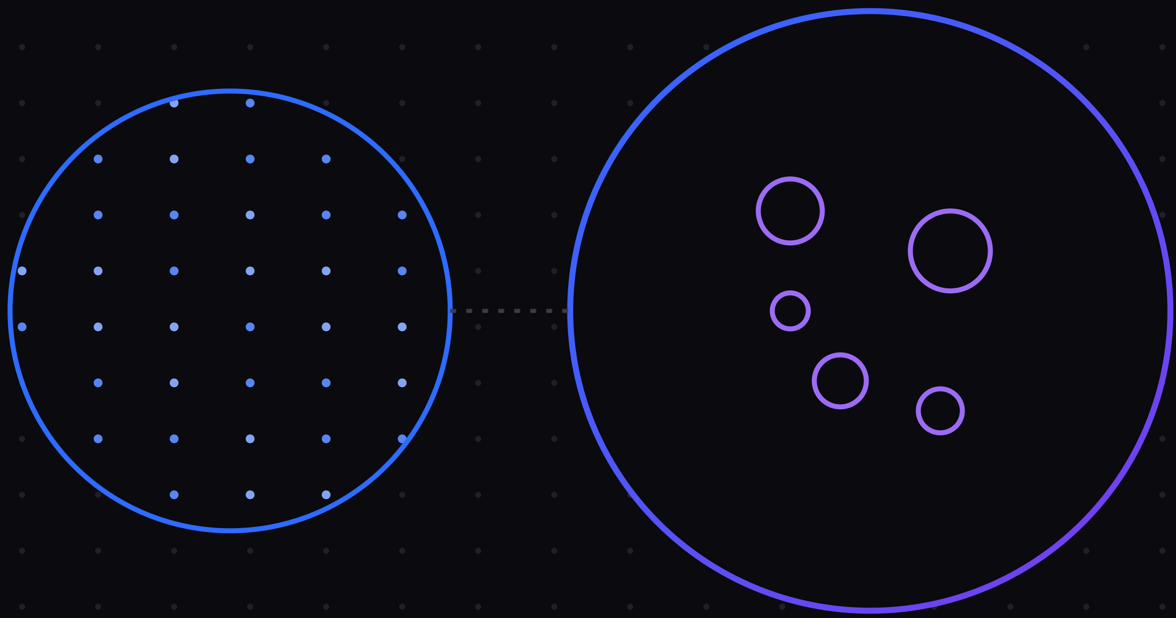


# Two Tax Systems

How the ATO fights the small and settles with the big.

JOSHUA HAINES · ALL FIGURES FROM PUBLISHED COMMISSIONER OF TAXATION ANNUAL REPORTS, 2016–17 TO 2024–25

EXECUTIVE SUMMARY

# What is going on at the Australian Taxation Office?

This report asks that question and answers it through the ATO's own published data.

Over seven years of annual report data, a consistent structural pattern emerges. The ATO's compliance machine runs at industrial scale on individuals and small business while its settlement machine dispenses billions in concessions to public companies, multinationals and privately wealthy groups.

The reports describe two tax systems. One audits individuals and small businesses by the hundred thousand and almost never settles with them. The other meets the largest companies at the settlement table and concedes billions. This report documents both. It also documents the collapse and disappearance of the ATO's own fairness measures, thirty corrections in seven years and the questions all of it raises about the years since May 2022.

Every figure comes from the Commissioner of Taxation's annual reports, tabled in Parliament each year. Nothing here is leaked, modelled or estimated. Where the ATO later corrected a figure, the corrected number is used and the correction is noted, because the corrections turn out to be part of the story. Numbered superscripts point to the reference appendix, which states the source table and the calculation behind every figure they mark.

## The headline numbers

| | |
|---|---|
| **$9.29b** | in disputed tax was conceded through Code of Settlement deals over seven years. $7.96 billion of it, 86 per cent, went to public and multinational businesses. Individuals not in business received $8.5 million in total, 0.09 per cent.[1] |
| **109** | of 2,794 settlement cases went to individuals over seven years, 3.9 per cent. In 2023–24 there were two individual settlements. In 2024–25, three.[2] |
| **94.4%** | of all audit-related assessments fell on individuals and small businesses, 931,963 of 987,705 over 2020–25. Public and multinational businesses received 0.4 per cent (3,723 in five years) despite holding the largest disputed liabilities.[3] |
| **$15.5m** | was the average settlement concession per case for a public or multinational business, against $838k for a privately wealthy group, $313k for a small business and $78k for an individual.[4] |
| **8.8×** | is how much debt public and multinationals are fighting through objection or appeal ($10.5b) relative to the collectable debt they hold ($1.2b). Small business disputes five cents per dollar of its $35.9b. Big business can afford to fight. Small business cannot.[5] |
| **157%** | is the rise in complaints recorded against the ATO charter commitments (19,826 to 50,906), while the share of disputing taxpayers who called the process fair collapsed from 57 per cent to 19, after which the ATO stopped reporting the measure entirely.[6,7] |
| **$5.0m** | was total compensation for detriment caused by defective administration across seven years, about one third of the concession on a single average public-company settlement. The median CDDA payment in 2023–24 was $787.[4,8] |
| **$700.7m** | went on ATO legal services over seven years, of which it recovered $38.2 million in costs, 5.5 per cent.[9] |

SECTION 01 · DEFINITIONS

# How many audits? The report gives three answers

Ask the annual report how many audits the ATO conducted in 2024–25 and it depends which appendix you open. Appendix 9 counts 5.6 million compliance activities. Appendix 4 counts 571,880 adjustments arising from audits. Appendix 13 counts 185,752 taxpayers subject to an audit-related assessment. Activities, adjustments and taxpayers are three different units. None of the three terms is defined anywhere in the report. Appendix 13 has printed the phrase “audit-related assessment” for five consecutive years without once saying what it means.[10]

**5.6m**
compliance activities undertaken
Appendix 9, Table 7.22

**571,880**
adjustments arising from audits
Appendix 4, Table 7.5

**185,752**
taxpayers subject to an audit-related assessment
Appendix 13, Table 7.34

The middle number needs a closer look. In 2023–24 it was 699,891. In 2024–25 it fell to 571,880 and for the first time a definition note appeared beneath the table. It reads, in full,

> **“From 2024–25, the methodology was updated to exclude activities (including prompts and early engagements) that are defined as compliance activities, but do not meet the definition of 'audit'. The updated methodology has not been applied to prior years.”**
> Commissioner of Taxation annual report 2024-25, Table 7.5, note (a)

The fall is a definition change, not a change in behaviour. The ATO chose not to restate earlier years, which severs a nine-year series at exactly the moment it was redefined and just as scrutiny of individual-level automation was rising. The definition of “audit” that the exclusion depends on is itself unpublished. The taxpayer count tells its own story. It was 260,171 in 2022–23 and 171,886 in 2023–24, a one-third fall in a single year that carries no explanation of any kind in either report.[11] And the fall was not spread evenly. Individuals dropped 50,760 and small business 36,501, together 99 per cent of the entire decline, while public and multinational businesses moved by eight.

There is a fourth measure and the ATO cannot reconcile it with the third. Table 4.8 of the same report counts compliance activities separately and for three consecutive years it matched Table 7.22 exactly. Then the ATO corrected Table 4.8 downward by 1.1 million for 2023–24 and left Table 7.22 untouched. The two now disagree by 1.1 million for 2023–24 and by exactly the same 1.1 million for 2024–25. The 5.6 million headline still rests on the methodology the ATO conceded was wrong.

> WHY THIS MATTERS
> A regulator that cannot state how many audits it conducts cannot be held to account for who it audits, how often it is wrong or what those audits cost the people on the receiving end. The sections that follow use the one series the ATO does break down by taxpayer group.

SECTION 02 · THE SETTLEMENT DIVIDE

# Who gets settlements

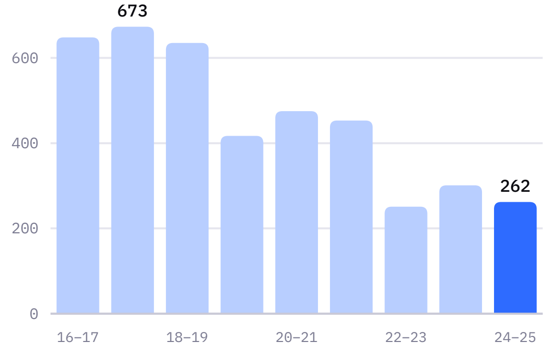
Seven years of the ATO's own settlement tables, added together.[1] The value conceded is the gap between what the ATO said was owed and what it accepted to close each matter.

| Group | Cases 2018–25 | Share | Value conceded | Share | Average per case |
|---|---|---|---|---|---|
| Public and multinational businesses | 513 | 18.4% | $7,956.6m | 85.7% | $15.5m |
| Privately owned and wealthy groups | 1,279 | 45.8% | $1,071.3m | 11.5% | $838k |
| Small business | 431 | 15.4% | $134.8m | 1.5% | $313k |
| Superannuation funds | 459 | 16.4% | $113.2m | 1.2% | $247k |
| Individuals (not in business) | 109 | 3.9% | $8.5m | 0.09% | $78k |
| Not-for-profit organisations | 3 | 0.1% | $0.5m | 0.0% | $167k |
| **Total** | **2,794** | **100%** | **$9,285.2m** | **100%** | **$3.3m** |

Appendix 4 settlement tables summed, 2018–19 to 2024–25. Averages are value conceded divided by cases. Totals may differ from the sum of components due to rounding, as in the ATO's own tables. The superannuation average spans APRA-regulated funds at $10.7m and self-managed funds at $36k. References 1 and 4.

