Individual purchases \$3,000	4 – 5 years (Reducing balance method)	4 – 5 years (Reducing balance method)

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

Impairment testing is conducted during the annual fair value review of leasehold improvements and bulk furniture and fittings, as well as during stocktakes. All leasehold improvements, plant and equipment and computer assets were assessed for indicators of impairment as at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

Leasehold improvement and plant and equipment assets are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Intangible assets**Asset recognition thresholds**

The ATO's intangible assets comprise internally developed and purchased software. All intangible assets are carried at cost less accumulated amortisation and accumulated impairment and are not subject to revaluation.

Asset recognition thresholds can be found in the table below, except for ACNC and TPB assets. ACNC and TPB have an asset recognition threshold of \$100,000 for new internally developed software and \$50,000 for enhancements. ACNC and TPB purchased software have an asset recognition threshold of \$3,000.

Australian Taxation Office**Notes to and forming part of the financial statements**Amortisation

Amortisation rates (useful lives) are reviewed at each reporting date and necessary adjustments are recognised in the current reporting period, or current and future reporting periods, as appropriate. In determining useful life, all known legislative changes are taken into account. If an asset is not fully constructed at the reporting date, its cost to date is reported as an asset under construction. Amortisation does not commence until the asset is available for use. Computer software assets are amortised based on the following useful lives:

Asset type	Threshold	2022	2021
Purchased software	\$200,000	3 - 20 years (Straight-line method)	3 - 20 years (Straight-line method)
Internally developed software	\$2,500,000 Enhancements to previously capitalised software \$1,000,000	5 - 26 years (Straight-line method)	5 - 26 years (Straight-line method)

Impairment

Impairment testing is conducted through annual reviews of internally developed and purchased software. Where indicators of impairment are evident, the recoverable amount of the intangible asset is estimated and an impairment loss is recognised where the recoverable amount is less than the carrying amount.

The recoverable amount for purchased software and internally developed software in use is taken to be the depreciated replacement cost.

The recoverable amount for internally developed software assets under construction is the current replacement cost. In circumstances where the asset would be replaced if the ATO were deprived of it, the recoverable amount is taken to be the original budgeted cost as amended for additional functionality requirements. In circumstances where the asset would not be replaced if the ATO were deprived of the asset, the recoverable amount is assessed to be nil.

All computer software assets were assessed for indicators of impairment as at 30 June 2022.

Other non-financial assets

No indicators of Impairment were found for other non-financial assets.

	2022 \$'000	2021 \$'000
Note 4B: Other non-financial assets		
Prepayments	101,458	69,707
Sub lease incentives provided	2,565	4,381
Total other non-financial assets	104,023	74,088

Australian Taxation Office

Notes to and forming part of the financial statements

5: Payables

	2022	2021
	\$'000	\$'000
Note 5A: Employees		
Salaries and wages	43,257	34,829
Superannuation	7,396	6,071
Separations and redundancies	188	1,657
Total employees	50,841	42,557
Note 5B: Suppliers		
Trade creditors and accruals	212,068	254,968
Total suppliers	212,068	254,968
Note 5C: Other payables		
Prepayments received/unearned income	1,669	1,384
Other	3,177	3,597
Total other payables	4,846	4,981

6: Interest bearing liabilities

	2022	2021
	\$'000	\$'000
Note 6A: Leases		
Lease liabilities		
Buildings	1,067,062	1,060,034
Plant and equipment	46,679	55,269
Total leases	1,113,741	1,115,303
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	230,633	233,022
Between 1 to 5 years	744,524	663,447
More than 5 years	179,860	257,173
Total leases	1,155,018	1,153,642

Total cash outflow for leases for the year ended 30 June 2022 was \$237,231,000 (2021: \$222,034,000). The ATO leases various offices, storage areas, data centre facilities, equipment and vehicles. Lease contracts are typically made for fixed periods of 12 months to ten years but may have extension options.

Contracts may contain both lease and non-lease components. The ATO allocates the consideration in the contracts to the lease and non-lease components based on their relative stand-alone prices. However, for leases of data centre facilities, the ATO has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Extension and termination options are included in a number of leases across the ATO. These are used to maximise operational flexibility in terms of managing the assets used in the ATO's operations. Extension options (or termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated).

Extension options for offices, storage areas, data centre facilities, equipment and vehicles are not reasonably certain to be exercised because the ATO could replace the assets without significant cost or business disruption.

As at 30 June 2022, potential future cash outflows of \$955 million (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (2021: \$1,109 million).

Australian Taxation Office**Notes to and forming part of the financial statements**

The above lease disclosures should be read in conjunction with the accompanying notes 1B, 1C, 2B and 4A.

Accounting policy

For all new contracts entered into, the ATO considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the ATO's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Australian Taxation Office

Notes to and forming part of the financial statements

7: Provisions

	2022	2021
	\$'000	\$'000
Note 7A: Employee provisions		
Leave	716,311	778,616
Performance bonus payments	178	162
Other	177	184
Total employee provisions	716,666	778,962

Accounting policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of the reporting period are measured at the amount expected to be paid on settlement.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

Leave liabilities are calculated based on the employees' remuneration at the estimated salary rates that will apply at the time the leave is taken. This includes an allowance for the ATO's employer superannuation contribution rates, annual leave and long service leave accrued when the leave is taken, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work undertaken by the Australian Government Actuary in 2020-21. The estimate of the present value of the liability considers attrition rates and pay increases through promotion and inflation.

Separation and redundancy

The ATO recognises a provision for redundancy when it has developed a plan for the redundancy and has informed those employees affected that it will carry out the redundancy. Provision is made for separation and redundancy employee benefit payments.

Superannuation

Employees of the ATO are members of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PPS), which are defined benefit schemes for the Government, or a defined contribution scheme. The defined contribution scheme can be the PSS accumulation plan (PSSap), a fund of the employee's choice or Australian Super (as the default fund for employees who are covered under the *Superannuation (Productivity Benefits) Act 1988*).

The liability for defined benefits is recognised in the financial statements of the Government and is settled by the Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The ATO makes employer contributions to the employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ATO accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised at the end of the reporting period represents employer contribution accruals for the period from the last pay to 30 June 2022.

Australian Taxation Office

Notes to and forming part of the financial statements

Note 7B: Other provisions

	Legal costs and indemnities	Restoration obligations	Total
	\$'000	\$'000	\$'000
As at 1 July 2021	8,458	10,587	19,045
Additional provisions made	17,835	7,769	25,604
Amounts used	(6,036)	(3,000)	(9,036)
Amounts reversed	(810)	-	(810)
Unwinding of discount or change in discount rate	-	399	399
Total as at 30 June 2022	19,447	15,755	35,202

There are no expected reimbursements of these amounts.

Accounting policy

Restoration obligations - accommodation

A small number of ATO property leases are subject to restoration costs upon vacating the site.

An asset and provision are recognised at the commencement of a lease at the present value of the restoration obligations. Movements in the liability are recognised as finance expenses as the payment of restoration costs advances. Any difference between the provision and the amount paid at final settlement is recognised as a restoration obligation expense or gain.

The restoration obligations provision on all new leasehold improvement assets is determined in accordance with a valuation supplied by Jones Lang LaSalle.

Revaluation increments and decrements in relation to the provision of the restoration obligations and the associated assets are recognised in Other Comprehensive Income as a change in the asset revaluation reserve.

The restoration obligations asset and provision are reviewed and adjusted annually to assess whether the ATO is likely to make payments under a restoration obligation.

Australian Taxation Office

Notes to and forming part of the financial statements

8: Financial instruments

Note 8A: Categories of financial instruments

	2022	2021
	\$'000	\$'000
Financial assets at amortised cost		
Cash	34,860	48,996
Service receivables	14,038	8,392
Other receivables	13,237	14,975
Total financial assets at amortised cost	62,135	72,363
Financial liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	212,068	254,968
Total financial liabilities measured at amortised cost	212,068	254,968

Accounting policy

Financial assets

The ATO classifies its departmental financial assets depending on their nature and purpose. Departmental financial assets are recognised and derecognised upon 'trade date'. Financial assets held in order to collect contractual cash flows and where cash flows are solely payment of principal and interest are measured subsequently at amortised cost using the effective interest method adjusted for any loss allowance.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial assets.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Financial liabilities are recognised and derecognised upon 'trade date'.

Suppliers are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

Australian Taxation Office**Notes to and forming part of the financial statements**

	2022	2021
	\$'000	\$'000
Note 8B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment gains/(losses)	(311)	948
Net gains/(losses) on financial assets at amortised cost	(311)	948
Note 8C: Net gains or losses on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense on financial liabilities measured at amortised cost	11,668	12,018
Net losses on financial liabilities measured at amortised cost	11,668	12,018

9: Contingent assets and liabilities

	Indemnities		Claims for compensation/ damages or costs		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contingent liabilities						
Balance from previous period	14,819	11,883	1,336	1,994	16,155	13,877
New contingent liabilities recognised	4,588	3,895	843	787	5,431	4,682
Re-measurement	-	(814)	(313)	(1,143)	(313)	(1,957)
Liabilities realised	-	-	(165)	(139)	(165)	(139)
Obligations expired	(118)	(145)	(592)	(163)	(710)	(308)
Total contingent liabilities	19,289	14,819	1,109	1,336	20,398	16,155
Net contingent liabilities	19,289	14,819	1,109	1,336	20,398	16,155

Quantifiable contingenciesIndemnities

An indemnity may be granted to a trustee/liquidator to help fund recovery action where the ATO is a creditor in an insolvency administration. Adverse costs may form part of an indemnity where it is possible that litigation may occur as a result of the indemnified recovery action.

Claims for compensation / damages or costs

At any point in time, the ATO has claims associated with actions brought against the ATO for unfair dismissal, unlawful termination, alleged breach of general protections provisions of the *Fair Work Act 2009*, unlawful discrimination and claims for compensation unrelated to the employment. This also includes claims under the 'Scheme for Compensation for Detriment Caused by Defective Administration' (CDDA) which provide for compensation to individuals and other bodies adversely affected by the maladministration by a Government body, but who have no legal means to seek redress, such as a legal claim.

Unquantifiable contingenciesClaims and legal actions

At any point in time, the ATO is subject to claims and legal actions. It is not possible to estimate the amounts and in some cases, the timing of any potential payments that may be required in relation to these claims.

Australian Taxation Office

Notes to and forming part of the financial statements

Court awarded legal costs

A party successful in a legal action may be compensated for their expenses through a court award of legal costs against the opposing party. Due to the uncertainty over the outcome of outstanding and pending court cases, duration of court cases and the legal costs of the opposing party, the ATO is unable to reliably estimate either its potential payments to, or potential cost recoveries from, opposing litigants. The recoverability of certain costs awarded to the ATO remains improbable and a corresponding contingent asset is unquantifiable.

Employee Leave Entitlements

As a result of updated scheme guidance relating to the accrual of leave under the Safety, Rehabilitation and Compensation Act 1988, the recalculation of leave entitlements for approximately 3,000 past and present employees is required. Due to the complexities and volume of work still required to be completed to perform this recalculation, the ATO is unable to reliably estimate any potential provision required.

Contingent gain - indemnities

If the indemnity is paid and the action is successful, the ATO may recover the indemnity. The ATO is not able to reliably estimate potential recoveries from outstanding indemnities because of the duration and uncertainty of cases and the fluctuation in the number of indemnities granted each year.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes.

Contingent assets and liabilities arise from uncertainty as to the existence of a liability or asset, or represent an obligation in respect of which the settlement is not probable or where the amount cannot be reliably measured. Significant remote contingencies form part of this disclosure. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Disclosure of amounts in the note is neither an admission nor acceptance of responsibility by the ATO in advance of any court decisions or other relevant determinations.

10: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the ATO, directly or indirectly. In the 2021-22 year, the ATO had determined the key management personnel to be the Commissioner and members of the ATO Executive.

	2022 \$'000	2021 \$'000
Short-term employee benefits	3,186	3,154
Post-employment benefits	244	249
Other long-term employee benefits	(16)	31
Total key management personnel remuneration expenses¹	3,414	3,434

The total number of key management personnel that are included in the above table is 7 (2021: 8).

¹ The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the ATO.

11: Related party disclosures

Related party relationships

The ATO is an Australian Government controlled entity. Related parties to the ATO are key management personnel including the ATO Executive, Cabinet Ministers, and other Australian Government entities.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Australian Taxation Office

Notes to and forming part of the financial statements

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services incurred on non-market terms and/or not part of normal business operations;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

12: Current/non-current distinction for assets and liabilities

	2022 \$'000	2021 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	34,860	48,996
Trade and other receivables	556,997	648,008
Other non-financial assets	96,148	56,213
Total no more than 12 months	688,005	753,217
More than 12 months		
Other receivables	14,665	20,854
Buildings	1,003,236	995,411
Buildings – leasehold improvements	173,012	148,177
Plant and equipment	99,011	100,065
Intangibles - computer software	454,664	490,055
Other non-financial assets	7,875	17,875
Total more than 12 months	1,752,463	1,772,437
Total assets	2,440,468	2,525,654
Liabilities expected to be settled in:		
No more than 12 months		
Employees	50,841	42,557
Suppliers	212,040	254,939
Other payables	4,846	4,981
Leases	219,484	222,125
Employee provisions	183,949	187,005
Other provisions	22,411	8,458
Total no more than 12 months	693,571	720,065
More than 12 months		
Suppliers	28	29
Leases	894,257	893,178
Employee provisions	532,717	591,957
Other provisions	12,791	10,587
Total more than 12 months	1,439,793	1,495,751
Total liabilities	2,133,364	2,215,816

Australian Taxation Office

Notes to and forming part of the financial statements

13: Administered - expenses

	2022	2021
	\$'m	\$'m
Note 13A: Subsidies		
Subsidies in connection with		
JobKeeper ¹	(80)	57,042
Cashflow boost payments for employers	19	12,340
Fuel tax credits scheme	7,058	7,520
Research and development tax incentive	3,083	3,232
Australian screen production incentive	228	337
National rental affordability scheme	147	186
Product stewardship for oil	89	87
JobMaker hiring credit	18	17
Junior minerals exploration incentive ²	(34)	15
Seafarer tax offset	9	9
Total subsidies	10,537	80,785

¹ The Commissioner must not pay an amount by way of a JobKeeper payment after 31 March 2022. The credit was mainly due to the reversal of the prior year accrued expense estimate which was overestimated.

² The credit was mainly due to the reversal of prior year accrued expense estimate which was overestimated. Refer to the accounting policy below.

Note 13B: Personal benefits

Direct

Low income superannuation tax offset	492	608
Private health insurance rebate	241	239
Superannuation co-contribution scheme	103	161
Total personal benefits	836	1,008

Accounting policy

Administered expenses include subsidies, personal benefits, impairment of taxation receivables, penalty and interest charge remission expenses, interest on overpayments, superannuation guarantee charge and unclaimed superannuation monies interest.

Subsidies, personal benefits and superannuation guarantee charge expenses are recognised when they can be reliably measured. This recognition point relies on estimation methodologies and techniques to determine taxpayer liabilities that have not yet been reported to the ATO. Estimation techniques have inherent risks of error and rely on assumptions such as wage growth, gross domestic product growth and recent historical information. At the reporting date, the amounts disclosed represent a reliable estimate of expenses incurred in the period.

The table below outlines the expense recognition point and key assumptions for year end accrual estimates for material subsidy and personal benefit expenses.

The impairment of taxation receivables and penalty and interest charge remission expenses include both actual and accrued amounts in accordance with ATO operational policies. See Note 15.

Interest on overpayments and early payments represents actual payments of interest in accordance with the *Taxation (Interest on Overpayments and Early Payments) Act 1983*, and, an estimate of future interest charges, where the ATO considers that the probable outcome of tax in dispute at year-end will result in a refund being issued to the taxpayer.

In 2021-22 the ATO undertook a review of its thresholds and methodologies for estimating the outcomes of disputes (refer to Note 14 for further details of this review). As a result, an estimate of interest on overpayments is now captured in the automated model as well as for manually assessed disputes.

Australian Taxation Office**Notes to and forming part of the financial statements**

The effect of this change in accounting estimates at 30 June 2022 is an increase in interest on overpayments of \$102 million. It is impractical to estimate the effect of this change on future periods.

Refer to Note 14 for the accounting policy on allowance for credit amendments and provisions for refunds.

Administered expense	Nature of expense
JobKeeper	JobKeeper expense is a temporary subsidy for eligible employers and business participants that have been significantly affected by coronavirus (COVID-19). The expense is recognised when an entity is eligible to make a claim in arrears for the previous month. This includes amounts processed after year end but in respect of the reporting period.
Cashflow boost payments for employers	Cashflow boost payment expense is a temporary subsidy for businesses and not-for-profit organisations who employed staff during the economic downturn associated with coronavirus (COVID-19). The expense is recognised when entities make eligible payments potentially subject to withholding tax in the reporting period. An estimate is made at year end of likely subsidy amounts where the business activity statement (BAS) had not been lodged for the reporting period. This estimate assumes late lodgment patterns are consistent with historical BAS lodgments. In 2021-22 the year end estimate was updated to reflect an uplift in the eligible entities unlikely to lodge given the imminent wind up of the cashflow boost program. The effect of this change in accounting estimate at 30 June 2022 is a decrease to the expense and provision of \$70 million. It is impracticable to estimate the effect of this change on future reporting periods.
Fuel tax credits scheme	Fuel tax credits scheme expense is a subsidy for the fuel tax component of the price of fuel. An estimate is made at year end for claims not yet received that relate to transactions which occurred during the reporting period. This estimate assumes late lodgments and amendments are consistent with historical lodgment patterns. In 2021-22 the year end estimate was changed from a historical average to a category based methodology, to account for the part-year temporary 50% reduction in the fuel excise rate. This change in methodology can not be compared as the previous methodology no longer applies due the part year policy change. It is impracticable to estimate the effect of this change on future reporting periods.
Research and development tax incentive	Research and development tax incentive expense is a subsidy for eligible companies which incur research and development expenditure. Companies claim this subsidy in their tax return as refundable tax offsets which are generally paid in the subsequent reporting periods. An estimate is made at year end of claims not yet received that relate to transactions which occurred during the reporting period. The key assumptions of this estimate are the estimated total value of eligible research and development expenditure and historical claims trends. The estimate was changed in 2021-22 to use a two year average growth rate (2020-21: three year average) so as to exclude the impact of negative growth in the years prior to 2019-20. This is judged to be more reflective of the current behaviour. The effect of this change in accounting estimate at 30 June 2022 is a decrease to the expense and provision of \$9 million. It is impracticable to estimate the effect of this change on future reporting periods.