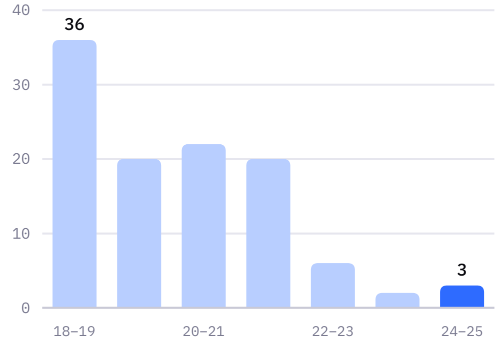
The trend is hardening, not softening.[2] Individuals went from 5.7 per cent of settlement cases in 2018–19 to 0.7 per cent in 2023–24 and 1.1 per cent in 2024–25. Small business went from 26.9 per cent to 5.0 and 5.7. Privately owned and wealthy groups went from 40 per cent to 73.7 per cent of all settlement cases in 2024–25.

### Settlements per year, all taxpayers




Source. Appendix 4 settlement tables.

### Settlements with individuals




Source. Appendix 4, settlements by group.

### Every settlement signed in 2024–25, by group


LEFT TO RIGHT · PRIVATELY OWNED AND WEALTHY 193 · PUBLIC AND MULTINATIONAL 33 · SMSF 16 · SMALL BUSINESS 15 · INDIVIDUALS 3 (RED) · OTHER 2

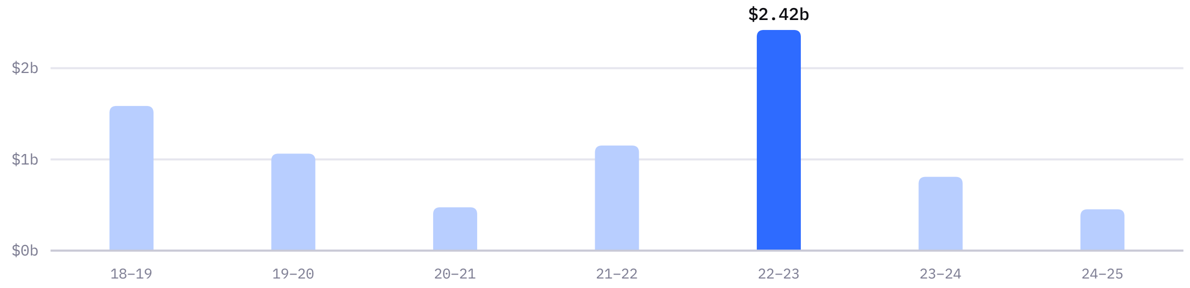
Source. Appendix 4, Table 7.8, 2024–25.

SECTION 02 · THE SETTLEMENT DIVIDE · CONTINUED

# Who gets the dollars

The yearly pattern of conceded dollars is dominated by a handful of very large public and multinational deals. $1.59b in 2018–19, $1.06b in 2019–20, $1.15b in 2021–22, $2.42b in 2022–23 alone.[12] In every year the value conceded to public and multinational businesses exceeded, usually by an order of magnitude, the combined concessions to all individuals, small businesses and super funds.

### Value conceded to public and multinational businesses per year




Source. Appendix 4 settlement tables, public and multinational variance row.

Settlements concede roughly 30 to 45 per cent of the ATO's stated position in a typical year.[13] Some group-years exceed 50 per cent. Privately wealthy groups conceded half their assessed position in 2019–20 and tribunal-stage settlements conceded between 48 and 82 per cent in the five years to 2022–23, before collapsing to 18.7 per cent in 2023–24.

| 18–19 | 19–20 | 20–21 | 21–22 | 22–23 | 23–24 | 24–25 |
|---|---|---|---|---|---|---|
| **45%** | **37%** | **35%** | **44%** | **44%** | **31%** | **30%** |

Total settlement variance as a share of the ATO's pre-settlement position. Reference 13.

> THE NUMBER THAT DOES NOT GET SPOKEN ABOUT
>
> The ATO’s published position is that settlements are exceptional. The seven-year aggregate shows $23.4 billion of assessed position converted to $14.1 billion settled, a standing 40 per cent concession for taxpayers with the resources to reach the settlement table.[14]

That concession is close to uniform across every group.[15]

| Group, seven-year totals | ATO claimed | Conceded | Concession rate |
|---|---|---|---|
| Individuals | $19.5m | $8.5m | 43.6% |
| Small business | $325.9m | $134.8m | 41.4% |
| Privately owned and wealthy groups | $2,657.3m | $1,071.3m | 40.3% |
| Public and multinational businesses | $19,932.4m | $7,956.6m | 39.9% |

Whoever the taxpayer is, roughly two fifths of the assessed position disappears once it is tested. The difference between these groups is not the strength of the ATO's case. It is who gets to test it.

The ATO's own Independent Assurance of Settlements program reviews only 15 to 24 cases a year and found all but one fair and reasonable across the four years in which it has published a finding.[16] The exception arrived in 2024–25,

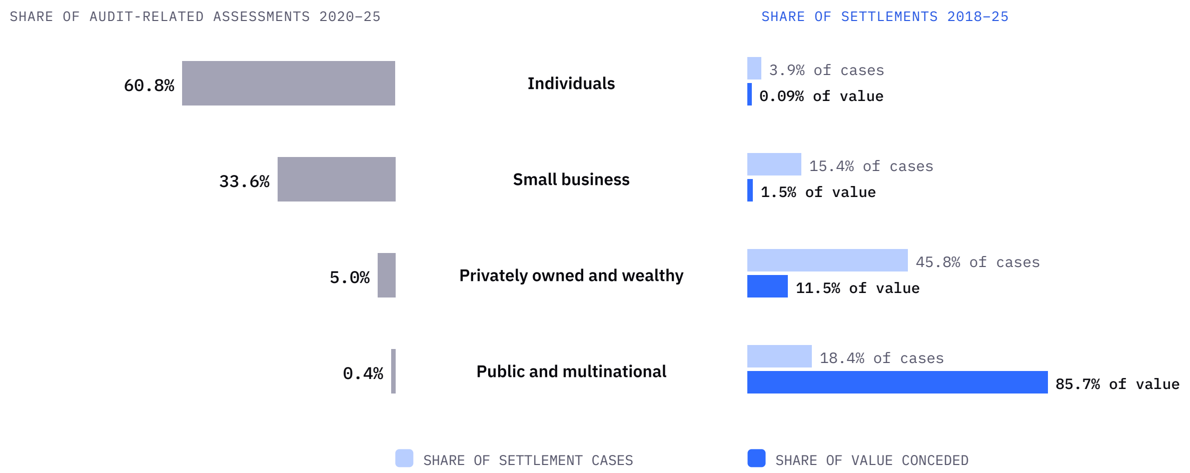
> **“One settlement did not meet the documentation standards required to support the settlement decision, and was therefore found not to be fair and reasonable.”**
>
> Commissioner of Taxation annual report 2024-25, Table 7.6, note (b)

SECTION 03 · THE AUDIT DIVIDE

# Who gets audited

The fraud or evasion appendix is the only place the ATO publishes audit-related assessment counts by taxpayer group and it has done so for only five years, 2020–21 through to 2024–25. Set those against the settlement tables and the two systems appear in a single picture.[3]

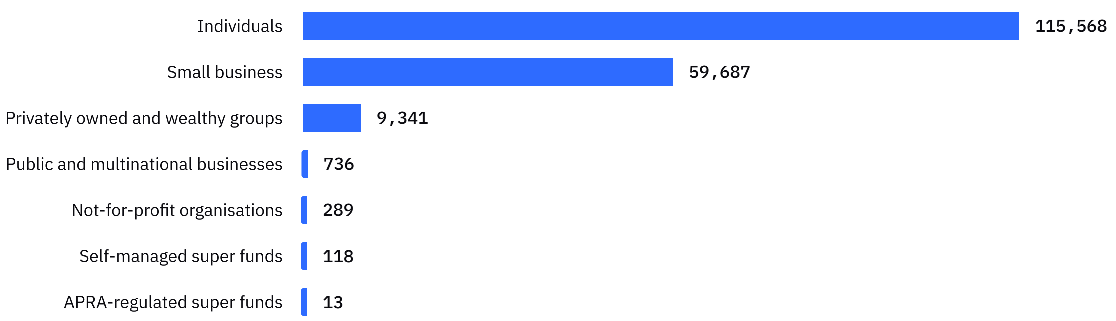
### Share of audit-related assessments against share of settlements reached and value conceded




Source. References 1 and 3. Shares computed on all-groups totals. Cases compare count to count. Value shows where the dollars went.

For every audit-related assessment of a public or multinational business, the ATO issued 161 to individuals and 89 to small businesses.[17]

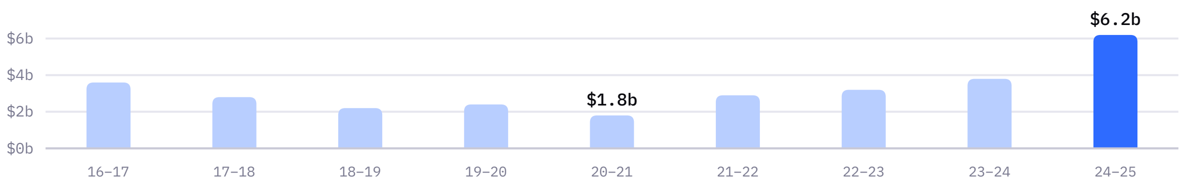
### Taxpayers subject to an audit-related assessment, 2024–25




Source. Appendix 13, Table 7.34, 2024–25.

The ATO's own notes attribute the rise in adjustments (253,000 in 2016–17 to 690,916 in 2022–23) to “advanced analytics and automation” aimed at individuals not in business.[18] Wage earners adjusted by algorithm, not auditors. Compliance activities run at 3.1 to 5.7 million a year, raising $12 billion to $21 billion in liabilities annually. Penalties and interest collected hit $6.2 billion in 2024–25, more than triple the 2020–21 figure.[19]

### Penalties and interest collected per year



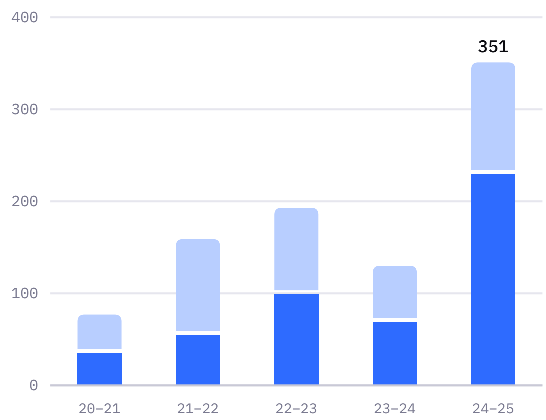

Source. Appendix 9, revenue assurance tables. Growth partly reflects the general interest charge rate.

SECTION 04 · THE ANOMALY

# The fraud or evasion exception

The fraud or evasion exception lets the Commissioner amend assessments without any time limit. It is the ATO's most powerful assessment weapon. Five years of data, using the ATO's own corrected figures.[20]

### Fraud or evasion assessments, by year




Source. Appendix 13, corrected figures, 2020–21 to 2024–25.

| Group | 2020–25 | Rate per audit assessment |
|---|---|---|
| Small business | 488 | 0.15% |
| Privately owned and wealthy | 302 | 0.61% |
| Individuals | 112 | 0.02% |
| Public and multinational | **7** | 0.19% |

Corrected five-year sums. Rate uses reference 3 totals.

Two stories hide here.

**Public and multinational businesses almost never receive fraud or evasion assessments.** Seven in five years, including zero in both 2022–23 and 2023–24, despite this being the segment the Tax Avoidance Taskforce publicly targets. Whatever enforcement happens against the largest companies is resolved as civil dispute and settlement, not fraud. Meanwhile small business assessments more than tripled in a single year, from 69 to 230. Small business now wears 66 per cent of the Commissioner's most coercive assessment power.

**The ATO misreported these numbers four years running.** Corrections appendices restated the totals upward every time. 74 became 76 and then 77. 158 became 159. 188 became 193. 124 became 130.[21] Every correction ran in the same direction. Each year's annual report under-counted the ATO's use of its own unlimited-amendment power.

SMALL BUSINESS FRAUD OR EVASION ASSESSMENTS, 2024–25

**230**

More than tripled in a year, from 69.

PUBLIC AND MULTINATIONAL ASSESSMENTS IN FIVE YEARS

**7**

Zero in both 2022–23 and 2023–24.

YEARS THE PUBLISHED COUNT NEEDED CORRECTING

**4**

Every correction upward.

SECTION 05 · THE DEBT DIVIDE

# Who can afford to fight

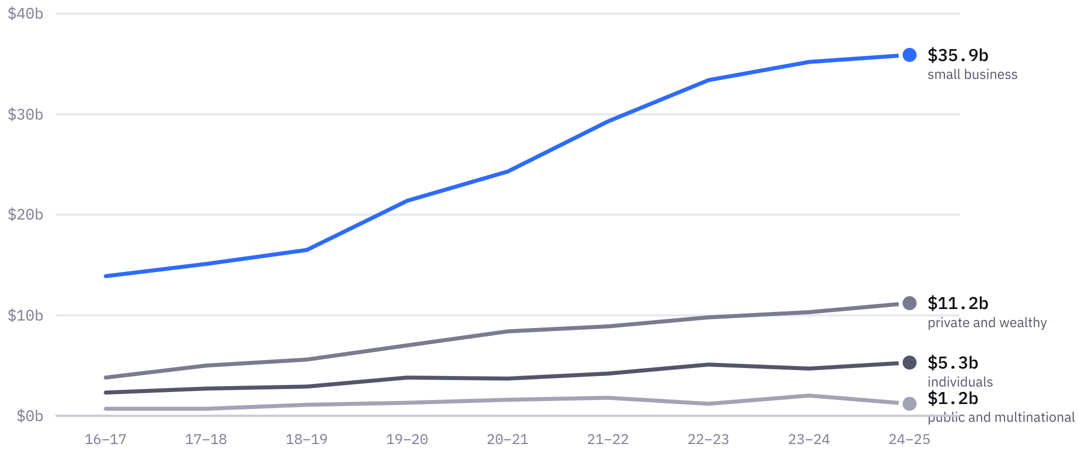
The debt book splits the same way the settlement book does.[5]

| Group, 2024–25 | Collectable debt | Under objection or appeal | Ratio | Insolvency debt |
|---|---|---|---|---|
| Public and multinational businesses | $1.2b | $10.5b | **8.8** | $0.5b |
| Privately owned and wealthy groups | $11.2b | $8.5b | 0.76 | $6.2b |
| Individuals | $5.3b | $0.3b | 0.06 | $0.8b |
| Small business | $35.9b | $1.7b | 0.05 | $10.8b |

Appendix 7, Table 7.12, 2024-25. Ratio is debt under objection or appeal divided by collectable debt.

Small business simply pays, or collapses. Its insolvency debt nearly tripled from $3.9 billion in 2018–19 to $10.8 billion. Public and multinational business fights nearly everything, disputing almost nine dollars for every dollar of collectable debt it carries. That gap is widening. In 2018–19 the same ratios were 5.7 for public and multinational business and 0.085 for small business, a 67-fold difference. By 2024–25 they were 8.8 against 0.047, a 186-fold difference. The capacity of big business to dispute grew by half over those six years. Small business's halved. Look at the disputed pool itself and the point is sharper still. Of the $22.5 billion sitting in objection or appeal in 2024–25, public and multinational businesses hold 46.7 per cent and privately owned and wealthy groups 37.8 per cent, together 84.5 per cent of it. Small business holds 7.6 per cent. Across the series its disputed debt actually fell 5.6 per cent while big business's grew 123 per cent. In 2024–25 the ATO published for the first time which groups hold the debt it has written off as uneconomical to pursue. Individuals and small business hold $5.9 billion of the $6.2 billion, 95 per cent of it. Public and multinational business holds nothing at all.[22]

### Collectable debt by taxpayer group




Source. Appendix 7, Table 7.12 series, 2016-17 to 2024-25.

DISENGAGED SMALL BUSINESSES WITH COLLECTABLE DEBT, 2024–25

**39,352**

Owing $11.3 billion. Debts over $100,000, older than 90 days, no payment plan, insolvency, liquidation or dispute.[23]

DISENGAGED PUBLIC AND MULTINATIONAL BUSINESSES

**215**

Owing $0.3 billion.