Australian Taxation Office**Notes to and forming part of the financial statements**

Administered expense	Nature of expense
Australian screen production incentive	Australian screen production incentive expense is recognised when film and television production companies receive certificates of eligibility from either Screen Australia or the Ministry for the Arts on qualifying Australian production expenditure during the reporting period. An estimate is made at year end of claims not yet received by comparing all certified productions for the year and respective tax offset amounts already claimed. This estimate assumes the offset amount claimed in the current year is consistent with prior claims.
National rental affordability scheme (ATO expense only)	National rental affordability scheme expense is recognised when participants are eligible to receive incentives from the Secretary of the Department of Social Services for the reporting period. Claims paid through the tax system are made on income tax returns. An estimate is made at year end of claims not yet received that relate to transactions which occurred during the reporting period. This estimate assumes claims will continue to reflect observed prior year processing patterns.
Product stewardship for oil	Product stewardship for oil (PSO) expense is recognised when a registered client recycles used oil or consumes eligible oil. Claims for PSO are lodged at any time within three years after the start of the claim period. An estimate is made at year end of claims not yet received that relate to transactions which occurred during the reporting period. This estimate assumes claims will continue to reflect observed prior year processing patterns.
Junior minerals exploration incentive	Junior minerals exploration incentive expense (JMEI) is recognised when shareholders of mineral exploration companies are provided with exploration credits, which are paid as a refundable tax offset. An estimate is made at year end of claims not yet received that relate to transactions which occurred during the reporting period. This estimate was changed in 2021-22 to use historical claims patterns as opposed to the total available credit. The new estimate basis assumes claims will continue to reflect observed prior year processing patterns. The effect of this change in accounting estimate at 30 June 2022 is a decrease to the expense and provision of \$27 million. It is impracticable to estimate the effect of this change on future reporting periods.
JobMaker hiring credit	The JobMaker hiring credit expense is recognised when an entity's employment headcount and payroll increases that gives rise to an eligible claim that covers days in the reporting period. An estimate is made at year end of claims relating to the JobMaker hiring credit reporting period which straddles 30 June. This estimate assumes eligible claims for that period will be consistent with the preceding JobMaker hiring credit reporting period.
Low income superannuation tax offset	Low income superannuation tax offset expense is recognised when eligible concessional superannuation contributions are made to superannuation fund accounts of eligible individuals during the reporting period. An estimate is made at year end for entitlements arising during the reporting period, which relies on key drivers such as the number of eligible individuals, value of concessional contributions received by super funds for individuals who meet the eligibility criteria and growth in both average weekly earnings and employment. This estimate was changed in 2021-22 to incorporate an adjustment factor based on the observed payment data. The effect of this change in

Australian Taxation Office**Notes to and forming part of the financial statements**

Administered expense	Nature of expense
	accounting estimate at 30 June 2022 is a decrease to the expense and provision of \$79 million. It is impracticable to estimate the effect of this change on future reporting periods.
Private health insurance rebate (ATO expense only)	Private health insurance rebate expense is recognised when eligible claimants have paid private health insurance premiums during the reporting period and receive a rebate through the tax system on assessment of their individual tax return. An estimate is made at year end of claims not yet received that relate to transactions which occurred during the reporting period. Key assumptions of this estimate include population growth rates, private health insurance premium growth rates and taxpayer lodgements reflect observed prior year lodgement patterns.
Superannuation co-contribution scheme	Superannuation co-contribution expense is recognised when individuals make eligible personal superannuation contributions during the reporting period. An estimate is made at year end of claims not yet received that relate to transactions which occurred during the reporting period. Key assumptions of this estimate include incomes of eligible recipients, the number of eligible recipients and average co-contribution payments.

Australian Taxation Office
Notes to and forming part of the financial statements

14: Administered - income

	2022	2021
	\$'m	\$'m
Note 14A: Income tax		
Individuals and others withholding tax	264,489	235,747
Companies	126,964	98,998
Superannuation funds	26,559	13,037
Fringe benefits tax	3,261	3,501
Resources rent tax	2,166	897
Total income tax	423,439	352,180
Note 14B: Indirect tax		
Goods and services tax	77,047	74,480
Excise duty	22,562	24,503
Wine equalisation tax	1,133	1,101
Luxury car tax	963	900
Total indirect tax	101,705	100,984
Note 14C: Other taxes		
Major bank levy	1,456	1,572
Superannuation guarantee charge	1,060	1,683
Offshore petroleum levy	407	-
Self managed superannuation fund levy	150	139
Other	147	107
Total other taxes	3,220	3,501
Note 14D: Non-taxation revenue		
Unclaimed superannuation monies	703	802
Voluntary repayment of JobKeeper	103	193
Fines	73	53
Other	30	87
Total non-taxation revenue	909	1,135

Australian Taxation Office

Notes to and forming part of the financial statements

Accounting policy

The ATO recognises revenue when, and only when, the following three conditions have been satisfied:

1. there is a basis establishing the ATO's right to receive the revenue;
2. it is probable that future economic benefits will be received by the ATO; and
3. the amount of revenue to be received can be reliably measured.

Estimating some revenues can be difficult due to impacts of economic conditions and timing of final taxable income, hence the ATO uses two bases of recognition:

1. Economic transaction method (ETM)

Revenue is recognised when the ATO, through the application of legislation to taxation and other relevant activities, gains control over the future economic benefits that arise from taxes and other statutory charges.

Where a taxation revenue type is able to be measured reliably, including transactions that are yet to occur but are likely to be reported, the ETM is applied.

Estimation techniques have inherent risks of error and rely on assumptions such as wage growth, gross domestic product growth and recent historical information. Based on the information and evidence available at the date of these financial statements, the amounts disclosed represent a reliable estimate of revenue.

2. Taxation liability method (TLM)

Revenue is recognised at the earlier of when an assessment of a tax or superannuation liability is made, or payment is received by the ATO. Further, revenue is recognised when there is sufficient information to raise an assessment but an event has occurred which delays the issue of the assessment. This method is permitted under AASB 1058 *Income of Not-for-Profit Entities* in circumstances when there is an inability to reliably measure taxes when the underlying transactions or events occur. Revenue recognised under the TLM basis is generally measured at a later time than would be the case if it were measured under ETM.

In accordance with the revenue recognition approach adopted by the Australian Government, the ATO applies the ETM and TLM approaches as set out in the following tables.

Administered revenue recognised on an ETM basis

Administered revenue	Nature of revenue
Fringe benefits tax	Fringe benefits tax (FBT) revenue is recognised on fringe benefits provided by employers to employees during the reporting period and includes a year end estimate of outstanding instalments and balancing payments for the annual FBT return. Key assumptions of this estimate are that the proportion of FBT processed after 30 June will be similar to historical observations and annual assessments will be consistent with prior years. The year end estimate was changed in 2021-22 to include a three year average assumption to more thoroughly account for the increased volatility in FBT data. The effect of this change in accounting estimate at 30 June 2022 is a decrease to revenue and accrued revenue of \$24 million. It is impracticable to estimate the effect of this change on future reporting periods.
Petroleum resource rent tax	Petroleum resource rent tax is recognised based on actual taxable profits for the year in respect of offshore petroleum projects excluding some of the North-West Shelf production and associated exploration areas, which are subject to excise and royalties. An estimate is made at year end for revenue relating to assessable dealings that occurred in the current financial year but have not been submitted by 30 June. The estimate is predominantly based on actual lodgment information received after year end.
Goods and services tax	The goods and services tax (GST) is a broad-based tax of 10 per cent on most goods and services supplied or sold during the reporting period. GST revenue includes actual liabilities raised during the year

Australian Taxation Office

Notes to and forming part of the financial statements

Administered revenue	Nature of revenue
	and an estimate at year end of amounts outstanding that relate to transactions that occurred during the reporting period. The key assumption of the year end estimate is that the proportion of GST processed in the following year is consistent with historical patterns.
Excise duty	Excise duty is recognised based on the actual and estimated duty payable to the Government. Excise duty becomes payable when certain goods are distributed for home consumption during the reporting period. At year end where excise returns have not yet been lodged, an estimate is made for excise duty that entities are liable to pay. With the exception of the crude oil excise duty estimate, the year end estimate is based on actual lodgement information received after year end. For the crude oil excise duty estimate, the key assumption is consistency in the pattern of collections, adjusted for oil price differences over the last 12 months.
Wine equalisation tax	The wine equalisation tax revenue is recognised when an assessable dealing occurs within the reporting period giving rise to a tax liability. An estimate is made at year end for wine equalisation tax amounts for which businesses are liable but are yet to pay. The key assumption of the year end estimate is that the proportion of wine equalisation tax amounts processed in the following year is consistent with historical patterns.
Luxury car tax	The luxury car tax revenue is recognised at the time the sale (or private import) of a luxury vehicle occurs within the reporting period. An estimate is made at year end of amounts outstanding that relate to transactions occurring in the reporting period. The year end estimate assumes that the proportion of luxury car tax amounts processed in the following year is consistent with historical patterns.
Major bank levy	Major bank levy is a levy calculated within the reporting period, levied on authorised deposit-taking institutions with a total liability threshold of greater than \$100 billion. An estimate is made at year end for the fourth quarter major bank levy not submitted by 30 June. The estimate is based on actual lodgement information received after year end.
Unclaimed superannuation monies	Unclaimed superannuation monies (USM) revenue is recognised based on the annual amount of unclaimed superannuation received by the ATO (inflows), less an estimate of future outflows relating to the annual amount received when account owners initiate a claim (reactive), or alternatively if the account owner is identified (proactive). Revenue in relation to inactive low balance accounts, closure of eligible rollover fund accounts and trustee voluntary payments are recognised on a TLM basis as the amount of the lodgments cannot be reliably measured. Revenue in relation to General USM, superannuation of former temporary residents, superannuation of small lost member accounts and insoluble lost member accounts are recognised on an ETM basis. In 2021–22 the year end estimate was changed to reflect that each USM type behaves differently and is accordingly assessed and estimated separately based on this historical average of the last two statements. Previously an overall percentage was applied to all USM types based on historical proportions of previous June and December statements. The effect of this change on the accounting estimate at 30 June 2022 is a decrease to both USM revenue and accrued revenue of \$77 million. In 2021–22 the year end estimate of outflows was changed from looking at outflows on the basis of being reactive or proactive to the difference between December and June statement outflow timing as well as

Australian Taxation Office

Notes to and forming part of the financial statements

Administered revenue	Nature of revenue
	updating outflow rates using the latest available data. The effect of this change on the outflow accounting estimate at 30 June 2022 is a decrease to USM revenue and increase in the provision of \$223 million. It is impracticable to estimate the effect of these changes on future reporting periods.
Self managed superannuation fund levy	A self managed superannuation fund (SMSF) is obligated to pay the SMSF levy when the SMSF (registered and active) exists at any time through the income year. An estimate is made at year end for SMSF levies incurred during the reporting period but have not yet been lodged. Key assumptions of the year end estimate are lodgment rates of registered SMSFs and a consistent lodgment timing pattern between years. The year end estimate was changed in 2021-22 to only include SMSF processing years with ten or more years of actual data as this provides a more reliable estimate. The effect of this change in accounting estimate at 30 June 2022 is an increase to the revenue and accrued revenue of \$0.8 million. It is impracticable to estimate the effect of this change on future reporting periods.
Offshore petroleum levy	Offshore petroleum levy is a temporary levy on petroleum produced from 1 July 2021 to 30 June 2030. The levy is recognised within the reporting period on the registered holders of petroleum production licenses based on the amount of leviable petroleum production in the period. An estimate is made at year end for leviable production that occurred during the reporting period where the associated return had not been submitted by 30 June. The year end estimate includes assumptions in respect of production and a per barrel rate of levy.

Administered revenue recognised on a TLM basis

Administered revenue	Nature of revenue
Income tax - individuals	<p>Individuals income tax includes income tax withholding, other individuals, Medicare levy, and income tax refunds.</p> <p>Income tax withholding represents amounts withheld from remuneration paid during the year. Other individuals includes income tax instalments for the year and prior year final tax returns received by the ATO during the year. Income tax refunds are made where tax credits exceed the final liability on assessment. Refunds include prior year refunds made or assessed during the year.</p> <p>Individuals income tax does not include estimates of revenue or refunds related to the current taxation year that will be recognised in tax returns lodged after the end of the current financial year.</p>
Income tax - companies	<p>Company income tax includes company tax payable that relates to income tax instalments and final payments received/raised for the current and prior reporting periods.</p> <p>It does not include estimates of revenue related to the current taxation year that will be recognised in tax returns lodged after the end of the current financial year.</p>

Australian Taxation Office

Notes to and forming part of the financial statements

Administered revenue recognised on a TLM basis

Administered revenue	Nature of revenue
Income tax - superannuation funds	<p>Superannuation income tax includes amounts payable by superannuation funds that relate to income tax instalments and final payments for the current and prior reporting periods. Superannuation funds income tax is levied on earnings and taxable contributions.</p> <p>It does not include estimates of revenue related to the current taxation year that will be recognised in tax returns lodged after the end of the current financial year.</p>
Superannuation guarantee charge	Superannuation guarantee charge is a charge on employers that have not paid the compulsory superannuation guarantee for their employees. The ATO assesses and collects the guarantee, interest owing and an administrative fee.
Voluntary repayment of JobKeeper	Voluntary repayment of Jobkeeper payments satisfy the recognition criteria of revenue upon receipt into the consolidated revenue fund. The payments are recognised in the financial statements as non-taxation revenue.

Accounting policy

Allowance for credit amendments and provisions for refunds

Taxpayers are entitled to dispute amounts assessed by the ATO. Where the ATO considers that the probable outcome will be a reduction in the amount of tax owed by a taxpayer, an allowance for credit amendment (if the disputed debt is unpaid) or a provision for refund (if the disputed debt has been paid) is recognised.

The allowance for credit amendments and provisions for refunds are recognised as a reduction in revenue.

In 2021-22 the ATO undertook a review of its thresholds and methodologies. As a result, the automated statistical model for estimating allowance for credit amendments and provisions for refunds was updated to better incorporate emerging trends and patterns through the inclusion of additional experience across taxation dispute types.

In addition, the threshold has been increased from less than \$10 million to less than \$30 million for disputes calculated using an automated model. Disputes greater than or equal to \$30 million are manually assessed. Where there is insufficient certainty to make a manual assessment, a statistical model is used to estimate the value.

The effect of this change in accounting estimates at 30 June 2022 is a decrease to allowance for credit amendments of \$261 million and a decrease to provisions for refunds of \$248 million. It is impracticable to estimate the effect of this change on future periods.

Penalties and interest charges

Penalties and interest arising under taxation legislation are recognised as revenue at the time the penalty or interest is imposed on the taxpayer. Generally, subsequent remissions and write-offs of such penalties and interest are treated as an expense of the period. Penalties and interest that are imposed by law and immediately remitted by the Commissioner are not recognised as revenue or as an expense. Additional interest is raised for the period between the last imposition and the end of the financial year to recognise amounts not yet recorded on taxpayer accounts.

Settlements

A settlement involves an agreement between the ATO and the taxpayer to resolve matters in dispute where one or more parties make concessions on what they consider is the legally correct position. Where this results in a reduction of the amounts payable by the taxpayer, the reductions for the assessment and any associated penalties and interest charges, excluding failure to lodge penalties, are recognised as a reduction in revenue.

Pay as you go (PAYG) system

The ATO collects compulsory repayment amounts of accumulated HELP and other income contingent loan (ICL) debts through the PAYG tax system. The repayment of ICL debts reduces the loan that a person owes to the Commonwealth.

Australian Taxation Office**Notes to and forming part of the financial statements**

An adjustment is made to Individuals income tax revenue for the compulsory repayment of ICL debts as the collection of these amounts through the PAYG tax system does not represent revenue for the ATO and the compulsory repayments figure can be reliably estimated.

Australian Taxation Office

Notes to and forming part of the financial statements

15: Administered - non-financial assets

	2022	2021
	\$'m	\$'m
Note 15A: Receivables		
Direct tax		
Individuals	35,530	31,265
Company	15,787	14,282
Superannuation	686	618
Resources rent tax	270	156
Fringe benefits tax	197	137
Total direct tax	52,470	46,458
Indirect tax		
Goods and services tax	14,522	12,241
Excise duty	212	154
Wine equalisation tax	90	65
Luxury car tax	25	34
Total indirect tax	14,849	12,494
Other tax		
Superannuation guarantee charge	3,126	2,952
Self managed superannuation fund levy	79	69
Other	97	64
Total other tax	3,302	3,085
Non-taxation		
Fines	238	243
JobKeeper receivables ¹	83	121
Unclaimed superannuation monies	8	8
Foreign investment review board infringements	6	5
Total non-taxation	335	377
Total receivables (gross)	70,956	62,414
Less: Impairment allowance	(30,251)	(26,515)
Allowance for credit amendments	(5,829)	(5,934)
Total receivables (net)	34,876	29,965

¹ JobKeeper receivables relate to overpaid JobKeeper payments yet to be recovered.

Australian Taxation Office

Notes to and forming part of the financial statements

	2022 \$'m	2021 \$'m
Note 15B: Accrued revenue		
Direct tax		
Fringe benefits tax	764	901
Resources rent tax	634	310
Total direct tax	1,398	1,211
Indirect tax		
Goods and services tax	12,248	11,654
Excise duty	282	318
Wine equalisation tax	116	105
Luxury car tax	117	104
Total indirect tax	12,763	12,181
Other revenue		
Major bank levy	376	374
Unclaimed superannuation monies	229	397
Offshore petroleum levy	407	-
Self managed superannuation fund levy	54	44
Total other revenue	1,066	815
Total accrued revenue	15,227	14,207

Accounting policy

Cash

Cash is carried at net fair value and is a financial instrument.

Receivables

ATO receivables are non-financial assets recoverable under law.

Collectability of receivables is reviewed on an ongoing basis. Where estimation is used, it represents the best estimate as at the reporting date, however inherent risks and uncertainties exist in the estimation process.

Debts which are irrecoverable at law or uneconomic to pursue are written off. However this does not preclude the Commissioner from re-raising these debts if information subsequently becomes available which indicates that recoverability action may be viable.

Parallel liabilities

Where a company fails to remit Withholding tax, GST or Superannuation guarantee amounts, the Commissioner is authorised to serve notices requiring payment of estimated and outstanding amounts on the company and all associated Directors. These are called parallel liabilities and are not included in receivables or revenue. Similarly, duplications arising from debts raised under alternative provisions of the law are excluded.