SMALL BUSINESS INSOLVENCY DEBT

**$10.8b**

Nearly tripled from $3.9 billion in 2018–19.

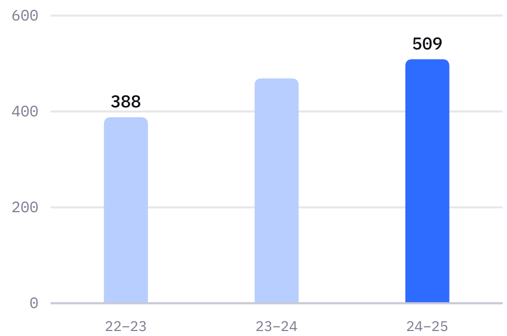
SECTION 05 · THE DEBT DIVIDE · CONTINUED

# The independent review fig leaf and the formal powers

The safety valves are small and the coercive powers are growing. Large market independent reviews across seven years total 65. Small business independent reviews total 372, plus a 20-case expansion pilot, against roughly 66,000 small businesses subject to an audit-related assessment a year. About one in 1,200 audited small businesses gets an independent review.[24]

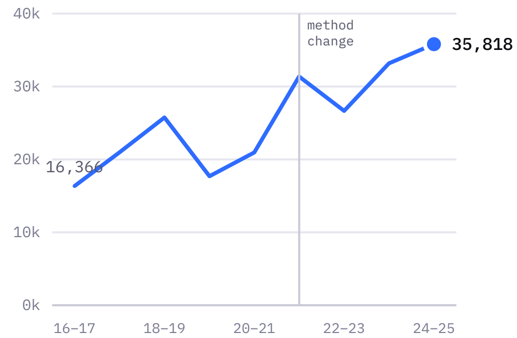
Part IVC litigation is vanishingly rare relative to the dispute base. New Part IVC matters run at 12.5 to 20.9 per thousand objections and roughly 107 to 194 cases a year proceed to an actual decision across the entire Commonwealth tax system, on the comparable basis the ATO has used since 2020–21. Test case litigation runs in single figures most years.[25] In each of the four years the ATO has published the figure, between 49 and 57 per cent of resolved objections were self-objections, taxpayers correcting their own returns, so the number genuinely fighting an ATO adjustment is far smaller than the headline objection count.

### Part IVC cases lodged with courts and tribunals




Source. Appendix 4, Table 7.5. Up 31% in two years.

### Formal information-gathering notices




Source. Appendix 11. A 2021–22 reporting change added location notices.

Formal information-gathering notices reached a series high of 35,818 in 2024–25, more than double the 2016–17 volume.[26] Access without notice, the ATO's most intrusive power, rose from 5 uses in 2018–19 to 51 in 2023–24, with 18 in 2024–25.

INDEPENDENT REVIEWS PER AUDITED SMALL BUSINESS

**1 in 1,200**

Roughly 53 reviews a year against 66,000 small businesses assessed.

ACCESS WITHOUT NOTICE, PEAK YEAR

**51**

2023–24, against 3 in 2019–20.

FORMAL NOTICES, 2024–25

**35,818**

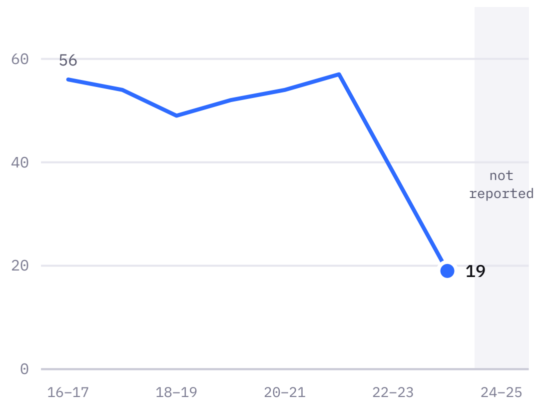
A series high. 16,366 in 2016–17.

SECTION 06 · FAIRNESS

# The fairness score collapsed. Then it disappeared

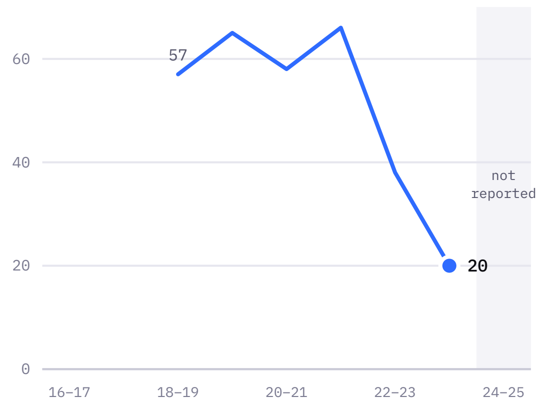
Each year the ATO surveys people who went through a dispute with it and reports the share who felt the process was fair and the share who felt the final decision was fair. For years both sat in the fifties and sixties. Then they fell off a cliff and then they stopped being published.[7]

### "The process was fair" in disputes




Source. Appendix 9, Table 7.20 series.

### "The final decision was fair" in disputes



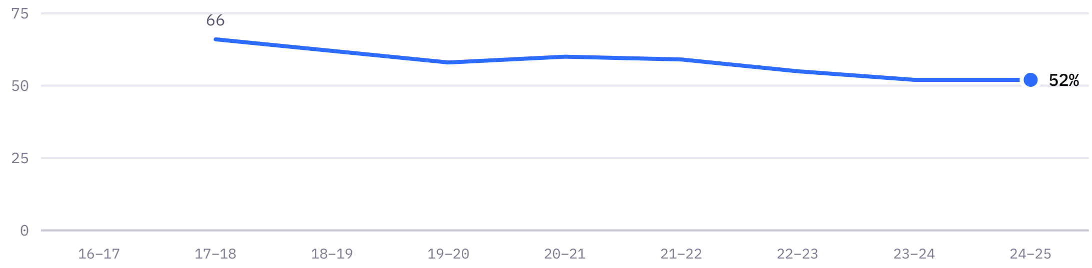

Source. Appendix 9, Table 7.20 series.

From 57 per cent to 38 to 19 in two years. From 66 to 38 to 20. And in 2024–25, for the first time, no dispute fairness figure of any kind appears in the annual report. Every row is replaced by a dash and a single repeated footnote,

> "Insufficient sample size to produce a reliable result."
> Commissioner of Taxation annual reports 2022-23, 2023-24 and 2024-25, Appendix 9, Table 7.20, note (a)

The ATO does not say what the sample is, why it became insufficient or what it is doing to restore the measure. The same table shows fairness in audits, advice and private rulings sliding from 66 per cent in 2017–18 to 52 per cent in 2024–25 and to 48 per cent among individuals. That series has not yet been discontinued. In its final year it produces the cleanest evidence in this report. Between 2023–24 and 2024–25 the score for businesses rose seven points, from 50 to 55, in the very year the score for individuals fell six, from 54 to 48. Two tax systems, measured by the ATO, in one row of one table.

### "The process was fair" in audits, advice and private rulings




Source. Appendix 9, Table 7.20 series, 2017-18 to 2024-25.

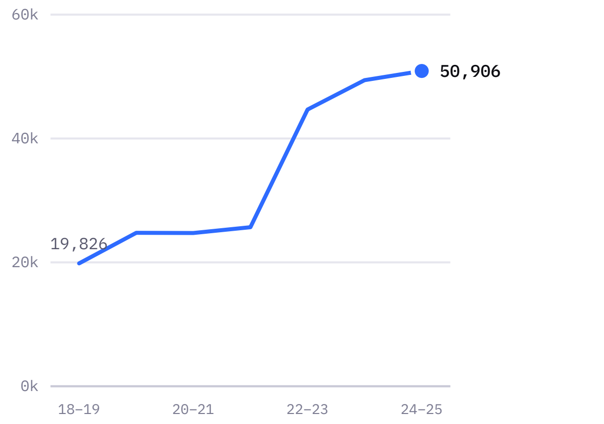
SECTION 06 · FAIRNESS · CONTINUED

# Complaints up, scoreboard rewritten

Complaints more than doubled across the same window, from 19,826 to 50,906. Complaints tagged to fair and reasonable treatment nearly doubled in the final year alone, 1,986 to 3,613.[6] A definitional note matters here. These are complaints recorded against the ATO's charter commitments, counted as lodged to 2022–23 and as received and tagged to commitments from 2023–24, so the series spans a change in both label and taxonomy. The report's own complaints chapter carries the figure that matters most. It is not in this appendix at all. Of the 48,284 complaints in 2024–25 where an outcome was recorded, the ATO states that **67 per cent were upheld in favour of the complainant**. That is roughly 32,000 people a year told by the ATO, after complaining, that they were right.

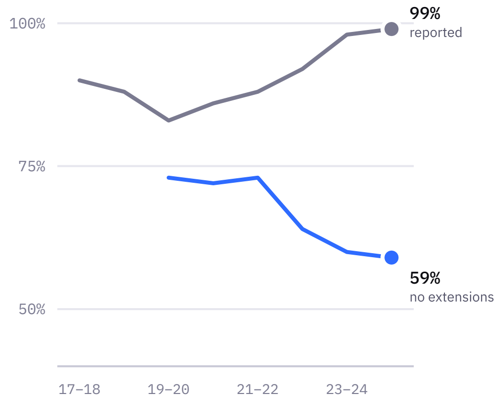
The response to all of this was not a recovery in the numbers. It was a change of scoreboard. Every charter index fell from its 2020–21 peak to a 2022–23 trough, without a single exception, by 7 to 10 points, then the measure set was cut from twelve elements to five, the 0 to 100 index became a percent-agree score and the 2023–24 report declared the new numbers "a baseline for future performance results". Every declining series ends at 2022–23 and nothing published since can be compared to it.[27]

**Complaints recorded in the charter appendix per year**




Source. Appendix 2, the ATO Charter appendix, 2018-19 to 2024-25.

**Complaints resolved on time, headline against footnote**




Source. Appendix 9, Table 7.18 and notes.

The right-hand chart shows the pattern in one image.[28] The headline complaints measure counts a complaint as on time if resolved within 15 business days or a negotiated date and reads 98 and 99 per cent. The ATO's own footnote reports the share resolved within 15 days without extensions. That series has fallen for six straight years, from 73 per cent to 59. The headline rises while the footnote falls.

THE PATTERN ACROSS THE REPORT

Dispute fairness, the community confidence index, the charter indexes, the compensation offer rate, payment plan counts, call answering times and non-digital service volumes were all discontinued, replaced or rebased at or immediately after the point they deteriorated. Two service targets were loosened so that worse results could be reported as met. One of those is worth stating plainly. The ATO's call wait time in 2022–23 was 10 minutes 49 seconds and the table marks it failed. In 2023–24 the wait rose to 12 minutes 41 seconds and the table marks it met, because the target had moved from 10 minutes to 15. A result nearly two minutes worse than the one that failed was recorded as a pass. Both rows sit in the same table. Both recent reports open the appendix with the sentence "We met all our targets".

SECTION 06 · FAIRNESS · CONTINUED

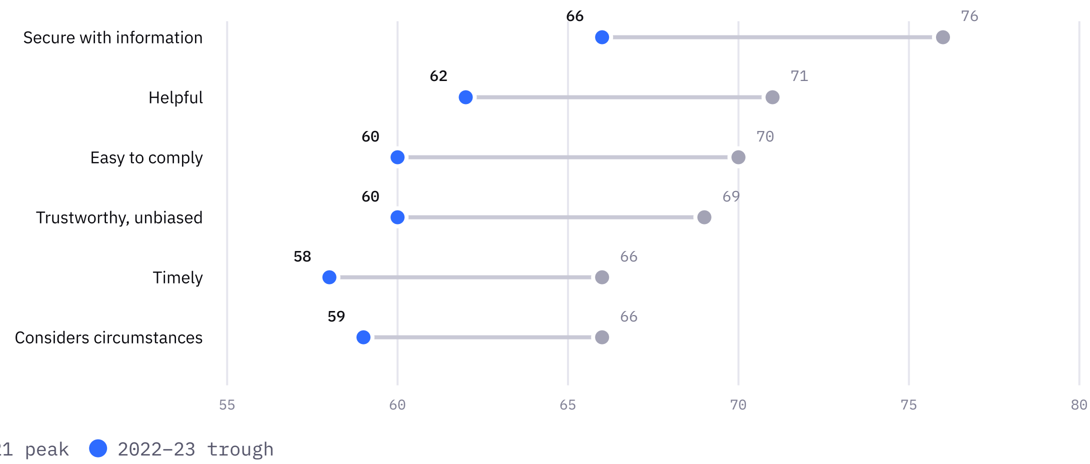
# The vanishing scoreboard

The dispute fairness measure is not an isolated case. Across the appendices, statistic after statistic stops being published at or immediately after the point it turns bad. Thirteen examples, every one traced to the last table that carried it.[29]

| Statistic | Last published value | What happened |
|---|---|---|
| Dispute process fairness, overall | 19% (2023–24) | dashed out from 2024–25 |
| Dispute decision fairness, overall | 20% (2023–24) | dashed out from 2024–25 |
| Dispute fairness, business | 50% (2021–22) | dashed out from 2022–23 |
| Community confidence index | 66/100 (2021–22) | not published again |
| Client perceptions of ATO fairness | 63/100 (2021–22) | published once, then dropped |
| Six charter index scores, all falling | 2022–23 | measure set replaced, new baseline declared |
| Compensation offers made | 50 offers (2021–22) | count no longer reported |
| Payment plans granted to small business | 400,000 (2020–21) | not published again |
| General calls answered in 5 minutes | 84% (2020–21) | row removed, no footnote |
| Non-digital service interactions | 6.41m (2022–23) | row removed, no footnote |
| Debt uneconomical to pursue, ratio | 0.2% (2021–22) | row removed from table |
| Tax practitioner calls in 2 minutes, target 90% | 90% (2022–23) | replaced by a 7-minute, 40% target |
| Taxpayer-location notices, quantum disclosed | 8,180 (2021–22) | quantum no longer disclosed |

The charter measures are the clearest case, because they did not drift. Every one of the six index scores peaked in the same year, 2020–21, and hit its floor in the same year, 2022–23, falling between 7 and 10 points without a single exception. The following year the scale itself was retired.[27]

### Charter index scores, 2020–21 peak against 2022–23 trough



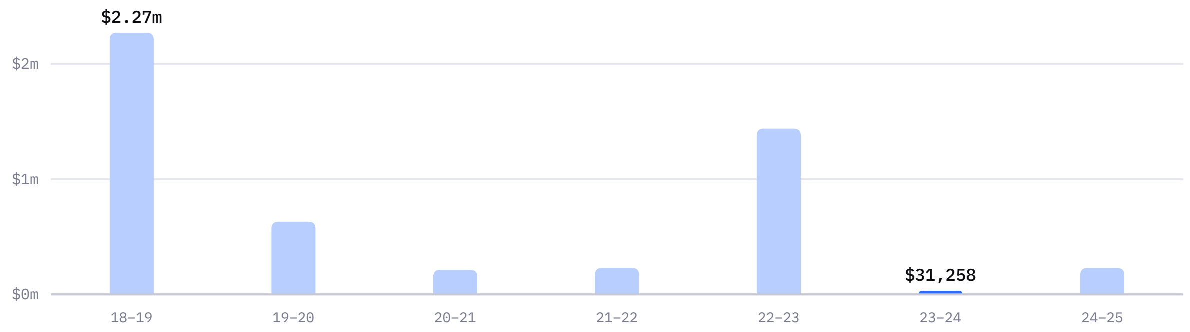

Source. Appendix 2, Table 7.1 and predecessors, 2020-21 to 2022-23.

SECTION 06 · FAIRNESS · CONTINUED

# Compensation, the other side of the ledger

When defective ATO administration causes someone loss, the CDDA scheme is meant to compensate them. Claims have held steady at 140 to 195 registered claims a year for seven years. The money has not.[8]

### CDDA compensation paid per year




Source. Appendix 8, 2018–19 to 2024–25.

| Year | CDDA paid | Median payment | Settlement value conceded, same year |
|---|---|---|---|
| 2018–19 | $2,271,135 | $193 | $1,767.1m |
| 2019–20 | $630,573 | $661 | $1,197.1m |
| 2020–21 | $213,223 | $958 | $871.4m |
| 2021–22 | $230,018 | $1,134 | $1,551.2m |
| 2022–23 | $1,438,703 | $990 | $2,474.9m |
| 2023–24 | **$31,258** | $787 | $880.5m |
| 2024–25 | $229,443 | $2,511 | $543.0m |
| **Seven-year total** | **$5,044,353** | | **$9,285.2m** |

Appendix 8 compensation statistics against the Appendix 4 settlement variance totals. References 1 and 8.

For every dollar the ATO paid to compensate people it harmed, it conceded roughly $1,841 at the settlement table, 86 per cent of it to the largest businesses in the country.[30] The statistic showing how often the ATO offered compensation at all, which had fallen from 47 per cent of finalised claims to 38, was dropped from the report after 2021–22.