Impairment on taxation receivables

An impairment allowance is created when there is evidence that the ATO will not be able to collect all of the amounts due.

A threshold is applied to determine whether the impairment allowance is calculated manually or using a statistical model.

Assessment of the collectability of receivables includes compliance and lodgment history, the existence of a dispute over a receivable, the taxpayer's capacity to pay and judgement.

Impairment losses are recognised as an administered expense.

Administered receivables are not financial instruments as they arise from statutory charges. The impairment of statutory receivables is made under AASB 136 Impairment of Assets.

An impairment allowance is estimated using historical data and is informed by expert advice. In 2021-22, total administered receivables remain higher and more aged than prior years as a result of the continued effects of COVID-19. This has resulted in continued heightened uncertainty surrounding the expected value and timing of repayments of administered receivables.

Structural shifts in repayment behaviour could cause material future changes to the impairment allowance and will continue to be monitored.

Australian Taxation Office
Notes to and forming part of the financial statements

Allowance for credit amendments

Recognised in relation to disputed assessments in accordance with Note 14.

Accrued revenues

Accrued revenues include revenue estimates made on an ETM basis and interest charges in accordance with Note 14.

Other securities

In some instances, the ATO will enter into an agreement with a taxpayer to hold a security over a tax debt. These securities are not recorded in the financial statements as assets because the primary cash generating asset is the debt rather than the security over the debt.

Australian Taxation Office
Notes to and forming part of the financial statements

16: Administered - provisions

Note 16: Reconciliation of movement in other provisions										
	Subsidies	Personal benefits	Other accrued expenses	Income taxation refunds	Indirect taxation refunds	Super-annuation guarantee payments	Unclaimed super-annuation payments	Other refunds	Interest on over-payment of taxes	Total
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
As at 1 July 2021	4,427	1,150	28	1,886	216	696	775	15	11	9,204
Additional provisions made	3,786	935	24	1,993	23	822	452	26	104	8,165
Amounts used	(4,380)	(924)	(13)	(1,416)	(216)	(645)	(381)	(15)	(11)	(8,001)
Amounts reversed or remeasured	222	(119)	20	(123)	-	(166)	(74)	-	-	(240)
Total as at 30 June 2022	4,055	1,042	59	2,340	23	707	772	26	104	9,128

Australian Taxation Office

Notes to and forming part of the financial statements

17: Administered - contingent liabilities

	Tax in dispute		Other ¹		Total	
	2022	2021	2022	2021	2022	2021
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Contingent liabilities						
Balance from previous period	5,569	4,955	221	-	5,790	4,955
New contingent liabilities recognised	3,009	1,150	-	221	3,009	1,371
Re-measurement	1,090	229	(221)	-	869	229
Obligations expired	(1,514)	(765)	-	-	(1,514)	(765)
Total contingent liabilities	8,154	5,569	-	221	8,154	5,790

Quantifiable administered contingencies

At any point in time, the ATO is involved in a range of dispute resolution processes, including litigation, relating to tax disputes. Details of the outcome of dispute resolution processes are uncertain until a court ruling is made and/or an agreement is reached with the taxpayer. In most cases it is not possible to estimate with any reliability the likely financial impact of current disputes.

¹ The ATO implemented system functionality to automate the calculation and payment of interest on early payment entitlements from 1 July 2021. Consideration was given to expanding the system build to include payment of interest entitlements on retrospective early payments made prior to 1 July 2021, however this is not likely to occur and exploratory work on expanding the system build has ceased.

Taxpayers can continue to request interest entitlements manually for early payments made prior to 1 July 2021. The ATO has assessed the likelihood of these future requests to be low based on historical claims. As at 30 June 2022 the possibility of economic outflow is considered remote and the contingent liability for historical entitlements has been remeasured to nil (2021:\$221m).

Unquantifiable administered contingencies

In some cases, the decision in relation to the cases above will be precedential. No estimate can be made as to whether contingent liabilities exist with respect to other taxpayers who may be impacted as a result of the decision.

As a result, in most cases it is not possible to estimate with any reliability the likely financial impact of current disputes to other taxpayers who may be impacted by a decision. The ATO acknowledges that the incidence of tax evasion and other breaches of the taxation laws, unavoidably affect its fiduciary responsibilities to the Australian Government.

Accounting policy

The amount disclosed as a quantifiable administered contingent liability represents the total tax in dispute for cases assessed on an individual basis where an allowance or provision has not been made.

These amounts represent the disputes for which the ATO has assessed that there is a possible, but not probable, reduction to the amount of tax payable. The future financial impact will likely be lower than the total disclosed as a proportion of these cases will be decided in favour of the Commissioner.

In 2021-22 the ATO undertook a review of its thresholds and methodologies for estimating the outcomes of disputes (refer to Note 14 for further details of this review). Contingent liabilities are now captured in the automated model as well as for manually assessed disputes, resulting in a consistent approach being applied to all disputes regardless of size.

The effect of this change in accounting estimates at 30 June 2022 is an increase in contingent liabilities of \$1,213 million. It is impractical to estimate the effect of this change on future periods.

Refer to Note 14 for the accounting policy on allowance for credit amendments and provisions for refunds.

Australian Taxation Office

Notes to and forming part of the financial statements

18: Administered - current/non-current distinction for assets and liabilities

	2022	2021
	\$'m	\$'m
Note 18: Administered current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	544	468
Receivables	19,171	16,205
Accrued revenues	14,479	13,499
Total no more than 12 months	34,194	30,172
More than 12 months		
Receivables	15,705	13,760
Accrued revenues	748	708
Total more than 12 months	16,453	14,468
Total assets	50,647	44,640
Liabilities expected to be settled in:		
No more than 12 months		
Payables		
Subsidies	292	363
Personal benefits	10	11
Superannuation guarantee charge	74	62
Taxation refunds due	1,939	1,196
Superannuation holding account	13	19
Other payables	1	3
Provisions		
Subsidies	3,786	4,212
Personal benefits	922	1,032
Other accrued expenses	16	10
Income taxation refunds	2,340	1,886
Indirect taxation refunds	23	216
Superannuation guarantee payments	707	696
Unclaimed superannuation payments	400	469
Other refunds	26	15
Interest on overpayment of taxes	104	11
Total no more than 12 months	10,653	10,201
More than 12 months		
Payables		
Superannuation holding account	65	57
Provisions		
Subsidies	269	215
Personal benefits	120	118
Other accrued expenses	43	18
Unclaimed superannuation payments	372	306
Total more than 12 months	869	714
Total liabilities	11,522	10,915

Australian Taxation Office Notes to and forming part of the financial statements

19: Appropriations

Note 19A: Annual appropriations

Annual appropriations for 2022

	Annual appropriation \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services ¹	3,769,691	184,329	3,954,020	(4,394,984)	(440,964)
Capital budget ⁴	120,339	-	120,339	(80,614)	39,725
Other services					
Equity ⁵	97,282	-	97,282	(52,992)	44,290
Total departmental	3,987,312	184,329	4,171,641	(4,528,590)	(356,949)
Administered					
Ordinary annual services	8,577	-	8,577	(851)	7,726
Total administered	8,577	-	8,577	(851)	7,726

¹ Ordinary annual services annual appropriation consists of \$18,676,000 transferred to the ACNC special account.

² Adjustments to appropriations represents PGPA Act section 74 receipts and a PGPA Act section 75 transfer of \$960,000 from the Digital Transformation Agency (DTA) for Digital Identity Measures.

³ The variance in the departmental expenses is due to accrued expenses from prior year being drawn down in the current year from operating and unspent appropriation from departmental capital budget and equity funding.

Administered variance is due to unspent annual appropriation as at 30 June 2022 of \$7,725,596

⁴ Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1 & 3). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. The annual appropriation includes \$18,100,000 withheld from the Appropriation Act (No. 3) 2021-22 under section 51 of the PGPA Act.

⁵ Equity annual appropriation includes \$18,390,000 withheld from the Annual Appropriation Act (No. 2) 2021-22 under section 51 of the PGPA Act.

Australian Taxation Office Notes to and forming part of the financial statements

Annual appropriations for 2021

	Annual appropriation	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2021 (current and prior years)	Variance ³
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services ¹	3,885,177	136,953	4,022,130	(4,168,444)	(146,314)
Capital budget ⁴	118,644	-	118,644	(93,494)	25,150
Other services					
Equity ⁵	126,249	-	126,249	(55,407)	70,842
Total departmental	4,130,070	136,953	4,267,023	(4,317,345)	(50,322)
Administered					
Ordinary annual services	7,915	-	7,915	(41)	7,874
Total administered	7,915	-	7,915	(41)	7,874

¹ Ordinary annual services annual appropriation consists of \$19,766,000 transferred to ACNC special account, \$8,854,000 withheld from the Supply Act (No.1) 2020-21 and \$48,655,000 withheld from the Annual Appropriation Act (No.1) 2020-21 through a section 51 withholding of the PGPA Act.

Annual Appropriation for Administered consists of \$7,915,000 for 2020-21.

² Adjustments represent PGPA Act section 74 receipts totalling \$132,809,594 and \$4,143,356 transferred from the Australian Securities and Investments Commission (ASIC) under PGPA Act Section 75 transfer.

³ The variance in the departmental expenses is due to accrued expenses from prior year being drawn down in the current year from operating and unspent appropriation from departmental capital budget and equity funding.

Administered variance is due to unspent annual appropriation for the year of \$7,874,096

⁴ Departmental capital budgets are appropriated under Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. The annual appropriation consists of \$958,000 withheld from the Supply Act (No.1) 2020-21 through a section 51 withholding of the PGPA Act.

⁵ Equity annual appropriation consists of \$26,193,000 withheld from the Annual Appropriation Act (No.2) 2020-21 through a section 51 withholding of the PGPA Act.

Australian Taxation Office

Notes to and forming part of the financial statements

Note 19B: Unspent annual appropriations

	2022	2021
	\$'000	\$'000
Departmental		
Appropriation Act (No.2) 2018-19	-	1,129
Supply Act (No.2) 2019-20	402	2,198
Appropriation Act (No. 1) 2019-20	-	5,048
Appropriation Act (No.2) 2019-20 ¹	8,982	9,590
Appropriation Act (No.4) 2019-20 ²	5,878	17,208
Supply Act (No.1) 2020-21 ³	8,854	78,338
Supply Act (No.1) 2020-21 - DCB ⁴	46,019	87,290
Supply Act (No.2) 2020-21	2,804	3,868
Appropriation Act (No.1) 2020-21 ⁵	48,655	383,925
Appropriation Act (No.1) 2020-21 - DCB	-	958
Appropriation Act (No.2) 2020-21 ⁶	65,219	80,298
Appropriation Act (No.1) 2020-21 - Cash	-	38,083
Appropriation Act (No. 1) 2021-22	199,197	-
Appropriation Act (No. 1) 2021-22 - DCB ⁷	82,016	-
Appropriation Act (No. 2) 2021-22 ⁸	65,433	-
Appropriation Act (No. 3) 2021-22	86,997	-
Appropriation Act (No. 3) 2021-22 - DCB	2,288	-
Appropriation Act (No. 4) 2021-22	6,382	-
Appropriation Act (No. 1) 2021-22 - Cash	21,632	-
Total unspent departmental appropriations	650,758	707,933
Administered		
Appropriation Act (No.1) 2018-19 ⁹	-	4,794
Appropriation Act (No.1) 2019-20 ¹⁰	2,621	2,621
Appropriation Act (No.3) 2019-20 ¹¹	2,469	2,469
Supply Act (No.1) 2019-20 ¹²	96	96
Appropriation Act (No.1) 2020-21 ¹³	7,445	7,445
Supply Act (No.1) 2020-21 ¹⁴	429	429
Appropriation Act (No.1) 2021-22	5,361	-
Appropriation Act (No.3) 2021-22	2,365	-
Total unspent administered appropriations	20,786	17,854

¹ \$7,804,000 has been withheld under section 51 of the PGPA Act.

² \$5,878,000 has been withheld under section 51 of the PGPA Act.

³ \$8,854,000 has been withheld under section 51 of the PGPA Act.

⁴ \$958,000 has been withheld under section 51 of the PGPA Act.

⁵ \$48,655,000 has been withheld under section 51 of the PGPA Act.

⁶ \$44,399,000 has been withheld under section 51 of the PGPA Act.

⁷ \$18,100,000 has been withheld under section 51 of the PGPA Act.

⁸ \$18,390,000 has been withheld under section 51 of the PGPA Act.

⁹ \$4,793,784 removed through 2018-19 Annual Appropriation Acts repealed at the start of 1 July 2021.

¹⁰ \$2,621,335 has been quarantined for administrative reasons.

¹¹ \$2,469,000 has been withheld under section 51 of the PGPA Act.

¹² \$95,883 has been quarantined for administrative reasons.

¹³ \$7,445,000 has been withheld under section 51 of the PGPA Act.

Australian Taxation Office**Notes to and forming part of the financial statements**

¹⁴ \$429,096 has been quarantined for administrative reasons.

The total adjustments made to all prior years unspent departmental and administered annual appropriations under section 74 of the PGPA Act is nil.

The total adjustments made to all prior years unspent departmental and administered annual appropriations under section 75 of the PGPA Act is nil.

Australian Taxation Office

Notes to and forming part of the financial statements

Note 19C: Special appropriations		
	Appropriation applied	Appropriation applied
	2022	2021
Authority	\$'000	\$'000
Taxation Administration Act 1953 - section 16 ¹	140,407,803	203,531,860
Product Grants and Benefits Administration Act 2000 - section 55	89,057	94,923
Superannuation Guarantee (Administration) Act 1992 - section 71	675,887	942,396
Small Superannuation Accounts Act 1995 - section 76(9)	113	268
Public Governance, Performance and Accountability Act 2013 - section 77	57,158	93,965
Total	141,230,018	204,663,412

¹ The Department of Home Affairs made payments of \$47,229,760 (2021: \$21,152,176) from the Consolidated Revenue Fund on behalf of the ATO.

Accounting policy

Appropriations provide a legislative basis to issue refunds. The amounts disclosed above represent the actual refunds paid by appropriation source for the financial year.

Australian Taxation Office

Notes to and forming part of the financial statements

Note 19D: Compliance with statutory conditions for payments from the consolidated revenue fund

For amounts to be paid out of the Consolidated Revenue Fund under section 83 of the Constitution there must be an appropriation made by law.

Amounts are sometimes paid to taxpayers in the absence of an appropriation contrary to section 83. While there are controls in place to prevent this from happening, it is impossible to fully remove the risk of such payments being made due to the nature of some transactions.

The table below records payments identified in the year ending 30 June 2022 that were made without an appropriation.

Appropriations identified as subject to conditions	Payments in 2021-2022 \$	Review complete	Breaches identified #	Amount recovered \$	Amount to be recovered \$	Remedial action taken
Small Business Superannuation Clearing House (SBSCH) Special Account	180,855.23	Yes	75	139,405.23	41,450.00	Control
The Australian Charities and Not-for-profits Commission (ACNC) Special Account.	8,774.33	Yes	6	8,774.33	-	Control
Tax refund	10,184.00	Yes	1	-	10,184.00	Control
TOTAL	199,813.56		82	148,179.56	51,634.00	

The ATO performs annual risk assessments to mitigate risks of making payments contrary to section 83.

Australian Taxation Office

Notes to and forming part of the financial statements

20: Special accounts

	Australian Charities and Not-for-profits Commission Special Account ¹		Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office (Comcare receipts) ²	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	10,913	5,441	-	-
Increases	19,381	20,699	21	8
Decreases	(17,065)	(15,227)	(21)	(8)
Total balance carried to the next period	13,229	10,913	-	-
Balance represented by:				
Cash held in entity bank accounts	1,025	885	-	-
Cash held in the official public account	12,204	10,028	-	-
Total balance carried to the next period	13,229	10,913	-	-

¹ The Australian Charities and Not-for-profits Commission Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 80.

Establishing instrument: *Australian Charities and Not-for-profits Commission Act 2012* - section 125-5.

Purpose:

- (a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Commissioner's functions;
- (b) paying any remuneration and allowances payable to any person under this Act (including staff mentioned in section 120-5); and
- (c) meeting the expenses of administering the Account.

The ACNC Commissioner's functions:

- (a) the general administration of this Act;
- (b) carry out activities that assist registered entities in complying with and understanding this Act, by providing them with guidance and education; and
- (c) assisting the public in understanding the work of the not-for-profit sector, in order to improve the transparency and accountability of the sector, by giving the public relevant information on the ACNC website.

² Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office (Comcare receipts)

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *Financial Management and Accountability Determination 2012/15 - SOETM Special Account - ATO*.

Purpose: for the receipt of moneys temporarily held in trust for other persons.

Increases represent receipts from Comcare in respect of Workers' Compensation payments for ATO employees with injuries prior to 1 July 2006. Decreases represent reimbursements to ATO of payments made in advance by ATO to employees.

Accounting policy

Workers' compensation is insured through the Government's Comcare scheme, an integrated safety, rehabilitation and compensation system. The ATO continues to pay incapacitated employees and then receives reimbursement from Comcare.

Amendments to the *Safety, Rehabilitation and Compensation Act 1988* commencing 1 July 2006 provides for reimbursements directly to employers. Receipts from Comcare for payments made to the employee for injuries occurring after 1 July 2006 are treated as receipts under section 74 of the PGPA Act.

Receipts from Comcare for injuries prior to 1 July 2006 are credited to the Service for Other Entities Trust Moneys (SOETM) Special Account and held in the ATO's official bank account until the employee gives written consent for the ATO to offset these amounts against payments made to the employee.

Australian Taxation Office

Notes to and forming part of the financial statements

	Superannuation Holding Accounts Special Account ¹		Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office ²		Superannuation Clearing House Special Account ³		Superannuation Clearing House Special Account ⁴	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	75,907	75,657	2,302	2,346	-	214,671	205,067	-
Increases	16,480	18,382	414	2,936	-	684,660	5,098,340	3,928,646
Decreases	(14,053)	(18,132)	(413)	(2,980)	-	(899,331)	(5,069,063)	(3,723,579)
Total balance carried to the next period	78,334	75,907	2,303	2,302	-	-	234,344	205,067
Balance represented by:								
Cash held in entity bank accounts	4	4	-	-	-	-	72,101	44,281
Cash held in the Official Public Account	78,330	75,903	2,303	2,302	-	-	162,243	160,786
Total balance carried to the next period	78,334	75,907	2,303	2,302	-	-	234,344	205,067

¹ Superannuation Holding Accounts Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 80.

Establishing instrument: *Small Superannuation Accounts Act 1995* - section 8.

Purpose: for the receipt of small superannuation contributions from depositors and distribution to individuals.

² Services for Other Entities and Trust Moneys Special Account - Australian Taxation Office

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *Financial Management and Accountability Determination 2012/15 - SOETM Special Account - ATO*.

Purpose: for the receipt of moneys temporarily held in trust for other persons.

The full closing balance of the Special Account is held in trust for both the current and comparative years.

³ Superannuation Clearing House Special Account

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *Financial Management and Accountability 2010/05 – Superannuation Clearing House Special Account Establishment 2010*.

The full closing balance of the Special Account is held in trust for both the current and comparative years.

The Special Account was automatically repealed ("sunsetting") on 2 September 2020. This Superannuation Clearing House Special Account 2020 was established to continue the purpose of the Special Account. Refer to the purpose of the new Special Account below.

⁴ Superannuation Clearing House Special Account 2020

Establishing authority: *Public Governance, Performance and Accountability Act 2013* - section 78.

Establishing instrument: *PGPA Act Determination (Superannuation Clearing House Special Account 2020)*.

The full closing balance of the Special Account is held in trust for both the current and comparative years.

The Special Account was established on 2 September 2020.

The purpose of the Superannuation Clearing House Special Account is to:

- (a) make payments on behalf of small business employers to superannuation funds, retirement savings accounts and superannuation schemes;
- (b) to repay to an original payer amounts credited to the Special Account, including the residual after any necessary payments are made for the purpose mentioned in paragraph (a);
- (c) reduce the balance of the Special Account (and, therefore, the available appropriation for the Special Account) without making a real or notional payment; and
- (d) repay amounts where a court order, Act or other law requires or permits the repayment of an amount received.

Australian Taxation Office

Notes to and forming part of the financial statements

21: Regulatory charging summary

<u>Note 21A: Receipts subject to cost recovery policy</u>	2022	2021
	\$m	\$m
Amounts applied		
Departmental		
Annual appropriations	51	52
Total amounts applied	51	52
Expenses		
Departmental	51	52
Total expenses	51	52
Revenue		
Administered	15	16
Total revenue	15	16

The cost recovery information included in this note relates to Financial Industry Supervisory Levies, Excise Equivalent Goods (EEG) warehouse licence and Tax Practitioners' Board (TPB) application fees.

Revenue collected by Financial Industry Supervisory Levies by the Australian Prudential and Regulation Authority from the superannuation industry includes a component to cover the expenses of the ATO in administering the Superannuation Lost Member Register (LMR), Unclaimed Superannuation Money (USM) frameworks, Compassionate Release of Super (CRS) and funding for the SuperStream Gateway Network Governance Body (GNGB).

The EEG information is for the warehouse licence applications and renewals issued by the ATO under delegation with the Department of Home Affairs. It also covers the compliance activities associated with the granting of warehouse licences. This is in accordance with the *Customs Act 1901*.

Tax practitioners are charged for the processing of applications for registration including renewal as a tax practitioner. The TPB undertakes a range of activities including engaging with stakeholders pertaining to registration and renewal, providing policy advice on registration and renewal eligibility, providing technical and operational guidance on registration and renewal and developing and maintaining online tools to enable the registration and renewal process.

A copy of the Cost Recovery Implementation Statement for the Financial Industry Super Levies is available at https://www.apra.gov.au/sites/default/files/2022-06/APRA%20CRIS%202022-23%20-%20WB%20review%20-%20SIGNED_Redacted.pdf

A copy of the Cost Recovery Implementation Statement for Cargo and Trade related activities is available from the Department of Home Affairs.

A copy of the 2021-22 Cost Recovery Implementation Statement for TPB application fees is available at [Cost recovery implementation statement | TPB](#)

Australian Taxation Office

Notes to and forming part of the financial statements

22: Departmental restructuring

Under the Modernising Business Registers (MBR) Program, the Government decided to establish a new whole of government registry platform, the Australian Business Registry Services (ABRS). As part of the MBR Program the Commissioner of Taxation was appointed as the Commonwealth Registrar of the ABRS. In 2020-21 the ATO assumed responsibility for certain registry staff and services from the Australian Securities and Investments Commission effective 15 April 2021.

	2021 comparative only Modernising Business Registers Australian Securities and Investments Commission \$'000
Assets recognised	
Appropriation receivable	9,192
Prepayments	42
Buildings	15,339
Buildings - leasehold improvements	2,518
Property, plant and equipment	27
Total assets recognised	27,118
Liabilities recognised	
Employee provisions	5,090
Leases	16,006
Other provisions	120
Total liabilities recognised	21,216
Net assets assumed	5,902
Income	
Recognised by the receiving entity	4,143
Recognised by the losing entity	18,134
Total income assumed	22,277
Expenses	
Recognised by the receiving entity	4,321
Recognised by the losing entity	18,134
Total expenses assumed	22,455

06

Appendixes

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Appendix 1: Laws conferring powers on the Commissioner

The Commissioner of Taxation has responsibilities under a wide range of laws. The main tax and superannuation laws conferring powers or functions on the Commissioner in 2021–22 are:

- *A New Tax System (Australian Business Number) Act 1999*
- *A New Tax System (Goods and Services Tax) Act 1999*
- *A New Tax System (Luxury Car Tax) Act 1999*
- *A New Tax System (Wine Equalisation Tax) Act 1999*
- *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020*
- *Commonwealth Places Windfall Tax (Collection) Act 1998*
- *Coronavirus Economic Response Package (Payments and Benefits) Act 2020*
- *Excise Act 1901*
- *Excise Tariff Act 1921*
- *Foreign Acquisitions and Takeovers Act 1975*
- *Fringe Benefits Tax Assessment Act 1986*
- *Fuel Tax Act 2006*
- *Higher Education Support Act 2003*
- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *International Tax Agreements Act 1953*
- *Petroleum Resource Rent Tax Assessment Act 1987*
- *Product Grants and Benefits Administration Act 2000*
- *Product Stewardship (Oil) Act 2000*
- *Register of Foreign Ownership of Water or Agricultural Land Act 2015*
- *Small Superannuation Accounts Act 1995*
- *Superannuation Contributions Tax (Assessment and Collection) Act 1997*
- *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*
- *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*
- *Superannuation Guarantee (Administration) Act 1992*
- *Superannuation Industry (Supervision) Act 1993*
- *Superannuation (Self-managed Superannuation Funds) Taxation Act 1987*
- *Superannuation (Unclaimed Money and Lost Members) Act 1999*
- *Taxation Administration Act 1953*
- *Taxation (Interest on Overpayments and Early Payments) Act 1983*
- *Trust Recoupment Tax Act 1985.*

Appendix 2: Taxpayers' Charter – our performance

The Taxpayers' Charter outlines clients' rights and obligations. It explains what clients can expect from us in administering the tax and superannuation systems. We are committed to following it in all our dealings. The following table shows how we performed against the commitments we make in our Taxpayers' Charter, as measured by our Client and Community Confidence survey results and other data we hold.

Our performance against the Taxpayers' Charter in 2021–22 can be considered satisfactory, with a slight decrease in client and community perceptions when compared to 2020–21, while still meeting the target. The results below are components of the ATO's client and community confidence index, which was 66/100 for 2021–22. For more information see page 41.

Table 6.1 Our performance against the Taxpayers' Charter, 2021–22

Charter element	How we measure this element ^(a)	2021–22 result ^(b)
Fair and reasonable: We treat you fairly and reasonably	Trustworthy: The ATO makes unbiased decisions.	67/100
Honest: We treat you as being honest unless you act otherwise	The ATO administers a self-assessment tax and superannuation system, adopting a risk-based approach to undertaking compliance activities. We treat taxpayers as being honest by default and look more deeply where risk indicators are flagged. We look at the balance between self-assessment and compliance.	97% of total net tax collections arose through voluntary compliance 3% of total net tax collections arose through our compliance activities
Professional service and assistance: We offer you professional service and assistance	Timely: Any ATO services you want to use would be available at a convenient time that suits you.	64/100
	Conscientious: The ATO takes care to think through your circumstances.	63/100
Representation: We accept you can be represented by a person of your choice and get advice	We support taxpayers to self-prepare or use the services of tax professionals. The proportion of income tax returns lodged during 2021–22 by both tax agents and self-preparers demonstrates the importance of intermediaries in the system.	67.8% lodged by tax agents 32.2% lodged by self-preparers
Privacy: We respect your privacy		
Confidentiality: We keep the information we hold about you confidential	Secure: The ATO keeps your/your clients' personal information secure.	74/100
Information access: We give you access to information we hold about you	The ATO is committed to providing taxpayers with transparency and visibility of the data we hold about them – for example by: <ul style="list-style-type: none"> pre-filing individuals' salary, interest and dividend data in their income tax returns allowing tax and BAS practices to access their clients' records through their software or via Online services for agents. 	Over 13.3 million individuals have linked to the ATO through myGov; including more than 1.7 million individuals that linked in 2021–22 Almost 26,800 active tax agents and 11,500 active BAS agents have registered to use these services
Help: We help you to get things right	Helpful: The ATO is helpful if you need them.	69/100

Table 6.1 Our performance against the Taxpayers' Charter, 2021–22 continued

Charter element	How we measure this element ^(a)	2021–22 result ^(b)
Decisions: We explain the decisions we make about you	The ATO explains the reasons for our decisions as a matter of course. To demonstrate this, we provide outcomes of decisions for objections and private binding rulings.	Objections resolved 18,684 Private binding rulings 4,347
Your right to question: We respect your right to a review and/or to make a complaint	The ATO respects and supports taxpayers in reviewing our decisions. To demonstrate this, our review/complaint framework includes: <ul style="list-style-type: none"> ■ the right to object to an ATO decision ■ a dedicated complaints phone line and web form ■ the opportunity for independent review by the Inspector-General of Taxation and Taxation Ombudsman (IGTO). 	Complaints lodged 25,667
Easy for you to comply: We make it easier for you to comply	Easy: The amount of effort required for you to meet your tax obligations is reasonable.	67/100
Accountability: We are accountable	The ATO is accountable to a range of stakeholders in our administration of the tax and superannuation systems. This includes the community, government and external scrutineers, such as the IGTO and the Australian National Audit Office (ANAO).	Our service commitment framework (see page 214) demonstrates our accountability

Notes

- (a) Some elements of the Taxpayers' Charter are measured using our Client and Community Confidence survey data, while other elements are measured using other data we collect, such as the number of objections or the percentage of lodgments.
- (b) Some results are presented as an index, based on one or more survey questions. An 11-point Likert scale (0 to 10) is used to capture the responses and these responses are converted to a score between 0 and 100 to create an index score out of 100.

Appendix 3: Public advice and dispute management

The ATO tailors its approach to providing public advice and guidance, allowing taxpayers and their advisers to access the level of detail they need (from web-based guidance and fact sheets through to legally binding rulings).

During 2021–22, we addressed some longer-term public advice and guidance needs, including publishing:

- our recommended approach to managing claims of legal professional privilege (LPP)
- guidance for tax professionals and trustees managing trust reimbursement agreement risks.

We also provided advice and guidance on key priority matters, including:

- deductibility of COVID-19 tests
- extension of the shortcut rate for working from home expenses to 30 June 2022
- temporary immediate write-off for the cost of depreciating assets
- application of the Commissioner's discretion in relation to non-commercial losses (with respect to flood, bushfires, or COVID-19)
- tax treatment of crypto asset transactions
- working holiday maker income
- allocation of professional firm profits
- unpaid trust entitlements of private companies
- when employees can deduct accommodation, food and drink expenses when travelling for work and explaining how they can work out associated living-away-from-home allowances.

In the lead-up to tax time, the ATO also proactively engaged with the media (television, radio and print) to help members of the community meet their obligations.

The following tables provide information on how the ATO assists people to understand their tax and superannuation obligations, and how we work with people who disagree with our assessments.

Public advice

The ATO provides advice in public rulings and a range of other product types, as shown in Table 6.2. Timeliness of our public advice is presented in Table 6.3 (for public rulings). Table 6.4 provides information relating to the effectiveness of our public advice issued through business, partner and government interactions.

The volume of formal advice and guidance products (excluding class rulings and product rulings) delivered in 2021–22 was consistent with 2020–21. However, with the addition of class rulings and product rulings (current and prior year data in Table 6.2), the volume of all formal advice and guidance products increased by 22% from 2020–21, and the number of class rulings issued in 2021–22 increased by 42%.

Table 6.2 Key public advice and guidance products, 2019–20 to 2021–22

Product	2019–20	2020–21	2021–22
Public rulings (including significant addenda) ^(a)	51	40	40
Class rulings ^(b)	75	84	119
Product rulings ^(c)	11	11	15
Practical compliance guidelines (including significant updates) ^(c)	22	16	13
Taxpayer alerts	3	4	4
Decision impact statements	11	12	14
Synthesised texts of the Multilateral Instrument and Australian tax treaties	9	4	3
Total	182	171	208

Notes

(a) Includes both draft and final rulings, excludes class and product rulings.

(b) Not previously reported in the annual report.

(c) Includes both draft and final guidelines.

Table 6.3 Timeliness^(a) of draft public rulings finalised, 2021–22

Product	Number	0–6 months	7–12 months	Over 12 months
Taxation rulings and determinations ^(b)	13	9	1	3
Law companion rulings	2	1	0	1
Annual rulings	5	All published within tax time requirements	n/a	n/a

Notes

(a) Timeliness refers to the time taken to finalise following the end of the public consultation period.

(b) Excludes class and product rulings.

Table 6.4 Business, partner and government interactions, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
<p>Effectiveness of public advice issued. In particular in 2021–22, responses showed:</p> <ul style="list-style-type: none"> steady results generally – indicating that our public advice and guidance is continuing to meet the needs of our clients overall, qualitative feedback on our responses to helping the community understand and access a range of economic stimulus measures has been positive. 	<p>Much of our public advice and guidance focus for 2019–20 has been on providing advice on natural disasters and COVID-19. Overall, qualitative feedback on our responses to those crises has been positive.</p>	<p>We have issued a steady flow of public advice related to COVID-19 and public advice that was paused during 2019–20 due to COVID-19 priorities. Overall, external consultation feedback supports that our public advice and guidance meets clients' needs.</p>	<p>The feedback received from external stakeholders remains mostly positive, with overall satisfaction levels consistent across all those surveyed.</p>

Dispute management

We resolved over 18,600 objections. There were 440 applications for Part IVC review or appeal to the Administrative Appeals Tribunal (AAT) or other courts in 2021–22, with 455 decisions made either in relation to these applications or applications made in earlier years.

Table 6.5 presents information on the numbers and types of our dispute cases.

Table 6.5 Disputes, 2019–20 to 2021–22^(a)

Cases	2019–20	2020–21	2021–22
Returns lodged	38,853,917	39,440,211	40,744,416
Adjustments arising from audits	467,884	441,317	537,278
Disputed cases resolved			
▪ objections	22,290	29,877 ^(b)	18,684
▪ settlements	417	475	453
▪ litigation outcomes ^(c)	375	593	455
▪ large market independent reviews	22	14	7
▪ small business independent reviews ^(d)	87	52	44
Average cycle time for objections	101 days	97 days	102 days
Part IVC cases lodged to courts/tribunals	455	668 ^(c)	440
Part IVC cases resolved prior to court hearing	222	426 ^(c)	297
Part IVC cases proceeded to decision	153	167 ^(c)	158
New Part IVC matters in proportion to objections ^(e)	16.9 per thousand	20.7 per thousand	20.9 per thousand
Number of test case litigations finalised	10	12	3

Notes

- (a) Objections include self-objections, which accounts for 55% of all objections resolved in 2021–22.
- (b) Of the total objections, 12,204 were completed as part of the implementation of stimulus measures due to COVID-19. This also impacted the number of cases lodged to courts/tribunals (243).
- (c) Part IVC litigation methodology includes Administrative Law matters, and from 2020–21 the methodology was updated to include debt release matters.
- (d) The small business independent review service, which was in pilot phase from 1 July 2018, moved to business-as-usual effective 1 April 2021.
- (e) Previously reported as Objections to new Part IVC litigation matters. Excludes Administrative Law matters and from 2020–21 the methodology was updated to include debt release matters.

Settlement cases reviewed under our Independent Assurance of Settlements Program for 2021–22 are shown in Table 6.6. Independent assurers review settlements only after they have been finalised. As a result, settlements finalised in the second half of any financial year will likely be reviewed by an independent assurer in the following financial year.

Table 6.6 Settlement cases reviewed by our Independent Assurance of Settlements program during 2021–22^(a)

Settlement cases	ATO position \$m	Settled position \$m	Variance \$m	Variance %
15 ^(b)	1,904.0	947.9	956.8	50

Notes

- (a) Totals may differ from the sum of components due to rounding.
- (b) All independently assured settlements were found fair, reasonable and in the interests of Australia.

Tables 6.7 and 6.8 provide more detail on settlements that occurred during 2021–22.

Table 6.7 Stage at which settlement occurred, 2021–22^(a)

Stage	Settlement cases	% of total settlements	ATO position \$m	Settled position \$m	Variance \$m	Variance %
Pre-audit	142	31	615.9	412.5	203.4	33
Audit	195	43	1,304.3	636.7	667.6	51
Objection	75	17	1,355.6	844.6	511	38
AAT	39	9	151.7	26.7	125	82
Federal Court	2	0	88.4	44.3	44.1	50
High Court	0	0	0	0	0	0
Total	453	100	3,516.0	1,964.8	1,551.2	44

Note

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

Table 6.8 Settlements by client group, 2021–22^(a)

Client group	Settlement cases	% of total settlements	ATO position \$m	Settled position \$m	Variance \$m	Variance %
Individuals ^(b)	20	4	2.6	1.7	0.9	34
Small business	41	9	32.3	16.7	15.6	48
Privately owned and wealthy groups	263	58	672.7	373.0	299.7	45
Public and multinational businesses	56	12	2,556.9	1,404.8	1,152.1	45
Not-for-profit organisations ^(c)	0	0	0	0	0	0
Self-managed superannuation funds	71	16	5.8	1.2	4.6	80
APRA-regulated superannuation funds	2	0	245.7	167.4	78.2	32
Total	453	100	3,516.0	1,964.8	1,551.2	44

Notes

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

(b) The client group Individuals does not include those who are in business – for example, sole traders.

(c) The client group Not-for-profit organisations includes government entities.

Appendix 4: Legal services expenditure

In 2021–22, our total legal expenditure increased by \$1.8 million (2.0%) when compared to the previous year.