SECTION 07 · THE LEGAL MACHINE

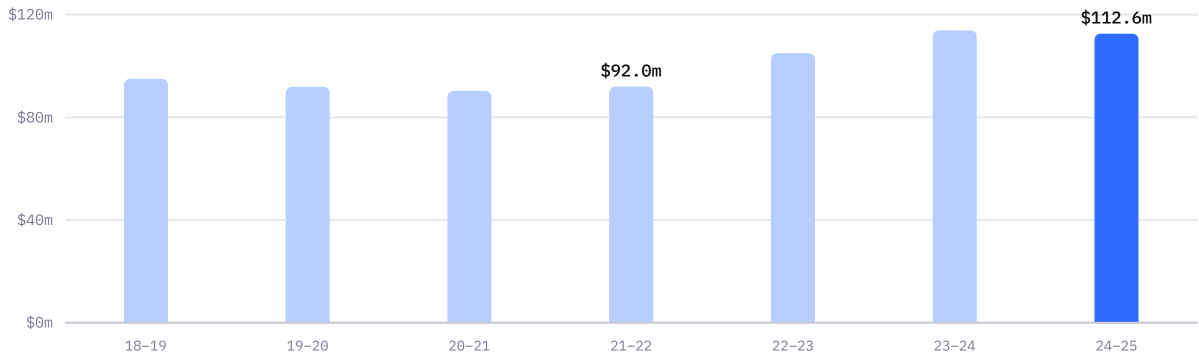
# What the fight costs

The ATO's legal spend has grown while the number of matters it briefs counsel on has fallen. Since 2020–21 the bill rose 25 per cent while total briefs fell 21 per cent and new briefs fell 32 per cent, so the cost of each brief rose 34 per cent. Fewer matters, each considerably more expensive.[9]

| Year | Total legal spend | External | Briefs to counsel | Costs recovered |
|---|---|---|---|---|
| 2018–19 | $95.0m | $66.2m | $15.7m | $4.0m |
| 2019–20 | $91.9m | $61.2m | $15.4m | $10.6m |
| 2020–21 | $90.3m | $55.9m | $17.2m | $3.0m |
| 2021–22 | $92.0m | $53.4m | $16.7m | $3.6m |
| 2022–23 | $105.0m | $62.3m | $13.9m | $3.1m |
| 2023–24 | $113.9m | $69.2m | $16.3m | $4.1m |
| 2024–25 | $112.6m | $66.7m | $18.1m | $9.7m |
| **Total** | **$700.7m** | **$434.9m** | **$113.2m** | **$38.2m** |

Appendix 5, Table 7.9 series, 2018–19 to 2024–25.

### Total legal services expenditure per year




Source. Appendix 5, Table 7.9 series.

Two things in that table deserve more attention than the total. First, none of the growth is external. The ATO’s external legal bill was $66.2 million in 2018–19 and $66.7 million in 2024–25, a rise of 0.71 per cent in nominal terms and a substantial fall in real terms. Every dollar of growth is in-house, where spending rose 59.6 per cent. Second, the 5.5 per cent recovery rate is an average carried by two outlier years. In five of the seven years the ATO recovered under 4.2 cents in the dollar. The median year is 3.95 cents. Set the whole machine side by side. $700.7 million on lawyers, $9.29 billion conceded to those who could fight back and $5.0 million paid to those its own defective administration harmed.

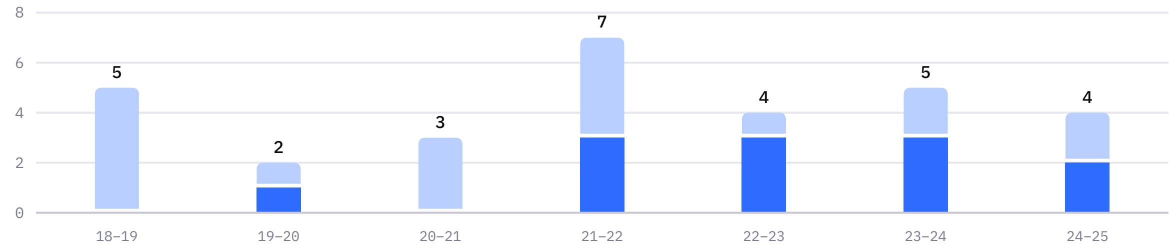
SECTION 08 · ACCURACY

# Thirty corrections and counting

Every ATO annual report ends with a corrections appendix fixing errors in the previous one. Since 2018–19 there have been thirty. Some are trivial. The ones that are not cluster in exactly the areas this report covers and the character of them has shifted: the early appendices correct workforce and diversity figures, the last four correct revenue effects, tax gaps, fraud counts, debt and superannuation.[31]

| | |
|---|---|
| 2022–23 | **The flagship number, wrong in the flattering direction.** Total revenue effects for 2021–22 was published as $15.5 billion, marked “Achieved”. It was corrected to $14.9 billion, below the $15 billion target, with the rating downgraded to “Substantially achieved”. |
| Two reports | **Director penalty notices, wrong twice running.** The 2023–24 report corrected the prior year’s garnishee count. The 2024–25 report then corrected 2023–24’s notices from 26,702 to 35,774 issued to individual directors, in respect of 26,702 company debts. |
| 2021–22 | **Superannuation guarantee results understated for three consecutive years.** Employees with entitlements raised from voluntary disclosures in 2019–20 went from a published 164,613 to a corrected 463,826, a factor of 2.8. |
| 2022–23 | **A thousand-fold slip in the Commissioner’s own review.** COVID stimulus delivered was printed as $164 million. It was $164 billion. |
| Four reports | **The fraud or evasion counts have never survived first printing.** Corrected across four separate years of results, with the 2020–21 figure corrected twice, from 74 to 76 to 77. Every one of the seven group-level corrections ran upward. Not one ran down. |
| 2024–25 | **A correction that contradicts itself.** The narrative says a revenue figure was “incorrectly reported as 1.7m instead of 2.8m”. The corrected table beside it strikes out 2.8 and prints 1.7. The correction of the error contains an error. |

### Corrections per year and how many touch compliance, revenue, dispute or debt




compliance, revenue, dispute or debt · workforce, corporate and other

Source. Corrections appendices, 2018–19 to 2024–25, counted per headed error statement.

The shape matters as much as the total. In the first three appendices only one correction touched a revenue or compliance figure. In the last four, eleven did. The ATO is not making fewer mistakes. It is making them in more consequential places.

> THE QUIET ONES
>
> Not every discrepancy makes it to the corrections appendix. The 2020–21 report prints one year’s irrecoverable-at-law debt as $2.9 billion where every later report prints $2.1 billion, with no correction published anywhere. The 2018–19 legal services appendix prints two different totals for briefs to counsel, $392,033 apart, in the same appendix. These are the tables Parliament and the public are asked to rely on.

SECTION 09 · RESPONSIBILITY

# The years since May 2022

The ATO is operationally independent. The Commissioner, not the Treasurer, decides who gets audited. But the ATO sits in the Treasury portfolio, the Treasurer answers for it in Parliament, appoints its Commissioner and sets the policy and funding that shape its behaviour. Jim Chalmers has been Treasurer since 23 May 2022. So what have the numbers done on his watch? Here is the timeline, using only figures already cited.

**MAY 2022** Jim Chalmers sworn in as Treasurer. The financial year that follows, 2022–23, is the first fully under the new government.

**FY 2022–23** Dispute fairness falls 57% to 38%. Complaints jump 74% to 44,693. Every charter index drops 7 to 10 points below its 2020–21 peak. Legal spend rises 14%. Audit-related assessments peak at 260,171 taxpayers, driven by a 43% jump in assessments against individuals, from 110,798 to 158,906 in a single year. $2.42 billion conceded to public and multinational businesses, the largest year in the series.

**FY 2023–24** Dispute fairness falls to 19–20%. The charter measurement system is replaced and a new baseline declared. CDDA compensation falls to $31,258. Unannounced access visits peak at 51. Settlements with individuals fall to 2.

**MAR 2024** Rob Heferen, the government's appointee, succeeds Chris Jordan as Commissioner of Taxation.

**FY 2024–25** Fraud or evasion assessments nearly triple, 230 of 351 falling on small business. Penalties and interest collected reaches $6.2 billion, up 63% in a year. Formal notices hit a series high of 35,818. Dispute fairness is not published at all. Complaints reach 50,906. Wealthy groups take 73.7% of all settlements.

**AUG 2026** This report is published. Every question in it remains open.

Correlation is not causation and this report does not claim the Treasurer directed any of it. What it claims is simpler. Every divide documented in these pages either began or sharply widened in the financial years since May 2022, on published data tabled in the Parliament to which the Treasurer answers. Ministerial responsibility exists for exactly this situation. The question is whether anyone in the Treasury portfolio has asked the Commissioner the questions this data demands. If not, why not.