Our internal legal services costs were \$4.3 million (12.5%) higher than 2020–21 due to increases in internal legal staff costs (\$1.9 million) and associated internal overhead costs (\$2.4 million).

External expenditure reduced by around \$2.5 million (4.5%). This was mainly attributable to reduced legal disbursements (particularly expert costs). Natural disasters (fires, floods and cyclones) and the continuing global COVID-19 pandemic also contributed to further reductions in debt legal recovery actions.

Table 6.9 Legal services expenditure, 2021–22^{(a)(b)}

Type of expenditure	\$
Total costs recovered	3,632,633
Briefs to counsel	16,705,965
Briefs for Independent Assurance of Settlements work	252,149
Disbursements (excluding counsel)	12,853,497
Professional fees paid	23,539,115
External legal services expenditure^(c)	53,350,726
Internal legal services expenditure^(d)	38,671,163
Total (external and internal expenditure)	92,021,889

Notes

- Includes Tax Practitioners Board (TPB) and Australian Charities and Not-for-profits Commission (ACNC) legal costs. Total TPB external legal services expenditure was \$618,130. Total internal legal services expenditure for the TPB was \$2,599,615. Total ACNC external legal services expenditure was \$223,008. Total internal legal services expenditure for the ACNC was \$956,798.
- External expenditure in this table excludes GST.
- Excludes costs awarded against the ATO, expenditure on compensation and legal costs attributable to the ATO's test case program.
- ATO internal legal officers manage tax litigation (under Part IVC of the *Taxation Administration Act 1953*), debt litigation, general legal advice and freedom of information. This amount consists of the cost of labour and expenses for those activities. The amount does not include expenditure on other activities that have some of the characteristics of legal work, but which are not performed by staff in a legal capacity (for example, preparation of writs, statutory demands and bankruptcy notices or providing the ATO's interpretation of tax and superannuation law).

Table 6.10 Number and value of briefs to counsel, 2021–22^{(a)(b)}

Type of brief	New briefs	Total briefs	Value \$
Briefs to senior counsel			
Direct briefs to male senior counsel	81	121	1,470,364
Direct briefs to female senior counsel	40	69	1,214,474
Indirect briefs to male senior counsel	116	251	5,297,355
Indirect briefs to female senior counsel	69	160	4,060,578
Total senior	306	601	12,042,771
Briefs to junior counsel			
Direct briefs to male junior counsel	53	88	916,457
Direct briefs to female junior counsel	48	77	587,336
Indirect briefs to male junior counsel	91	150	1,662,549
Indirect briefs to female junior counsel	61	118	1,496,852
Total junior	253	433	4,663,194
Total	559	1,034	16,705,965

Notes

(a) Direct briefs cover counsel briefed directly by the ATO and who work with our in-house litigators and/or business areas. Indirect briefs are counsel briefed by the ATO's external legal providers acting on behalf of the ATO.

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

Appendix 5: Strategic litigation

For the 2021–22 financial year, 78% of reported litigation outcomes under Part IVC of the *Taxation Administration Act 1953* wholly supported the ATO's position or assessments. Of the litigation decisions under Part IVC, the remaining 22% supported the taxpayer's position in whole or in part. These percentages include a small number of outcomes under the *Administrative Decision (Judicial Review) Act 1977* or the *Judiciary Act 1903*, but exclude cases funded by the ATO under the Test Case Litigation Program.

Table 6.11 lists significant cases decided by the courts and the Administrative Appeals Tribunal (AAT) in 2021–22. The main issues of each case are listed, as well as the outcome or status at 30 June 2022.

Those marked with an asterisk (*) were funded by the ATO under the Test Case Litigation Program 2021–22. For more information about the test case funding program, see ato.gov.au/testcaselitigationprog.

The Commissioner has released decision impact statements in a number of these cases. These are available at ato.gov.au/decisionimpactstatements.

Table 6.11 Significant cases, 2021–22

Matter	Issue	Outcome
Income tax cases – trusts		
<i>*Commissioner of Taxation v Carter and ors</i> [2022] HCA 10	The tax effect of disclaimers executed in a year of income by default beneficiaries of a discretionary trust in respect of income to which such beneficiaries were entitled in a previous year of income.	The High Court allowed the Commissioner's appeal.
<i>*Guardian AIT v Commissioner of Taxation; Springer v Commissioner of Taxation</i> [2021] FCA 1619	Whether anti-avoidance rules apply to an arrangement where income of a trust is appointed to a company, returned to the trust as franked dividends, and then appointed to a non-resident beneficiary.	The Federal Court allowed the taxpayers' appeal. The Commissioner is appealing to the Full Federal Court. ^(a)
<i>Peter Greensill Family Co Pty Ltd (as trustee) v Commissioner of Taxation; Martin & anor v Commissioner of Taxation</i> [2021] FCAFC 99	Whether a capital gain that would otherwise be assessed is disregarded where the trustee makes a non-resident entitled to the whole or a portion of the gain.	The High Court refused the taxpayers' special leave application.
Income tax cases – other		
<i>*Addy v Commissioner of Taxation</i> [2021] HCA 34	Whether the taxpayer, a UK citizen who entered Australia on a working holiday visa, was a resident of Australia for tax purposes and if they were, whether their liability to tax at the rates imposed on holders of working holiday visas offends the Non-discrimination Article in the Australia-United Kingdom Double Tax Agreement.	The High Court allowed the taxpayer's appeal.
<i>Aurizon Holdings Limited v Commissioner of Taxation</i> [2022] FCA 368	Whether a contribution by the State of Queensland was an amount of share capital where no new shares were issued in exchange for the contribution.	The Federal Court granted the taxpayer's request for a declaration, finding that the contribution was share capital.

Table 6.11 Significant cases, 2021–22 continued

Matter	Issue	Outcome
Income tax cases – other continued		
<i>Commissioner of Taxation v Shell Energy Holdings Australia Ltd</i> [2022] FCAFC 2	Whether the taxpayer was entitled to an immediate deduction for the cost of an increase in its stake in a natural gas project.	The Full Federal Court dismissed the Commissioner's appeal. The Commissioner has applied for special leave. ^(b)
<i>Mussalli & ors v Commissioner of Taxation</i> [2021] FCAFC 71	Whether amounts labelled as 'prepaid rent' paid when entering into franchise agreements were on capital account and therefore not deductible.	The High Court refused the taxpayer's special leave application.
<i>Singapore Telecom Australia Investments Pty Ltd v Commissioner of Taxation</i> [2021] FCA 1597	Whether the lending arrangement between a parent and its wholly owned subsidiary gave rise to a transfer pricing benefit.	The Federal Court held that the arrangement did give rise to a transfer pricing benefit. The taxpayer has appealed to the Full Federal Court. ^(c)
Customs and Excise cases		
<i>Hurley v Collector of Customs</i> [2022] FCAFC 92	Whether dutiable goods were kept safely within the meaning of the Customs Act, where the terms of an agreement for payment of customs duty under which the goods were released into home consumption were not met.	The Full Federal Court allowed the taxpayer's appeal. The Commissioner has applied for special leave to appeal to the High Court.
Superannuation cases		
<i>Commissioner of Taxation v Coronica</i> [2022] FCA 72	Whether the Tribunal erred in law, by failing to reach the necessary state of satisfaction required to consider whether to disqualify a trustee of a self-managed superannuation fund, when setting aside the Commissioner's decision to disqualify.	The Federal Court allowed the Commissioner's appeal. The matter has been remitted back to the Administrative Appeals Tribunal.
<i>JMC Pty Ltd v Commissioner of Taxation</i> [2022] FCA 750	Whether a person providing teaching services to the taxpayer was an employee for the purposes of the superannuation guarantee.	The Federal Court dismissed the taxpayer's appeal and found there was an employment relationship.
JobKeeper and Cash Flow Boost cases		
<i>Airport Handling Services Australia Pty Ltd v Commissioner of Taxation</i> [2021] FCA 1405	Whether an instrument that retrospectively amended the JobKeeper Rules disentitled the taxpayer from receiving payments for the first 2 JobKeeper fortnights.	The Federal Court dismissed the taxpayer's appeal.
<i>FFYS v Commissioner of Taxation</i> [2021] AATA 1511	Whether the taxpayer was carrying on a business through renting 2 spare rooms of the taxpayer's principal residence through Airbnb.	The Administrative Appeals Tribunal found the taxpayer was not carrying on a business.

Table 6.11 Significant cases, 2021–22 *continued*

Matter	Issue	Outcome
Taxation administration cases		
<i>Bolink Holdings Limited & ors v Oriental Limited as trustee for Direct Solutions Superannuation Fund & ors</i> [2021] WSSC 53	Declaratory relief was sought in the Supreme Court of Samoa in respect of a transaction with Australian taxation consequences. The Commissioner was the third defendant in the proceedings. In addition to other arguments against granting the relief sought, the Commissioner made a claim for sovereign immunity in the Samoan Court.	The Supreme Court of Samoa refused to grant the relief sought by the taxpayer. Additionally, the Court accepted the Commissioner's immunity claim. The taxpayer has subsequently appealed the decision.
<i>Commonwealth of Australia v Kupang Resources Pty Ltd</i> [2022] NSWCA 77	Whether the Commonwealth is required to produce for inspection documents that were obtained and held by the Commissioner of Taxation for the purpose of administering tax laws.	The NSW Court of Appeal allowed the Commonwealth's appeal, concluding that the notice to produce did not fall within the exception requiring disclosure of protected information. The taxpayer has applied for special leave to appeal to the High Court.
<i>Commissioner of Taxation v Auctus Resources Pty Ltd</i> [2021] FCAFC 39	Whether research and development tax offsets to which the taxpayer was not entitled could be recovered as an 'administrative overpayment' as defined in the tax legislation.	The Full Federal Court allowed the Commissioner's appeal.
<i>*Commissioner of Taxation v Bosanac</i> [2021] FCAFC 158	Whether an evidentiary presumption ('the presumption of advancement') applies such as to treat the purchase of property (in this case the matrimonial home) in the name of the wife as a gift where the husband has made a significant contribution to the purchase of the property.	The Full Federal Court allowed the Commissioner's appeal. The High Court of Australia has granted the taxpayer's special leave application. ^(d)
<i>Commissioner of Taxation v Pricewaterhouse Coopers</i> [2022] FCA 278	Whether a lawyer/client relationship existed to ground a claim of legal professional privilege and whether privilege applied to a number of sample documents selected by the parties.	The Federal Court found that a lawyer and client relationship existed. However, the Federal Court held that a majority of the sample documents were not privileged.
<i>*Commissioner of Taxation v Ross</i> [2021] FCA 766	Whether the onus on the taxpayer to demonstrate that the assessment was excessive was correctly applied.	The Federal Court allowed the Commissioner's appeal. The matter was remitted back to the Administrative Appeals Tribunal.
<i>CUB Australia Holding Pty Ltd v Commissioner of Taxation</i> [2021] FCAFC 171	Whether a notice issued under the Commissioner's formal information-gathering powers – requiring the taxpayer to provide particulars of documents sought by the Commissioner that were subject to claims of legal professional privilege – was valid.	The Full Federal Court dismissed the taxpayer's appeal.
<i>Deputy Commissioner of Taxation v Huang</i> [2021] HCA 43	Whether as a precondition to obtaining a freezing order with worldwide effect, the court rules require proof of a realistic possibility that any judgment obtained can be enforced against the debtor's assets on a jurisdiction-by-jurisdiction basis.	The High Court allowed the Deputy Commissioner's appeal.
<i>Deputy Commissioner of Taxation v Shi</i> [2021] HCA 22	Whether the Deputy Commissioner was correctly denied access to an affidavit the taxpayer had filed disclosing his asset position pursuant to a direction of the court made ancillary to the granting of freezing orders. The taxpayer argued for non-disclosure on the grounds it may incriminate him in the commission of an offence in Australia.	The High Court allowed the Deputy Commissioner's appeal.

Table 6.11 Significant cases, 2021–22 continued

Matter	Issue	Outcome
Taxation administration cases continued		
<i>La Mancha SARL v Commissioner of Taxation</i> [2021] FCA 1564	Whether the implied <i>Harman</i> undertaking limits the Commissioner's use of subpoenaed documents to the proceedings only.	The Federal Court held that the <i>Harman</i> undertaking does not constrain the Commissioner from using the subpoenaed documents in the lawful exercise of his powers and functions.
<i>Pitman v Commissioner of Taxation</i> [2021] FCAFC 230	Whether an undischarged bankrupt has standing to object to a reviewable decision made by the Commissioner.	The Full Federal Court dismissed the taxpayer's appeal.
Goods and services tax cases		
<i>Commissioner of Taxation v Burswood Nominees Limited as trustee for the Burswood Property Trust</i> [2021] FCAFC 151	Whether the GST treatment of commissions and rebates paid to and received by junket tour operators (JTOs) under agreements entered into between the JTOs and the casinos was appropriate.	The High Court refused the taxpayers' special leave application.
<i>Landcom v Commissioner of Taxation</i> [2022] FCA 510	Whether the Commissioner's private ruling that the sale of freehold interests was to be treated as a single supply for the purposes of the margin scheme was correct and whether the court had jurisdiction to entertain the appeal against the private ruling where it concerned so-called 'notional' tax.	The Federal Court allowed the taxpayer's appeal. The Commissioner has subsequently appealed to the Full Federal Court on the margin scheme issue but accepts the primary judge's decision that the Federal Court had jurisdiction to entertain the appeal concerning so-called 'notional' tax. ^(e)
<i>M3K Services Pty Ltd v Commissioner of Taxation</i> [2021] AATA 4416	Whether excess GST had been passed on within the meaning of the GST law. If so, whether the discretion to refund the excess GST should be exercised.	The Administrative Appeals Tribunal affirmed the decision under review, holding that the GST had been passed on and the discretion to refund the excess GST should not be exercised.
<i>STNK v Commissioner of Taxation</i> [2021] AATA 3399	Whether the GST General Anti-Avoidance Rule applies to prevent the benefit of claimed input tax credits where the GST-free supplies are of adulterated gold bullion.	The Administrative Appeals Tribunal found that the General Anti-Avoidance Rule did not apply to negate any GST benefit. The Commissioner has appealed, and the taxpayer has cross-appealed, to the Full Federal Court. ^(f)
<i>WYPF v Commissioner of Taxation</i> [2021] AATA 3050	Whether development works completed as a requirement for the grant of a subsequent long-term lease were consideration for the acquisition of that lease for GST purposes.	The Administrative Appeals Tribunal held that the works were not consideration for the acquisition of the subsequent lease.
Fringe benefits tax cases		
<i>Commissioner of Taxation v Virgin Australia Regional Airlines Pty Ltd & anor</i> [2021] FCAFC 209	Whether airlines' employees who predominantly perform duties on an aircraft have no primary place of employment, or the aircraft was the primary place of employment, for the purposes of determining car parking fringe benefits.	The Full Federal Court allowed the Commissioner's appeal.

Notes

The following notes include information as available at 26 September 2022.

- (a) The matter was heard by the Full Federal Court on 24 and 25 August 2022 and the decision has been reserved.
- (b) The Commissioner's special leave application was refused on 9 September 2022.
- (c) The matter is listed to be heard from 17 to 20 April 2023.
- (d) The matter was heard by the High Court on 16 August 2022 and the decision has been reserved.
- (e) The matter is listed to be heard on 21 November 2022.
- (f) The matter was heard by the Full Federal Court on 11 August 2022 and the decision has been reserved.

Appendix 6: Debt management

The following tables show statistics on debt holdings and debt not pursued.

The value of debt holdings across all client experiences increased in 2021–22, reflecting the ongoing cash flow impacts of the challenging economic environment.

Small businesses continue to account for the majority of collectable debt. They remain a key focus of our payment strategies, given the significant impact of the disrupted economic environment.

Table 6.12 Value of debt holdings by client experience, 2019–20 to 2021–22^(a)

Activity	2019–20 \$b	2020–21 \$b	2021–22 \$b
Individuals			
▪ collectable debt	3.8	3.7	4.2
▪ debt subject to objection or appeal	0.2	0.2	0.2
▪ insolvency debt	0.6	0.6	0.6
Small business			
▪ collectable debt	21.4	24.3	29.3
▪ debt subject to objection or appeal	1.2	1.3	1.1
▪ insolvency debt	4.8	4.3	4.9
Privately owned and wealthy groups			
▪ collectable debt	7.0	8.4	8.9
▪ debt subject to objection or appeal	4.0	4.2	4.8
▪ insolvency debt	2.8	3.0	3.0
Public and multinational businesses			
▪ collectable debt	1.3	1.6	1.8
▪ debt subject to objection or appeal	5.0	6.2	6.6
▪ insolvency debt	0.5	0.5	0.5
Not-for-profit organisations			
▪ collectable debt	0.3	0.2	0.2
▪ debt subject to objection or appeal	0.0	0.0	0.0
▪ insolvency debt	0.0	0.0	0.0
Self-managed superannuation funds			
▪ collectable debt	0.3	0.3	0.4
▪ debt subject to objection or appeal	0.0	0.0	0.0
▪ insolvency debt	0.0	0.0	0.0
Superannuation funds			
▪ collectable debt	0.0	0.0	0.0
▪ debt subject to objection or appeal	0.0	0.0	0.1
▪ insolvency debt	0.0	0.0	0.0

Note

(a) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the *Taxation Administration Act 1953* (TAA) and insolvency debt in this table will vary from the 'Value of debt holdings by main revenue type' table as only the main revenue types are included there.

The proportions of debt accounted for by activity statement debt, income tax debt and superannuation guarantee charge debt are reasonably consistent over time.

Table 6.13 Value of debt holdings by main revenue type, 2019–20 to 2021–22^(a)

Activity	2019–20 \$b	2020–21 \$b	2021–22 \$b
Activity statement			
▪ collectable debt	19.9	22.6	27.3
▪ debt subject to objection or appeal	0.5	0.6	0.5
▪ insolvency debt	4.8	4.8	5.5
Income tax			
▪ collectable debt	12.5	13.5	15.1
▪ debt subject to objection or appeal	9.4	11.0	12.0
▪ insolvency debt	2.7	2.4	2.1
Superannuation guarantee charge			
▪ collectable debt	1.2	1.7	1.9
▪ debt subject to objection or appeal	0.1	0.1	0.1
▪ insolvency debt	1.1	1.1	1.2

Note

(a) The sum of collectable debt, debt subject to objection, review or appeal under Part IVC of the TAA and insolvency debt in this table will vary from the 'Value of debt holdings by client experience' table as only the main revenue types are included here.

We use data-driven decision-making to pursue, pause or cease recovery actions where appropriate – including where the client becomes insolvent, or debts are considered uneconomical to pursue.

Determining some debts as either uneconomical to pursue or irrecoverable at law helps ensure we are focusing our collection activities on the right debts.

Table 6.14 Debt not pursued, 2019–20 to 2021–22^(a)

Activity	2019–20	2020–21	2021–22
Value of debt			
▪ uneconomical to pursue	\$0.7b	\$0.5b	\$1.2b
▪ irrecoverable at law	\$0.9b	\$2.1b	\$1.6b
Ratio of debt uneconomical to pursue to ATO net cash collections	0.2%	0.1%	0.2%

Note

(a) If a decision is made to not pursue a debt on the basis that it is uneconomical to do so, the debt can be pursued at a future time.
A debt that is irrecoverable at law is effectively extinguished.

Appendix 7: Compensation statistics

The information below relates to compensation under the Commonwealth’s Scheme for Compensation for Detriment caused by Defective Administration (CDDA). For information about work health and safety, see page 233.

Under the CDDA scheme, compensation may be paid to an individual, company or other organisation that has experienced detriment as a result of our defective actions or inaction.

Payments under the scheme are discretionary. The information below provides details of claims processed under the scheme in 2021–22.

Compensation claims

In 2021–22, we registered 149 compensation cases and finalised 132 (including cases registered in previous years), with 50 resulting in compensation being offered.

For straightforward claims, we aim to give the claimant a decision within 56 days. For more complex claims, we aim to give a preliminary view within 56 days. Claimants are then given an opportunity to comment on the preliminary view prior to the decision being made. The extended time frame includes time taken for the claimant to consider the ATO’s preliminary view.

Table 6.15 Completion time frames of compensation claims, 2021–22

Claims	1 month	1–3 months	3–6 months	6–12 months	1 year +
Percentage of claims	4%	32%	36%	22%	6%

Compensation payments

The total amount of 51 compensation payments made in 2021–22 was \$230,018. The average payment made was \$4,510, the median payment was \$1,134, and the maximum payment amount made was \$81,251.

While these statistics have been compiled from a number of data sources, all possible care has been taken to ensure consistency.

Appendix 8: Service commitments and activities

The ATO reports on a range of service commitments and provides information about our activities that deliver outcomes for the community. Our annual results are provided in the following tables.

Service commitments

Our service commitments are designed to assure the ATO and the community that the services we provide are of a consistent and high standard. Many of our commitments have targets, which are meaningful to our clients and challenge us to deliver the best possible service.

We regularly report on our service commitments. These are available at ato.gov.au/servicecommitments.

We did not meet all our targets for service commitments in place at 30 June 2022.

Table 6.16 Commitments to service – Timely, 2020–21 and 2021–22

Service commitment		Target	Achieved 2020–21		Achieved 2021–22	
			Result	Indicator	Result	Indicator
Tax practitioner calls over the tax time period, at 31 October	answered within 2 minutes	90%	92%	✓	90%	✓
<ul style="list-style-type: none"> A total of 453,917 calls were answered, 9,217 abandoned (2% of calls offered) and zero calls were blocked in 2021–22. 						
Average wait time for inbound general calls	less than 10 minutes	10 min	06 min 04 sec	✓	09 min 29 sec	✓
Electronic taxpayer requests	finalised in 15 business days	90%	92%	✓	85%	X
Private rulings	finalised in 28 calendar days of receiving all necessary information	80%	81%	✓	80%	✓
Superannuation guarantee employee notifications	finalised within 4 months	60%	7% ^(a)	X	48% ^(a)	X
Superannuation guarantee employee notifications	finalised within 9 months	90%	37% ^(a)	X	75% ^(a)	X
Electronic tax returns and activity statements ^(b)	finalised in 12 business days	94%	100%	✓	99%	✓
Electronic amendments	finalised in 20 business days	90%	95%	✓	95%	✓
Paper tax returns, activity statements and amendments	finalised in 50 business days	80%	97%	✓	93%	✓
Australian residents' ABR registrations	finalised in 20 business days	93%	99%	✓	99%	✓

Table 6.16 Commitments to service – Timely, 2020–21 and 2021–22 *continued*

Service commitment		Target	Achieved 2020–21		Achieved 2021–22	
			Result	Indicator	Result	Indicator
Electronic Commissioner of Taxation registrations	finalised in 20 business days	93%	97%	✓	96%	✓
Complaints received	resolved in 15 business days or within the date negotiated with the client	85%	86% ^(c)	✓	88% ^(d)	✓

✓ = met X = not met

Notes

- (a) Service commitment result impacted by a backlog of superannuation guarantee work resulting from the movement of staff to support the government's stimulus measures.
- (b) Target applies to current-year tax returns only.
- (c) 72% of complaints resolved in 15 business days, regardless of additional time negotiated with the client.
- (d) 73% of complaints resolved in 15 business days, regardless of additional time negotiated with the client.

Table 6.17 Commitments to service – Keep me informed, 2020–21 and 2021–22

Service commitment		Target	Achieved 2020–21		Achieved 2021–22	
			Result	Indicator	Result	Indicator
Electronic tax returns (individuals not in business)	inform if unable to finalise within 30 calendar days of receipt	100%	100%	✓	100%	✓
Private rulings	contact within 14 calendar days if request will take more than 28 calendar days to resolve	80%	90%	✓	89%	✓
Superannuation guarantee employee notifications	notification commenced within 28 days of receipt	99%	99%	✓	100%	✓

✓ = met X = not met

Activities

We undertake a range of activities to support the delivery of the tax and superannuation systems. Outputs include information assistance services, processing and assurance activities, along with internal services for our staff.

Table 6.18 Activities and outputs – Information and assistance services, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Number of non-digital, inbound customer service interactions	10,525,162	8,883,652	7,819,956
Number provided of:			
▪ interpretative guidance products	53,191	53,442	45,768
▪ private rulings	4,126	3,977	4,347
Elapsed time in days for private rulings:			
▪ average	92	114	132
▪ median	64	86	100
Perceptions that the <i>process</i> was fair in:			
▪ disputes	52%	54%	57%
— individuals	52%	54%	58%
— business	54%	55%	50%
▪ audits, advice or private rulings	58%	60%	59%
— individuals	57%	59%	59%
— business	65%	63%	59%
Perceptions that the <i>final decision</i> was fair in:			
▪ disputes	65%	58%	66%
— individuals	67%	57%	69%
— business	61%	59%	54%
▪ audits, advice or private rulings	58%	60%	58%
— individuals	57%	60%	57%
— business	63%	61%	59%
Client perceptions of ATO fairness	64/100	68/100	63/100
Client perceptions of ATO effectiveness	64/100	66/100	64/100

Table 6.19 Activities and outputs – Obligations and entitlements processing, 2019–20 to 2021–22^(a)

Activity	2019–20	2020–21	2021–22
Number of registrations processed	1.7m	1.5m	1.7m
Number of returns, statements and forms processed	358.5m	317.1m	325.4m
Proportion of:			
▪ income tax returns lodged	89.8%	89.4%	88.4%
▪ activity statements lodged	85.5%	84.6%	83.4%
Proportion of tax returns lodged electronically	97.8%	98.2%	98.5%
Number of payments processed	27.3m	25.0m	28.9m
Proportion of payments made and received through electronic channels	98.9%	99.2%	99.5%

Note

(a) Some items reported for 2021–22 (such as proportion of income tax returns lodged) relate to the 2020–21 tax year.

Table 6.20 Activities and outputs – Revenue assurance, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Number of refunds issued	14.6m	14.8m	14.9m
Number of compliance activities undertaken	3.9m	5.2m	4.8m
Value of tax collected:			
▪ gross	\$537.0b	\$580.1b	\$648.5b
▪ net	\$404.7b	\$451.4b	\$515.6b
Value of refunds paid	\$132.3b	\$128.7b	\$132.9b
Value of compliance liabilities as a result of compliance audits, reviews and other checks:			
▪ raised	\$12.7b	\$12.0b	\$17.3b
▪ collected	\$9.5b	\$6.8b	\$12.1b
Value of penalties and interest collected	\$2.4b	\$1.8b	\$2.9b

Table 6.21 Activities and outputs – Securing retirement income, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Number of lost superannuation accounts	433,918	361,986	348,685
Number of ATO-held superannuation accounts ^(a)	5.6m	6.2m	6.5m
Proportion of APRA fund annual balance returns lodged on time ^(b)	99.4%	94.8%	91.2%
Number of excess contributions determinations issued ^(c)	181,068	161,375	145,139
Number of Division 293 tax assessments issued ^(d)	228,668	278,942	324,108
Proportion of self-managed superannuation funds (SMSFs) with contraventions reported by approved SMSF auditors compared to the total number of lodging SMSFs ^(e)	— ^(f)	2.6% ^(g)	2.8% ^(h)
Value of lost superannuation accounts	\$10.3b	\$9.2b	\$10.4b
Value of ATO-held superannuation accounts ^(a)	\$3.6b	\$4.7b	\$5.6b
Value of excess contributions determinations issued	\$1.9b	\$1.9b	\$1.4b
Value of Division 293 tax assessments issued	\$667.7m	\$829.3m	\$974.5m
Proportion of superannuation guarantee compliance casework consisting of ATO-initiated work	23%	43%	58%

Notes

- (a) ATO-held super accounts include unclaimed super money and Superannuation Holding Accounts special account.
- (b) Of those member contribution statements lodged by large APRA-regulated funds.
- (c) Determinations issued in 2021–22 primarily relate to the 2020–21 year.
- (d) Division 293 assessments issued in 2020–21 primarily relate to the 2019–20 year.
- (e) For 2020–21, the measure name was changed to reflect a new calculation method. For prior years, published results were based on total registered funds rather than total lodging funds.
- (f) Based on the new calculation method, the 2019–20 result for this measure was 2.6% (relates to the contraventions for 2017–18 at June 2020).
- (g) Relates to the contraventions reported for 2018–19 at June 2021.
- (h) Relates to the contraventions reported for 2019–20 at June 2022.

Table 6.22 Activities and outputs – Administered program outputs, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Program 1.5 – Australian Screen Production Incentive – Number of tax offsets processed	237	208	208
Program 1.7 – Fuel Tax Credits Scheme – Number of registered participants	252,819	259,074	272,940
Program 1.7 – Fuel Tax Credits Scheme – Proportion of payments processed within service standard time frames	99.0%	99.4%	95.7%
Program 1.9 – Product Stewardship for Oil – Number of claims processed	376	367	380
Program 1.9 – Product Stewardship for Oil – Number of participants registered	43	40	40
Program 1.9 – Product Stewardship for Oil – Proportion of payments processed within service standard time frames	89%	87%	98%
Program 1.11 – Low Income Superannuation Tax Offset – Number of beneficiaries of entitlements determined	2.8m	2.7m	2.5m
Program 1.11 – Low Income Superannuation Tax Offset – Value of entitlements determined	\$711.8m	\$669.7m	\$589.1m
Program 1.11 – Low Income Superannuation Tax Offset – Proportion of original contributions paid within 60 days	99.92%	99.99%	99.98%
Program 1.12 – Private Health Insurance Rebate – Number of individuals with private health insurance rebate details assessed through the tax system	7.85m ^(a)	7.91m ^(b)	8.02m
Program 1.13 – Superannuation Co-contribution Scheme – Number of beneficiaries of entitlements determined	393,154	391,812	385,042
Program 1.13 – Superannuation Co-contribution Scheme – Value of entitlements determined	\$123m	\$122m	\$120m
Program 1.13 – Superannuation Co-contribution Scheme – Proportion of original co contributions paid within 60 days	97.7%	92.6%	98.9%
Program 1.14 – Superannuation Guarantee Scheme – Number of superannuation guarantee complaints leading to:			
■ a superannuation liability being raised	8,726	11,569	11,726
■ no result	3,806	4,791	3,531
Program 1.14 – Superannuation Guarantee Scheme – Number of employees who have had superannuation guarantee entitlements raised as a result of:			
■ ATO compliance activities	297,031	357,461	244,482
■ voluntary disclosures	463,826	685,223	365,362
Program 1.14 – Superannuation Guarantee Scheme – Number of:			
■ employers whose records are checked	16,290	17,051	15,507
■ checks leading to a superannuation liability being raised	12,273	12,264	12,275
Program 1.14 – Superannuation Guarantee Scheme – Proportion of employers for whom superannuation guarantee liabilities were raised by the ATO	1.4%	1.3%	1.2%

Table 6.22 Activities and outputs – Administered program outputs, 2019–20 to 2021–22 *continued*

Activity	2019–20	2020–21	2021–22
Program 1.15 – Targeted Assistance Through the Taxation System – Number of interest payments processed	2.67m	1.41m	0.80m
Program 1.15 – Targeted Assistance Through the Taxation System – Proportion of unclaimed superannuation accounts where interest is paid to the account owner compared to total accounts transferred	100%	100%	100%
Program 1.16 – Interest on Overpayment and Early Payments of Tax – Number of transactions where an overpayment has occurred under Part IIB, Part III, Part IIIA of the Taxation (IOEP) Act	480,852	240,155	181,129
Program 1.18 – Seafarer Tax Offset – Number of tax offsets processed	Less than 5	Less than 5	Less than 5
Program 1.18 – Seafarer Tax Offset – Value of tax offsets processed	\$9.4m	\$9.5m	\$9.0m

Notes

- (a) Result was published as 7.9m in the 2019–20 annual report.
(b) Result was published as 7.9m in the 2020–21 annual report.

Table 6.23 Activities and outputs – Corporate services, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Rate of unscheduled absence (days)	12.5	10.5	11.9

Table 6.24 Activities and outputs – Working across government and internationally, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Number of memorandums of understanding	178	190	190
Number of international information exchanges	367 incoming 151 outgoing	329 incoming 167 outgoing	278 incoming 95 outgoing
Perceptions that in the past 12 months, the ATO appears to be integrating its services better with other government departments ^(a) :			
■ individuals	51% (63/100)	53% (63/100)	48% (61/100)
■ businesses	50% (62/100)	53% (64/100)	51% (62/100)

Note

- (a) The percentage result shows the proportion of clients who agree or strongly agree with the statement. The score out of 100 is obtained by converting all client responses into a single index figure.

Farm management deposits

The farm management deposits (FMD) scheme is designed to assist primary producers deal more effectively with fluctuations in their cash flows. The policy intent of the scheme, which was established in 1999, is to encourage increased financial self-reliance among primary producers by allowing them to set aside cash reserves earned during high-income years, for use in low-income years.

The Department of Agriculture, Fisheries and Forestry publish monthly statistics on FMD holdings. At 30 June 2022, total holdings were \$6.8 billion, held in 48,284 FMD accounts.

Table 6.25 Activities and outputs – Farm management deposits, 2019–20 to 2021–22

Activity	2019–20	2020–21	2021–22
Number of deductible deposits processed	344	331	250
Value of deductible deposits	\$32m	\$28m	\$26m
Number of early repayments processed due to natural disaster	17,566	17,691	14,500
Value of early repayments due to natural disaster	\$1.6b	\$1.6b	\$1.5b
Number of other repayments processed	16,925	13,238	12,200
Value of other repayments	\$1.8b	\$1.4b	\$1.2b

Appendix 9: Advertising, direct mail, media placement and market research

Advertising activities

During 2021–22, the ATO conducted the following advertising activities:

- ACNC recruitment^(a)
- ATO recruitment
- ATO services
- Employers: help and support
- Individuals: help and support
- JobMaker measures
- myGovID for individuals
- New South Wales flood relief
- Not-for-profit (NFP) support and services
- Occupation and industry guides
- Online services for business
- Phoenix advertising
- Print disability advertising
- Promoters and tax exploitation program
- Scams and identity protection
- Service delivery peaks
- Small business: help and support
- Supporting small business
- Tax and super basics
- Tax file number (TFN) online
- Tax Integrity Centre
- Tax, super and you competition
- Unregistered tax agent^(b)

Notes

(a) Relates to work undertaken on behalf of the Australian Charities and Not-for-profits Commission.

(b) Relates to work undertaken on behalf of the Tax Practitioners Board.

Further information on advertising activities is available at ato.gov.au and in reports on Australian Government advertising prepared by the Department of Finance, available at finance.gov.au.

Payments for advertising, direct mail, media placement and market research

Under the *Commonwealth Electoral Act 1918*, agencies are required to provide details of payments over \$14,500 (GST inclusive) made to advertising, direct mail, media placement and market research organisations. Amounts paid during 2021–22 are set out below.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at tenders.gov.au.

Table 6.26 Amounts paid to advertising, direct mail, media placement and market research organisations, 2021–22^{(a)(b)}

Organisation	Initiative, event or product	Total payments \$
Media placement		
Universal McCann	ATO recruitment advertising	416,275
Universal McCann	ATO services advertising campaign	20,286
Universal McCann	Employers: help and support advertising campaign	157,106
Universal McCann	Individuals: help and support advertising campaign	91,667
Universal McCann	JobMaker measures advertising campaign	61,929
Universal McCann	myGovID for individuals advertising campaign	53,006
Universal McCann	NFP support and services advertising campaign	18,923
Universal McCann	Occupation and industry guides advertising campaign	51,613
Universal McCann	Online services for business advertising campaign	102,204
Universal McCann	Phoenix advertising campaign	49,466
Universal McCann	Print disability advertising campaign	39,208
Universal McCann	Promoters and tax exploitation program advertising campaign	49,377
Universal McCann	Scams and identity protection advertising campaign	109,012
Universal McCann	Service delivery peaks advertising campaign	109,556
Universal McCann	Small business: help and support advertising campaign	162,796
Universal McCann	Supporting small business advertising campaign	21,560
Universal McCann	Tax and super basics advertising campaign	211,973
Universal McCann	TFN online advertising campaign	247,942
Universal McCann	Tax Integrity Centre advertising campaign	52,908
Universal McCann	Tax, super and you competition advertising campaign	74,283
Universal McCann	Unregistered tax agent advertising campaign ^(c)	103,107
Total		2,204,197

Table 6.26 Amounts paid to advertising, direct mail, media placement and market research organisations, 2021–22^{(a)(b)} *continued*

Organisation	Initiative, event or product	Total payments \$
Market research		
Deloitte Australia	Tax professionals	79,772
Grindstone Creative Pty Ltd	myGovID	114,398
Ipsos Public Affairs Pty Ltd	eInvoicing	477,096
Ipsos Public Affairs Pty Ltd	Modernising Business Registers program	423,148
JWS Research	Modernising Business Registers program	79,640
JWS Research	NFP sector	80,000
Kantar Public Australia Pty Ltd	Exploring professional development for teachers	53,350
Orima Research Pty Ltd	Measuring community perceptions	514,138
Orima Research Pty Ltd	Serious Financial Crime Taskforce	35,873
Orima Research Pty Ltd	Staff disclosure of diversity	22,000
WhereTo Research	Self-managed super funds	148,368
Total		2,027,783

Notes

(a) For the purposes of section 311A of the *Commonwealth Electoral Act 1918*, the ATO does not undertake polling activity.