SECTION 10 · BALANCE

# What the ATO would say and what it would not answer

Fairness demands the strongest version of the ATO's likely reply. Some of it has force. None of it answers the central questions.

| | |
|---|---|
| **COVID catch-up explains the volumes.** | Partly true. Debt collection and litigation paused in the pandemic and resumed from 2022–23, which lifts activity counts. But resumption cannot explain why fairness scores collapsed, why the measures were then discontinued, why compensation dried up or why 86 per cent of settlement value flows to the biggest businesses. |
| **Settlements reflect litigation risk, not favouritism.** | Partly true. Large matters are legally complex and genuine compromise is proper. But that explains individual settlements, not a standing seven-year pattern in which the group audited least is conceded the most, while the groups audited most are barely settled with at all. |
| **Interest rates drove the $6.2 billion.** | Partly true. The general interest charge has been above 11 per cent, which mechanically inflates interest collected. It does not explain the tripling of fraud or evasion assessments or their concentration on small business. |
| **The charter was genuinely refreshed and samples really are small.** | Possibly. The new ATO Charter commenced 26 June 2023, so new measures followed. But a refresh did not require ending six falling index series without a bridge. An agency surveying millions of interactions that cannot find a reliable sample of dispute participants two years running owes the public an explanation of how it measures, or an admission that it has stopped measuring. |

## Ten questions that deserve answers

1. How many audits does the ATO conduct each year, on what definition?
2. Why was the audit-adjustments methodology changed without restating prior years and what exactly was excluded?
3. Why has 86 per cent of settlement value over seven years gone to public and multinational businesses while individuals received 0.09 per cent?
4. Why does the group receiving 0.4 per cent of audit-related assessments receive the largest concessions, while the groups receiving 94 per cent are settled with 3 and 15 times a year?
5. Why did dispute fairness fall from 57 per cent to 19 per cent in two years and what is the survey sample that then became insufficient?
6. Why are objection outcomes never published?
7. Why did compensation for defective administration fall to $31,258 while complaints doubled?
8. Why was the charter measurement system replaced immediately after every score fell?
9. Why were at least eleven deteriorating statistics discontinued and who approved each decision?
10. What has the Treasurer done since May 2022 to satisfy himself that these numbers do not describe a system in trouble?

METHOD AND SOURCES

# How this report was built

Every figure is drawn from the Commissioner of Taxation's annual reports for 2018–19 through 2024–25, with some table series reaching back to 2015–16, as published by the ATO and tabled in Parliament. The reference appendix that follows states the source table and calculation for every marked figure. Where the ATO later corrected a published figure, the corrected value is used and identified as corrected. Series with known methodology breaks are either restricted to the comparable window or the break is marked. No figure has been modelled, extrapolated or adjusted.

## Caveats that matter

“Individuals” in the ATO's tables excludes people in business, so sole traders sit under small business and the natural-person settlement share is somewhat higher than 3.9 per cent, though the wage-and-salary share of settlement dollars is about 0.1 per cent. Settlements here are Code of Settlement resolutions of Part IVC disputes and exclude debt settlements and remissions, which are not publicly reported by group. Objections include self-objections, 49 to 57 per cent of the total, so the number of taxpayers genuinely fighting an ATO adjustment is far smaller than the headline count. The 2024–25 audit-adjustment methodology change was not applied to prior years, so the drop to 571,880 is partly definitional. The ATO changed its client-group identification method in 2019–20, so pre and post 2019–20 settlement splits are indicative. And settlement variance includes genuine compromise on litigation risk, not only generosity. The structural pattern survives every one of those caveats because it is built entirely from the ATO's own published tables.

## A note on standing

The author is a party to proceedings in which the Commissioner of Taxation is the respondent. Nothing in this report draws on those proceedings and no figure comes from anywhere other than the ATO's published reports. Readers can verify every number against the source tables cited, all of which are public documents at ato.gov.au and transparency.gov.au. Commentary and conclusions are the author's honest opinion based on the disclosed facts. Corrections are welcome and will be published.

## AI transparency

This report was co-authored by Joshua Haines with two AI systems. Claude Fable 5, built by Anthropic, extracted the figures from the published source tables, cross-checked them across report years, built the charts and drafted text under direction. An independent analysis of the same annual reports prepared with Kimi 3, built by Moonshot AI, was used to test the structure and the aggregates.

Every reference was then verified a second time by reopening the source appendices and rechecking each figure, each calculation and each place the figure is used. That process corrected more than twenty figures or characterisations, removed two claims the sources did not support and added eight findings the earlier draft had missed. Several of the corrections made the report’s claims stronger rather than weaker. All of them are recorded in the reference appendix rather than quietly absorbed.

Joshua Haines set the scope and the argument, reviewed the extracted figures against the published reports and holds final editorial responsibility for every claim on these pages. He works with AI systems daily and has completed formal training in their effective and responsible use, including Anthropic's AI Fluency course. The collaboration is disclosed here for the same reason the reference appendix exists. Readers should be able to see exactly how the work was made and to check it.

REFERENCE APPENDIX · 1 OF 3

# Sources and calculations

Each numbered marker corresponds to an entry below stating the source and the calculation. “As printed” means the figure appears in the cited table exactly as used.

1 **Settlement aggregates by group. 2,794 settlements and $9,285.2m of value conceded over seven years, with group splits (109 / 431 / 1,279 / 513 / 459 / 3 cases and $8.5m / $134.8m / $1,071.3m / $7,956.6m / $113.2m / $0.5m).**
**Source.** "Settlements by client group" (later "by group") tables, Appendix 4 (Appendix 3 before 2023–24), Commissioner of Taxation annual reports 2018–19 to 2024–25. **Method.** Yearly case counts and variance dollars summed across the seven reports. Variance is the ATO pre-settlement position minus the settled position, as printed by the ATO. The 2019–20 APRA-regulated superannuation variance uses the corrected $0.1m from the 2020–21 corrections appendix, not the $0.8m originally printed. The seven-year total of $9,285.2m is the sum of the ATO’s printed yearly totals; group rows sum to $9,284.9m because the ATO computes variance from exact figures and rounds for print, as its own tables note.

2 **Individual settlements per year (36, 20, 22, 20, 6, 2, 3) and the hardening shares (individuals 5.7% of cases in 2018–19 to 1.1% in 2024–25, small business 26.9% to 5.7%, wealthy groups 40.0% to 73.7%).**
**Source.** Same tables as reference 1. **Method.** Counts as printed. Shares are each group’s cases divided by that year’s total. The ATO printed whole-number percentages in the early years and moved to one decimal place from 2021–22, so all shares here are recomputed to one decimal from the printed case counts for comparability across the series. Individuals in 2018–19 therefore appear as 5.7% here and as 6% in the source, both correct at their own precision.

3 **Audit-related assessments by group, five-year sums (individuals 600,154, small business 331,809, privately wealthy 49,597, public and multinational 3,723, all groups 987,705) and shares (60.8%, 33.6%, 5.0%, 0.4%). Combined individuals and small business share 94.4% (931,963 of 987,705). Individual assessments by year are 106,736, 110,798, 158,906, 108,146 and 115,568, so the 2022–23 figure is a 43% rise on 2021–22 and the largest single-year movement in the series.**
**Source.** Fraud or evasion exception appendix, Tables 6.28, 6.30, 7.33 and 7.34, 2020–21 to 2024–25. **Method.** "Number of taxpayers subject to an audit-related assessment" summed across five years. Shares use the all-groups total.

4 **Average value conceded per settlement ($15.5m public and multinational, $838k privately wealthy, $313k small business, $78k individual, $247k superannuation).**
**Source.** Derived from reference 1. **Method.** Group value conceded divided by group case count. The superannuation average spans two very different populations. Across the seven years APRA-regulated funds settled 9 times for $96.5m conceded, an average of $10.7m each, second only to public and multinational business, while self-managed funds settled 375 times for $13.5m, an average of $36k each. A further 75 settlements worth $3.2m date from 2018–19, before the ATO split the two labels.

5 **Debt holdings by group 2024–25 (collectable, under objection or appeal, insolvency) and the dispute ratios (8.8 for public and multinational, 0.76, 0.06, 0.05), plus small business insolvency debt rising $3.9b to $10.8b. The 2018–19 comparison ratios are 5.7 for public and multinational ($6.3b disputed against $1.1b collectable), 0.61 for privately owned and wealthy, 0.069 for individuals and 0.085 for small business, so the top-to-bottom gap widened from 67-fold to 186-fold.**
**Source.** Appendix 7 Table 7.12 (2024–25) and Appendix 6, "Value of debt holdings by client experience" (2018–19). **Method.** Ratio = debt under objection or appeal divided by collectable debt, computed for both years on the same basis. Other figures as printed. Two qualifications: privately owned and wealthy groups grew faster than small business in percentage terms (194.7% against 158.3%), and small business’s share of collectable debt has been effectively flat across the nine years at about 67%, so the defensible comparison is absolute dollars, where small business added $22.0b against $10.9b for all other groups combined. The insolvency comparison runs from 2018–19, not 2016–17.