(b) The ATO made no payments over \$14,500 (GST inclusive) to advertising or direct mail organisations in 2021–22.

(c) Relates to work undertaken on behalf of the Tax Practitioners Board.

Appendix 10: Use of access powers

In most circumstances, we work cooperatively with taxpayers and third parties to obtain relevant information without having to exercise our formal powers. Our approach to information gathering, including the policies and procedures for the use of our powers, is available at ato.gov.au/useofpowers.

Use of formal information-gathering notices is necessary where third parties, such as financial institutions, are required to provide private tax-related information to us. They are also necessary to establish the relevant facts and evidence in audits and other investigations – or for the purposes of debt recovery.

During 2021–22, there were:

- 17 occasions in which we needed to gather relevant information using our powers to obtain access without notice
- 31,359 formal notices issued to obtain relevant information and documents, including situations where we combined notices for information and documents with notices requiring formal interviews.

Table 6.27 Formal access and information-gathering powers used by the Commissioner, 2019–20 to 2021–22^{(a)(b)}

Access	2019–20	2020–21	2021–22
With notice	11	7	9
Without notice	3	5	17
Immediate	1	0	1
Total	15	12	27
Formal information-gathering notices	2019–20	2020–21	2021–22
Information or document	17,403	20,810	31,186
Attend and give evidence	246	110	128
Formal offshore requests	56	34	45
Total	17,705	20,954	31,359

Notes

- (a) Care should be taken in extrapolating trends from this data. Figures include all formal notices issued, including the reissue of a formal notice, and do not represent the number of taxpayers who have received a formal notice.
- (b) Information-gathering notice numbers increased in 2021–22 due to a change in reporting methodology, and include 8,180 notices issued to third parties to obtain taxpayer location information.

Use of assumed identities

Our employees may use assumed identities to gather intelligence and evidence against individuals and criminal networks under investigation. Under the *Crimes Act 1914*, we are required to regularly audit records of authorisations and revocations of assumed identities.

At 30 June 2022, there were no authorisations for our field intelligence staff to hold assumed identities.

Appendix 11: Information provided to law enforcement agencies

Section 355-70 (item 1) of Schedule 1 to the *Taxation Administration Act 1953* allows the disclosure of taxpayer information to specified law enforcement agencies where the information is:

- relevant to determining whether a serious offence has been, or is being, committed
- for enforcing a law, the contravention of which is a serious offence
- for proceeds of crime order proceedings.

Table 6.28 shows requests from agencies and ATO-initiated disclosures, while Table 6.29 shows the general categories of offence in 2021–22.

Table 6.28 Requesting agencies and ATO-initiated disclosures, 2021–22

Agencies	On hand 1 July 2021	New requests			Processed requests			On hand 30 June 2022
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 1) – serious offence								
Australian Commission for Law Enforcement Integrity	0	12	0	12	0	0	10	2
Australian Criminal Intelligence Commission	8	227	2	229	13	0	215	9
Australian Federal Police	35	380	20	400	21	0	382	32
Australian Securities & Investments Commission	1	5	2	7	1	0	6	1
Commonwealth Director of Public Prosecutions	0	1	2	3	0	0	2	1
Corruption and Crime Commission of Western Australia	1	21	0	21	1	0	20	1
County Court of Victoria	0	0	5	5	1	0	4	0
Crime and Corruption Commission Queensland	7	82	2	84	1	0	87	3
District Court of NSW – Downing Centre	0	0	8	8	0	0	7	1
District Court of NSW – Newcastle	0	0	1	1	0	0	1	0
District Court of Queensland – Brisbane	0	0	3	3	1	0	2	0
District Court of Queensland – Maroochydore	0	0	1	1	0	0	1	0
District Court of South Australia	0	0	1	1	0	0	1	0
District Court of Western Australia – Perth	0	0	1	1	0	0	1	0
Independent Broad-based Anti-corruption Commission, Victoria	0	9	0	9	1	0	8	0
Independent Commission Against Corruption, South Australia	0	1	0	1	0	0	1	0
Magistrates Court Brisbane	0	0	1	1	0	0	1	0

Table 6.28 Requesting agencies and ATO-initiated disclosures, 2021–22 *continued*

Agencies	On hand 1 July 2021	New requests			Processed requests			On hand 30 June 2022	
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed		
Subsection 355-70(1)(item 1) – serious offence continued									
New South Wales Crime Commission	7	120	0	120	3	0	102	22	
Northern Territory Police Force	0	11	0	11	0	0	9	2	
NSW Independent Commission Against Corruption	1	10	0	10	0	0	11	0	
NSW Police Force	49	502	19	521	26	1	492	51	
NSW Police Integrity Commission	0	3	0	3	0	0	3	0	
Queensland Police Service	25	284	8	292	18	0	273	26	
South Australia Police	0	163	5	168	8	0	153	7	
Supreme Court of Queensland	0	1	0	1	0	0	1	0	
Supreme Court of the Northern Territory	0	0	1	1	0	0	1	0	
Tasmania Police	0	21	0	21	0	0	19	2	
Victoria Police	30	281	15	296	14	2	273	37	
Western Australian Police Force	9	148	4	152	10	0	137	14	
Total	173	2,282	101	2,383	119	3	2,223	211	
Subsection 355-70(1)(item 2) – ASIO									
Australian Security Intelligence Organisation	0	2	1	3	0	0	3	0	
Subsection 355-70(1)(item 4) – Black Economy Taskforce									
Attorney-General's Department	0	0	4	4	0	0	4	0	
AUSTRAC	0	1	27	28	1	0	27	0	
Australian Border Force	0	2	41	43	1	0	42	0	
Australian Criminal Intelligence Commission	0	2	42	44	1	0	43	0	
Australian Federal Police	0	0	31	31	1	0	30	0	
Commonwealth Director of Public Prosecutions	0	0	4	4	0	0	4	0	
Department of Home Affairs	0	0	10	10	0	0	10	0	
Fair Work Ombudsman	0	3	25	28	0	0	28	0	
Services Australia	0	1	28	29	0	0	29	0	
Treasury	0	0	5	5	0	0	5	0	
Total	0	9	217	226	4	0	222	0	
Subsection 355-70(1)(item 4) – Criminal Assets Confiscation Taskforce									
AUSTRAC	0	2	0	2	0	0	1	1	
Australian Federal Police	11	196	3	199	12	0	178	20	
Total	11	198	3	201	12	0	179	21	
Subsection 355-70(1)(item 4) – Fraud and Anti-Corruption Centre Taskforce									
AUSTRAC	0	2	0	2	0	0	2	0	
Australian Border Force	0	2	24	26	0	0	26	0	
Total	0	4	24	28	0	0	28	0	

Table 6.28 Requesting agencies and ATO-initiated disclosures, 2021–22 *continued*

Agencies	On hand 1 July 2021	New requests			Processed requests			On hand 30 June 2022
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 4) – Illicit Tobacco Taskforce								
AUSTRAC	0	0	1	1	0	0	1	0
Australian Border Force	0	18	18	36	2	0	32	2
Australian Criminal Intelligence Commission	0	0	2	2	0	0	2	0
Australian Federal Police	0	0	2	2	0	0	2	0
Department of Home Affairs	0	0	9	9	0	0	9	0
Total	0	18	32	50	2	0	46	2
Subsection 355-70(1)(item 4) – National Anti-Gang Taskforce								
Australian Criminal Intelligence Commission	0	58	1	59	0	0	59	0
Australian Federal Police	3	346	2	348	7	0	340	4
Total	3	404	3	407	7	0	399	4
Subsection 355-70(1)(item 4) – Phoenix Taskforce								
Attorney-General’s Department	1	3	58	61	0	0	62	0
AUSTRAC	1	0	28	28	0	0	29	0
Australian Border Force	0	0	40	40	0	0	40	0
Australian Building and Construction Commission	0	0	12	12	0	0	12	0
Australian Competition & Consumer Commission	0	0	12	12	0	0	12	0
Australian Criminal Intelligence Commission	0	0	20	20	0	0	20	0
Australian Criminal Intelligence Commission – Australian Gangs Intelligence Coordination Centre	0	0	2	2	0	0	2	0
Australian Federal Police	0	0	18	18	0	0	18	0
Australian Finance Security Authority	0	1	12	13	0	0	13	0
Australian Securities & Investments Commission	0	39	105	144	0	0	144	0
Australian Signals Directorate	0	0	2	2	0	0	2	0
Clean Energy Regulator	0	2	12	14	0	0	14	0
Consumer Affairs Victoria	0	0	12	12	0	0	12	0
Department of Agriculture & Water Resources	0	0	12	12	0	0	12	0
Department of Environment	0	1	0	1	0	0	1	0
Department of Health	0	1	12	13	0	0	13	0
Department of Industry, Innovation & Science	0	0	12	12	0	0	12	0
Department of Mines, Industry, Regulation & Safety	0	0	12	12	0	0	12	0
Department of Treasury and Finance – South Australia	0	0	5	5	0	0	5	0
Environment Protection Authority Victoria	0	0	12	12	0	0	12	0
Fair Work Ombudsman	0	1	43	44	0	0	44	0
Labour Hire Authority Victoria	0	23	19	42	0	0	42	0

Table 6.28 Requesting agencies and ATO-initiated disclosures, 2021–22 *continued*

Agencies	On hand 1 July 2021	New requests			Processed requests			On hand 30 June 2022
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Subsection 355-70(1)(item 4) – Phoenix Taskforce continued								
Labour Hire Licensing Queensland	0	1	0	1	0	0	1	0
NSW Fair Trading	0	0	13	13	0	0	13	0
NSW Long Service Corporation	0	0	12	12	0	0	12	0
NSW Police Force	0	2	32	34	0	0	34	0
Office of Industrial Relations Queensland	0	6	25	31	0	0	29	2
Office of State Revenue (all states)	0	13	154	167	1	0	164	2
Queensland Building & Construction Commission	0	0	14	14	0	0	14	0
Return to Work SA	0	1	19	20	0	0	20	0
State Insurance Regulatory Authority NSW	0	0	14	14	0	0	14	0
Treasury	0	0	8	8	0	0	8	0
Victoria Police	0	0	19	19	0	0	19	0
Victorian Building Authority	0	3	12	15	0	0	14	1
Victorian Legal Services Board + Commissioner	0	0	12	12	0	0	12	0
WorkCover Queensland	0	0	3	3	0	0	3	0
WorkCover WA	0	0	32	32	0	0	32	0
WorkSafe ACT	0	0	5	5	0	0	5	0
Total	2	97	834	931	1	0	927	5
Subsection 355-70(1)(item 4) – Serious Financial Crime Taskforce								
Attorney-General's Department	0	0	46	46	0	0	46	0
AUSTRAC	0	2	83	85	0	0	85	0
Australian Border Force	0	3	78	81	0	0	81	0
Australian Criminal Intelligence Commission	0	5	103	108	0	0	108	0
Australian Federal Police	0	24	149	173	0	0	173	0
Australian Securities & Investments Commission	0	2	66	68	0	0	68	0
Australian Signals Directorate	0	0	18	18	0	0	18	0
Commonwealth Director of Public Prosecutions	0	0	44	44	0	0	44	0
Department of Home Affairs	0	1	48	49	0	0	49	0
Queensland Police Service	0	0	2	2	0	0	2	0
South Australia Police	0	0	2	2	0	0	2	0
Services Australia	0	0	51	51	0	0	51	0
Total	0	37	690	727	0	0	727	0
Grand total	189	3,051	1,905	4,956	145	3	4,754	243

Table 6.29 General categories of offence, 2021–22

Categories	On hand 1 July 2021	New requests			Processed requests			On hand 30 June 2022
		External	ATO-initiated	Total new requests	Withdrawn	Rejected	Total requests disclosed	
Anti-Money Laundering and Counter Terrorism Financing Act 2006	0	9	0	9	0	0	6	3
Charter of the United Nations Act 1945	0	1	0	1	0	0	1	0
Child Protection Acts ^(a)	1	5	0	5	1	0	5	0
Common Law	1	8	0	8	1	0	6	2
Confiscation Acts ^(b)	18	256	4	260	7	0	246	25
Coroners Act 1996 (WA)	1	0	0	0	1	0	0	0
Corporations Law ^(c)	1	6	2	8	1	0	7	1
Crimes and Criminal Code Acts (Commonwealth) ^(d)	38	605	36	641	39	0	587	53
Crimes and Criminal Code Acts (state) ^(e)	92	877	48	925	53	3	868	93
Criminal Code Compilation Act 1913 (WA)	1	25	2	27	1	0	26	1
Criminal Law Consolidations Act 1935 (SA)	0	26	4	30	4	0	22	4
Customs Act 1901	0	5	0	5	0	0	5	0
Drug Misuse and Trafficking Acts ^(f)	17	238	1	239	6	0	229	21
Drugs Poisons and Controlled Substances Acts ^(g)	3	207	0	207	5	0	197	8
Firearms Acts ^(h)	0	6	0	6	0	0	6	0
Foreign Acquisitions and Takeovers Act 1975	0	0	1	1	0	0	1	0
Proceeds of Crime Act 2002	0	3	1	4	0	0	4	0
Sex Work Act 1994 (Vic)	0	1	0	1	0	0	1	0
Taxation Administration Act 1953	0	3	2	5	0	0	5	0
Trades Mark Act 1995	0	1	0	1	0	0	1	0
Total	173	2,282	101	2,383	119	3	2,223	211

Notes

- (a) Child Protection Acts include *Child Protection (Offenders Registration) Act 2000* (NSW) and *Child Protection (Offender Reporting and Offender Prohibition Order) Act 2004* (Qld).
- (b) Confiscation Acts include *Confiscation Act 1997* (Vic), *Confiscation of Criminal Assets Act 2003* (ACT), *Criminal Assets Confiscation Act 2005* (SA), *Criminal Assets Recovery Act 1990* (NSW), *Criminal Proceeds Confiscation Act 2002* (Qld), *Criminal Property Forfeiture Act 2002* (NT) and *Crime (Confiscation of Profits) Act 1993* (Tas).
- (c) Corporations Law includes *Corporations Act 2001* and *Corporations (Aboriginal & Torres Strait Islander) Act 2006*.
- (d) Crimes and Criminal Code Acts (Commonwealth) include *Bankruptcy Act 1966*, *Criminal Code Act 1995* and *Fair Work Act 2009*.
- (e) Crimes and Criminal Code Acts (state) include *Crimes Act 1900* (NSW), *Crimes Act 1958* (Vic), *Criminal Code Act 2002* (ACT), *Criminal Code Act 1899* (Qld), *Crimes (Domestic and Personal Violence) Act 2007* (NSW) and *Criminal Code Act 1983* (NT).
- (f) Drug Misuse and Trafficking Acts include *Drug Misuse Act 1986* (Qld), *Drug Misuse and Trafficking Act 1985* (NSW), *Misuse of Drugs Act 1981* (WA), *Misuse of Drugs Act 2001* (Tas) and *Misuse of Drugs Act 1990* (NT).
- (g) Drugs Poisons and Controlled Substances Acts include *Drugs Poisons and Controlled Substances Act 1981* (Vic) and *Controlled Substances Act 1984* (SA).
- (h) Firearms Acts include *Firearms Act 1996* (ACT), *Firearms Act 1996* (NSW), *Firearms Act 1996* (Vic), *Weapons Prohibition Act 1998* (NSW) and *Weapons Act 1990* (Qld).

For information disclosed to authorised law enforcement agency officers under section 70-40 of the *Tax Agent Services Act 2009*, see the TPB's annual report at tpb.gov.au/annual-report.

Appendix 12: Fraud or evasion exception

Information about fraud or evasion assessments conducted in 2021–22 is shown in Table 6.30. In 2021–22, there were 158 taxpayers subject to a fraud or evasion assessment. This represents around 0.08% of taxpayers subject to an audit related assessment. Of the 158 taxpayers, 157 incurred an additional penalty and for one taxpayer no penalty was applied.

Table 6.30 Fraud or evasion assessments by client experience, 2021–22

Client experience	Number of taxpayers subject to an audit related assessment	Taxpayers subject to a fraud or evasion assessment ^(a)		
		Number	% of taxpayers subject to an audit related assessment ^(b)	Number with an additional penalty ^{(c)(d)}
Privately owned and wealthy groups	11,751	88	0.75	87
Small business	76,857	54	0.07	54
Individuals	110,798	15	0.01	15
Public and multinational businesses	760	1	0.13	1
APRA-regulated superannuation funds	9	0	0	0
Not-for-profit organisations	294	0	0	0
Self-managed superannuation funds	118	0	0	0
Total	200,587	158	0.08	157

Notes

- (a) The tax law fraud or evasion exception to limited periods of review found within the income tax, superannuation and GST Acts allows that, if in the Commissioner's opinion there is fraud or evasion, the Commissioner is not constrained and may amend an assessment at any time.
- (b) Totals may differ from the sum of components due to rounding.
- (c) The tax law penalty provisions of Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953* operate independently of the fraud or evasion exception. The penalty provisions impose administrative penalties for conduct such as: making a false or misleading statement or taking a position that is not reasonably arguable; failing to lodge a return or statement on time; failing to withhold amounts as required under the pay as you go (PAYG) withholding system; failing to meet other tax obligations.
- (d) This column includes penalties imposed on a trustee of a trust where a beneficiary of the trust is subject to a fraud or evasion assessment as a result of a statement made by the trustee.

Appendix 13: Working holiday maker framework

Working holiday makers are subject to a different rate of income tax, including amounts of income tax withholding, regardless of their residency status.

Employers must register with us and apply the different rates of pay as you go (PAYG) withholding to payments they make to working holiday makers. At 30 June 2022, there were over 71,000 employers registered.

Table 6.31 shows updated figures for tax returns that were lodged by 30 June 2022 where an amount of net income for working holiday makers was declared.

Table 6.31 Working holiday maker tax returns processed, 2019–20 to 2021–22

Results	2019–20 tax returns ^(a)	2020–21 tax returns ^(a)	2021–22 tax returns
Number of tax returns lodged by working holiday makers	87,745	51,004	119
Average taxable income	\$24,458	\$37,235	\$22,404
Average income tax withheld	\$4,462	\$7,037	\$3,538
Average income tax assessed as payable	\$4,215	\$6,446	\$3,417

Note

(a) 2019–20 and 2020–21 results include returns lodged by 30 June 2022, reflecting early lodged tax returns for 2021–22.

Appendix 14: Corrections

The following errors appeared in our 2020–21 annual report.

Strategic objective: G1 Government

The Black Economy program results reported were incorrect due to an administrative error in linking results to work programs. Overall aggregate revenue results were reported correctly.

As printed on page 17:

Ensuring integrity in the tax and superannuation systems

We continued to focus our compliance efforts on individuals and entities that present a risk to Australia’s tax and superannuation systems by intentionally doing the wrong thing.

Our taskforces enable us to focus on areas of significant risk, and achievements for this year include:

- The Black Economy program raised ~~\$736.2 million~~ **\$766.6 million** in liabilities and an estimated ~~\$534.7 million~~ **\$598.0 million** in cash collections.

Statistics on our employees

The Service Delivery Strategy and Support result and the Small Business result reported in Table 4.13 were incorrect.

As printed on page 89:

Table 4.13 Employees, by business area, at 30 June 2021 ^(a)

Business area	Number of employees
Service Delivery Strategy and Support	1,101 427
Small Business	427 1,101

Note

(a) Includes ongoing, non-ongoing and casual employees; excludes external contractors.

Work health and safety

The 2020–21 results reported for indicators P1.1, P1.3 and P4 in Table 4.26 were incorrect.

As printed on page 103:

Table 4.26 Safety, Rehabilitation and Compensation Commission performance indicators, 2018–19 to 2020–21^(a)

Indicator	2018–19	2019–20	2020–21
P1.1 Incidence of injuries with five or more days lost time per 1,000 full-time equivalent employees	1.4	0.7	0.8 0.5
P1.3 Incidence of injuries with 60 or more days lost time per 1,000 full-time equivalent employees	0.5	0.3	0.4 0.2
P4 Lost time injury (claims) frequency rate	0.8	0.4	0.5 0.3

Note

(a) Figures for previous years in this table may vary from those reported in past annual reports as Comcare may continue to accept claims for past years.

Public advice

The total number of public rulings reported in Table 6.2 was incorrect.

As printed on page 186:

Table 6.2 Key public advice and guidance products, 2018–19 to 2020–21^(a)

Product	2018–19	2019–20	2020–21
Total public rulings (including significant addenda) ^(a)	54	51	44 40
Practical compliance guidelines (including significant updates) ^(b)	20	22	16
Taxpayer alerts	4	3	4
Decision impact statements	7	11	12
Synthesised texts of the Multilateral Instrument and Australian tax treaties	6	9	4
Total	91	96	80 76

Notes

(a) Includes both draft and final rulings, excludes class and product rulings.

(b) Includes both draft and final guidelines.

Debt management

The value of debt not pursued – irrecoverable at law reported in Table 6.14 was incorrect.

As printed on page 197:

Table 6.14 Debt not pursued, 2018–19 to 2020–21^(a)

Activity	2018–19	2019–20	2020–21
Value of debt:			
▪ uneconomical to pursue	\$1.4b	\$0.7b	\$0.5b
▪ irrecoverable at law	\$2.8b	\$0.9b	\$2.9b \$2.1b
Ratio of debt uneconomical to pursue to ATO net cash collections	0.3%	0.2%	0.1%

Note

(a) If a decision is made to not pursue a debt on the basis that it is uneconomical to do so, the debt can be pursued at a future time.
A debt that is irrecoverable at law is effectively extinguished.

Activities

The results reported in Table 6.22 for Administered program 1.14 – Superannuation Guarantee Scheme – Number of employees who have had superannuation guarantee entitlements raised as a result of ATO compliance activities and voluntary disclosures were incorrect.

As printed on page 203:

Table 6.22 Activities and outputs – Administered program outputs, 2018–19 to 2020–21

Activity	2018–19	2019–20	2020–21
Program 1.14 – Superannuation Guarantee Scheme – Number of employees who have had superannuation guarantee entitlements raised as a result of:			
▪ ATO compliance activities	173,876 336,512	182,663 297,031	202,483 357,461
▪ voluntary disclosures	105,463 191,135	164,613 463,826	306,013 685,223

Fraud or evasion exception

The number of taxpayers subject to a fraud or evasion assessment and number with an additional penalty in small business and privately owned and wealthy groups in Table 6.28 was incorrect.

As printed on page 215:

Information about fraud or evasion assessments conducted in 2020–21 is shown in Table 6.28. In 2020–21, there were **74 76** taxpayers subject to a fraud or evasion assessment. This represents around 0.04% of taxpayers subject to an audit related assessment. Of the **74 76** taxpayers, **70 72** incurred an additional penalty. Penalty decisions are yet to be made for three taxpayers, and for one taxpayer penalties were not applied.

Table 6.28 Fraud or evasion assessments by client experience, 2020–21

Client experience	Number of taxpayers subject to an audit related assessment	Taxpayers subject to a fraud or evasion assessment ^(a)		
		Number	% of taxpayers subject to an audit related assessment	Number with an additional penalty ^(b)
...				
Small business	52,280	34 35	0.07	34 35
Privately owned and wealthy groups	8,920	30 31	0.34 0.35	26 27
...				
Total	169,309	74 76	0.04	70 72

Notes

- (a) The tax law fraud or evasion exception to limited periods of review found within the income tax, superannuation and GST Acts allows that, if in the Commissioner's opinion there is fraud or evasion, the Commissioner is not constrained and may amend an assessment at any time.
- (b) The tax law penalty provisions of Part 4-25 in Schedule 1 to the *Taxation Administration Act 1953* operate independently of the fraud or evasion exception. The penalty provisions impose administrative penalties for conduct such as: making a false or misleading statement or taking a position that is not reasonably arguable; failing to lodge a return or statement on time; failing to withhold amounts as required under the PAYG withholding system; failing to meet other tax obligations.

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Glossary

ABN Lookup	The public view of the Australian Business Register (ABR). It provides access to publicly available information supplied by businesses when they register for an Australian business number (ABN).
ABR Connect	See ABR Identifier.
ABR Explorer	An online reporting and analytical tool that makes using ABR data easy.
ABR Identifier	Formerly called ABR Connect. Provides access to multiple government agency registers via a single business register, the ABR. It reduces the number of registers businesses need to access each time they update information.
ATO online services	A range of tax and superannuation services available from our website, including lodging tax returns and activity statements and keeping track of super. Individuals, sole traders, businesses, tax agents, BAS agents and non-residents can register and log in at ato.gov.au .
audit yield	The additional tax liabilities identified and collected through audit activities. It also includes interest and penalties.
AUSkey	AUSkey was decommissioned in March 2020 and replaced by myGovID and Relationship Authorisation Manager (RAM).
black economy	Economic activity not declared, which may be a result of attempts to avoid tax obligations. Also known as the 'shadow economy', 'cash economy' or 'non-observed economy'.
Cash Flow Boost	The temporary Cash Flow Boost scheme is available to eligible small and medium businesses and not-for-profit organisations that employ staff and have been affected during the economic downturn associated with COVID-19. Cash flow boosts are delivered as credits in the activity statement system.
collectable debt	Debt that is not subject to objection or appeal or to some form of insolvency administration.
COVID-19	The particular strain of novel coronavirus that led the World Health Organisation to declare a Public Health Emergency of International Concern in early 2020.
departing Australia superannuation payment (DASP)	The payment of a superannuation balance for an eligible temporary resident leaving Australia.
digital service provider (DSP)	Anyone who develops and delivers digital services to the community, including software developers, gateway providers, third-party providers, system implementers and clearing houses.
director identification number (director ID)	A unique number that identifies a director of a company, registered Australian body or registered foreign company.

guidance	Assistance we provide to taxpayers to help them understand their obligations and entitlements. It does not address a taxpayer's specific circumstances and is not binding on the Commissioner.
high wealth individual	An Australian resident who controls net assets of over \$30 million.
JobKeeper	The JobKeeper Payment scheme is a wage subsidy for eligible businesses significantly affected by coronavirus (COVID-19).
large business	A business with annual turnover of over \$250 million.
myGov	A government system that provides secure access to a range of Australian Government services with one username and password.
myGovID	A secure proof-of-identity app that provides access to government online services for individuals and businesses. It is used in combination with the Relationship Authorisation Manager (RAM) and replaced AUSkey in 2020.
net tax collections	Total tax collections less refunds paid to taxpayers.
Online services for agents	A secure ATO system for registered tax and BAS agents and their authorised staff. It provides access to a range of client information and services.
Online services for business	The new default online service for businesses, approved self-managed super fund (SMSF) auditors and other organisations to interact with the ATO.
Online services for DSPs	A modern and secure platform for digital service providers (DSPs) to interact with the ATO.
phoenix activity	The systematic process of deliberately incorporating and liquidating operating companies with the intent of having the company avoid its obligations to its employees, to its suppliers, and to the tax system.
pre-filing	Automatic population of labels in electronically prepared income tax returns. It includes information from government agencies, financial institutions and employers.
private ruling	A legally binding written expression of our opinion on the way in which a relevant provision applies, or would apply, to a particular taxpayer.
privately owned and wealthy group	<p>We view privately owned and wealthy groups as:</p> <ul style="list-style-type: none"> ■ companies and their associated subsidiaries (often referred to as economic groups) with an annual turnover greater than \$10 million, that are not public groups or foreign owned ■ resident individuals who, together with their business associates, control net wealth over \$5 million.
public and multinational group	Most of the largest organisations operating in Australia are publicly listed Australian or multinational groups.
public ruling/determination	The Commissioner's considered opinion on the way in which a relevant provision applies to taxpayers generally or a class of taxpayers. Any taxpayer covered by the ruling may rely on it and receive the associated protection.

Relationship Authorisation Manager (RAM)	A new digital service that can be used by individuals and businesses to set up and manage relationships across government online services. RAM allows people to manage who is authorised to act on their behalf online.
Secure Internet Gateway (SIG)	Provide organisations with cybersecurity protection at the perimeter between their networks and the internet.
self-managed super fund (SMSF)	A complying superannuation fund with fewer than 5 members, who are individual trustees of the fund.
small business	A business with less than \$10 million aggregated turnover in the previous financial year. Prior to 2016–17, the threshold was \$2 million.
Standard Business Reporting (SBR)	Enables businesses to prepare and provide reports to government directly from their business software.
Standing Committee	A committee that conducts inquiries on behalf of the Australian Government into any matter referred to it by either the House or a Minister, including any pre-legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or document.
super guarantee	Super guarantee refers to the minimum level of superannuation contributions an employer must make for eligible employees.
tax assured	An estimate of the proportion of tax reported that we are highly confident is correct.
tax gap	An estimate of the difference between the amounts the ATO collects and what we would have collected if every taxpayer was fully compliant with tax law.
taxable payments annual report (TPAR)	Some businesses and government entities need to report the total payments they make to contractors each year on a taxable payments annual report (or TPAR).
Test Case Litigation Program	Provides financial assistance to taxpayers who are litigating matters that will clarify the tax and superannuation laws we administer. By developing legal precedent, we seek to ensure we are providing the community with clear principles on how to apply the law.
total revenue effects	An estimate of the additional tax revenue resulting from our client engagement activities. It is a combination of audit yield and wider revenue effects.
transfers	Administered expenses incurred by the ATO, including superannuation guarantee, super co-contributions, and personal and business benefits and subsidies.
wider revenue effects	An estimate of the additional tax revenue arising from our broader suite of activities, which we can defensibly measure and that is not already captured by audit yield.

Abbreviations

AASB	Australian Accounting Standards Board	IGTO	Inspector-General of Taxation and Taxation Ombudsman
AAT	Administrative Appeals Tribunal	IPS	Information Publication Scheme
ABN	Australian business number	JITSIC	Joint International Taskforce on Shared Intelligence and Collaboration
ABR	Australian Business Register	LCT	luxury car tax
ABRS	Australian Business Registry Services	LGBTI	lesbian, gay, bisexual, transgender and intersex people
ABS	Australian Bureau of Statistics	MBR	Modernising Business Registers program
ACLEI	Australian Commission for Law Enforcement Integrity	NABERS	National Australian Built Environment Rating System
ACNC	Australian Charities and Not-for-profits Commission	NFP	not for profit
AFP	Australian Federal Police	OAIC	Office of the Australian Information Commissioner
ANAO	Australian National Audit Office	OECD	Organisation for Economic Co-operation and Development
APRA	Australian Prudential Regulation Authority	PAYG	pay as you go
APS	Australian Public Service	PBS	Portfolio Budget Statements
APSC	Australian Public Service Commission	PEO	principal executive office
ASIC	Australian Securities and Investments Commission	PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
ATO	Australian Taxation Office	PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
AUSTRAC	Australian Transaction Reports and Analysis Centre	PID Act	<i>Public Interest Disclosure Act 2013</i>
AWOTE	average weekly ordinary time earnings	PS Act	<i>Public Service Act 1999</i>
BAS	business activity statement	RAM	Relationship Authorisation Manager
CALD	culturally and linguistically diverse	SBR	Standard Business Reporting
CBD	central business district	SES	senior executive service
CDDA	Compensation for Detriment caused by Defective Administration	SFSS	Student Financial Supplement Scheme
CHIATO	Carers, Helpers and Interested others in the ATO	SIG	Secure Internet Gateway
COO	Chief Operating Officer	SMSF	self-managed super fund
COVID-19	coronavirus disease 2019	STP	Single Touch Payroll
CPA	Certified Practising Accountants	TAA	<i>Tax Administration Act 1953</i>
DASP	departing Australia superannuation payments	TASA	<i>Tax Agent Services Act 2009</i>
director ID	director identification number	TFN	tax file number
DSP	digital service provider	TPAR	taxable payments annual report
EEGO	Energy Efficiency in Government Operations	TPB	Tax Practitioners Board
EL	executive level	WET	wine equalisation tax
FBT	fringe benefits tax	WHS Act	<i>Work Health and Safety Act 2011</i>
FCA	Federal Court of Australia		
FCAFC	Federal Court of Australia Full Court		
FOI Act	<i>Freedom of Information Act 1982</i>		
GST	goods and services tax		
HELP	Higher Education Loan Program		
HR	human resources		
ICT	information and communication technology		

Key resources

Our key resources for 2021–22 include:

- ABN Lookup
- ATO corporate plan
- ATO online services
- Australian Business Register
- Australian Charities Not-for-profits Commission annual report
- Australian tax gaps – overview
- Boosting cash flow for employers
- Business bulletins newsroom
- Commissioner's remedial power
- Dealing with disasters
- Decision impact statements
- Diversity
- 2024 Diversity and inclusion strategy
- E-invoicing
- Fuel schemes
- GST administration annual performance report
- Help with paying
- How we use data and analytics
- JobKeeper Payment
- Modernising Business Registers
- 2024 Multicultural access and equity action plan
- myDeductions
- Not-for-profit newsroom
- Our service commitments
- Self-help services
- Single Touch Payroll
- Small business assist
- Small business newsroom
- Small Business Superannuation Clearing House
- Software developers
- Super Fund Lookup
- SuperStream
- Supporting your small business
- Tax assured
- Tax Practitioners Board annual report
- Tax professionals newsroom
- Taxpayers' Charter
- Test Case Litigation
- Total revenue effects
- Use of powers.

For more information on these products, plans, tools and services, visit ato.gov.au.

Compliance index

It is mandatory to provide a list of requirements as set out in the *Public Governance, Performance and Accountability Act 2013* and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

PGPA Rule reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	VI
17AD(h)	Aids to access		
17AJ(a)	Table of contents.	Mandatory	IV–V
17AJ(b)	Alphabetical index.	Mandatory	249–253
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	239–242
17AJ(d)	List of requirements.	Mandatory	244–248
17AJ(e)	Details of contact officer.	Mandatory	Inside front cover
17AJ(f)	Entity's website address.	Mandatory	Inside front cover
17AJ(g)	Electronic address of report.	Mandatory	Inside front cover
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	II–III
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	1
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	10
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	2–3
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	12, 49, 50, 54, 55
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	6, 79
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	6, 79
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	6, 79
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	n/a
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	n/a
17AD(c)	Report on the Performance of the entity		
Annual performance statements			
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	11–60

PGPA Rule reference	Description	Requirement	Page
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	116–117
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	118–121
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	116
17AD(d)	Management and Accountability		
Corporate Governance			
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	79–81
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	VI
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	VI
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	VI
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	77–90
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	125
Audit Committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	82
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	82–83
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	82–83
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	82–83
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	82–83
External Scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	84–87
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	84, 207–210
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	85–86
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	n/a

PGPA Rule reference	Description	Requirement	Page
Management of Human Resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	91
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including: (a) full-time employees (b) part-time employees (c) gender (d) staff location	Mandatory	92–107
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including: (a) staffing classification level (b) full-time employees (c) part-time employees (d) gender (e) staff location (f) employees who identify as Indigenous.	Mandatory	92–107
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	108
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	108
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	109
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	113
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	109–110
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	n/a
Assets Management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	122
Purchasing			
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	122
Reportable consultancy contracts			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	123

PGPA Rule reference	Description	Requirement	Page
17AG(7)(b)	A statement that “During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.	Mandatory	123
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	122–123
17AG(7)(d)	A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.”	Mandatory	123
Reportable non-consultancy contracts			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	124
17AG(7A)(b)	A statement that “Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.”	Mandatory	124
Additional information about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy contracts			
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	123–124
Australian National Audit Office Access Clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	n/a
Small business			
17AG(10)(a)	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	125
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	125
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory	125

PGPA Rule reference	Description	Requirement	Page
Financial Statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	127–196
Executive Remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	110–112
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “ <i>During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.</i> ”	If applicable, Mandatory	221
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	n/a
17AH(1)(b)	A statement that “ <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].</i> ”	If applicable, Mandatory	125
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	87
17AH(1)(d)	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	84
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	232–235
17AH(2)	Information required by other legislation <ul style="list-style-type: none"> ■ Fringe benefits tax ■ Risk management ■ Reporting on tax administration ■ Work health and safety ■ Carer recognition ■ Ecologically sustainable development and environmental performance ■ Legal services expenditure ■ Payments for advertising, direct mail, media placement and market research ■ Information provided to law enforcement agencies ■ Working holiday maker 	Mandatory	62–63, 67 81 89–90 114–115 115 126 205–206 222–223 225–229 231

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