6 **Complaints recorded in the ATO Charter appendix (19,826 to 50,906, up 157%) and fair-and-reasonable-treatment complaints (1,986 to 3,613 in one year).**
**Source.** Appendix 2, the Taxpayers’ Charter and later ATO Charter appendix. Complaints lodged to 2022–23, then complaints received and categorised by charter commitment (Table 7.2) from 2023–24. **Method.** As printed. Growth = 50,906 over 19,826. The series spans a definitional change: complaints are counted as lodged to 2022–23 and as received and categorised by charter commitment from 2023–24, and the single largest step (+74% in 2022–23) coincides with that change, a change of survey instrument and the Charter rewrite. This appendix is not the ATO’s only complaints disclosure. The 2024–25 report carries a fuller complaints chapter at pp 131–133, which is the source of the statement that of 48,284 complaints with a recorded outcome, 67% were upheld in favour of the complainant.

7 **Dispute fairness series. Process fair 49%, 52%, 54%, 57%, 38%, 19% then not reported. Decision fair 57%, 65%, 58%, 66%, 38%, 20% then not reported.**
**Source.** Appendix 9/8 Table 7.20 series, 2018–19 to 2024–25. Dashes carry note (a) "Insufficient sample size to produce a reliable result." **Method.** As printed. The note is quoted verbatim in Section 05.

8 **CDDA compensation by year ($2,271,135 down to $31,258 in 2023–24, $5,044,353 total) and the 2023–24 median of $787.**
**Source.** Appendix 8/7, compensation statistics, 2018–19 to 2024–25. **Method.** Totals and medians as printed, seven-year total summed. The one-third comparison divides the $5.0m total by the $15.5m average public and multinational concession in reference 4. Claim counts quoted are registered claims; finalised claims fell to 132 in 2021–22. The offer count the ATO stopped publishing after 2021–22 was a raw number, not a percentage; the derived offer rate ran 47%, 49%, 35% then 38% across its four published years. These appendices cover the CDDA scheme only, so the absence of act-of-grace and legal liability figures is non-disclosure in this appendix, not evidence that none were paid.

## REFERENCE APPENDIX · 2 OF 3

9 **Legal services expenditure by year ($700.7m total, $434.9m external, $113.2m briefs to counsel, $38.2m recovered, 5.5%) and 892 to 1,176 briefs a year.**

**Source.** Appendix 5/4, Tables 7.9 and 7.10 and predecessors, 2018–19 to 2024–25. **Method.** Line items summed across seven years from the unrounded printed values, which is why briefs to counsel totals $113.2m rather than the $113.3m produced by adding the rounded yearly cells. Recovery rate = costs recovered divided by total spend, 5.45% rounded to 5.5%; the median year is 3.95% and five of the seven years fall below 4.2%. External spend rose 0.71% across the seven years while internal rose 59.6%, so internal accounts for 97% of all growth. Cost per brief is briefs-to-counsel spend divided by that year's total briefs, $14,584 in 2020–21 against $19,550 in 2024–25, and the 25% spend rise is measured on the same 2020–21 base. The brief-count range uses each year's headline total. The counting basis changed in 2020–21 from a single Number column to New briefs and Total briefs. The 2018–19 appendix prints two different briefs-to-counsel totals, $15,697,118 in the expenditure table and $16,089,151 in the counsel table; the difference is exactly the separately reported Independent Assurance of Settlements briefs line. The expenditure-table basis is used here because it is the basis of the other six years.

10 **The three volume measures for 2024–25 (5.6m compliance activities, 571,880 adjustments arising from audits, 185,752 taxpayers subject to an audit-related assessment) and the methodology note excluding prompts and early engagements without restating prior years.**

**Source.** Appendix 9 Table 7.22, Appendix 4 Table 7.5 and its note (a), Appendix 13 Table 7.34, 2024–25 report. **Method.** As printed. The note is quoted verbatim in Section 01.

11 **Unexplained one-third fall in audited taxpayers (260,171 in 2022–23 to 171,886 in 2023–24), of which individuals fell 50,760 (158,906 to 108,146) and small business 36,501 (89,743 to 53,242), together 87,261 of the 88,285 total decline, while public and multinational businesses moved from 722 to 714.**

**Source.** Tables 7.33 and 7.34, 2022–23 and 2023–24 reports. **Method.** As printed, differences computed row by row. No note or explanation of the decline appears in either report.

12 **Public and multinational value conceded by year ($1.59b, $1.06b, $0.48b, $1.15b, $2.42b, $0.81b, $0.45b).**

**Source.** Same tables as reference 1, public and multinational row of each year. **Method.** As printed.

13 **Total settlement variance by year (45%, 37%, 35%, 44%, 44%, 31%, 30%) with stage-level detail (tribunal-stage settlements 48% to 82% in various years, privately wealthy groups 50% in 2019–20).**

**Source.** "Stage at which settlement occurred" and group tables, Appendix 4/3, 2018–19 to 2024–25. **Method.** Variance percentage as printed in each year's total and stage rows. The tribunal-stage range of 48% to 82% holds for the five years to 2022–23; 2023–24 fell to 18.7%, the series low, and 2024–25 was 47.2%.

14 **Standing concession. $23.4b of claimed position became $14.1b settled (40%).**

**Source.** Derived from the stage tables in reference 13. **Method.** Yearly ATO position and settled totals summed 2018–19 to 2024–25, concession = 1 minus settled over position.

15 **Concession rate by group across seven years. Individuals 43.6% ($8.5m conceded of $19.5m claimed), small business 41.4% ($134.8m of $325.9m), privately owned and wealthy groups 40.3% ($1,071.3m of $2,657.3m), public and multinational businesses 39.9% ($7,956.6m of $19,932.4m).**

**Source.** Same tables as reference 1, using the ATO position and variance columns. **Method.** Each group's ATO position summed across the seven reports. Concession rate = value conceded divided by ATO position. Individual-year rates are volatile because the individuals row rests on as few as two cases, so only the seven-year rate is quoted.

16 **Independent Assurance of Settlements sample (15 to 24 cases a year) and the single settlement found not fair and reasonable.**

**Source.** IAS program tables and notes, Appendix 4/3, quote from the 2024–25 report, Table 7.6 note (b). **Method.** As printed. The quoted note is verbatim. The tables count settlements reviewed during the year, not settled during it, and the ATO states in every edition that settlements finalised late in a year may be assured in the following one, so the settlement found not fair and reasonable is not necessarily a 2024–25 settlement. No fairness finding is published at all for 2018–19, 2019–20 or 2020–21, covering 50 of the 122 reviewed cases, which is why the claim is scoped to the four years that carry one.

17 **161 audit-related assessments of individuals and 89 of small businesses per public and multinational assessment.**

**Source.** Derived from reference 3. **Method.** Group five-year sums divided by the public and multinational sum of 3,723.

18 **The ATO's attribution of the rise in adjustments to analytics and automation aimed at individuals not in business.**

**Source.** Appendix 3, Disputes table note, 2018–19 report ("Increased use of advanced analytics and automation has led to increased review and audit activities for individuals not in business."). **Method.** Verbatim.

19 **Compliance activity volumes (3.1m to 5.7m a year), liabilities raised ($12.0b to $21.0b a year) and penalties and interest collected ($1.8b in 2020–21 to $6.2b in 2024–25).**

**Source.** Appendix 9/8, "Activities and outputs – Revenue assurance" tables, 2016–17 to 2024–25. **Method.** As printed. Interest growth partly reflects the general interest charge rate. Penalties and interest rose 63% in 2024–25 alone, the largest single-year movement in the series, in a year when compliance activity volume fell.

20 **Fraud or evasion assessments by group, five-year corrected sums (small business 488, privately wealthy 302, individuals 112, public and multinational 7) and rates per audit-related assessment.**

**Source.** Fraud or evasion appendix 2020–21 to 2024–25 with corrections applied from the 2021–22 and 2024–25 corrections pages. **Method.** Corrected counts summed. Rate = corrected sum divided by the group's reference 3 total.

## REFERENCE APPENDIX · 3 OF 3

21 **Fraud or evasion counts corrected upward four years running (74 to 76 to 77, 158 to 159, 188 to 193, 124 to 130).**
**Source.** Corrections appendices, 2021–22 and 2024–25 reports. **Method.** As printed in the corrections tables.

22 **Debt not pursued. Decisions made in 2024–25 were $2.5b uneconomical and $2.4b irrecoverable at law. The stock of non-pursued uneconomical debt sitting in taxpayer accounts is $6.2b, of which small business holds $4.5b and individuals $1.4b, together 95%, against $0.0b for public and multinational business.**
**Source.** Appendix 7, Table 7.16 for decisions and Table 7.12 for the group holdings, 2024–25. **Method.** As printed. The group breakdown appears for the first time in 2024–25, earlier years show n/a. Table 7.12 note (b) states that only non-pursued debts already included in taxpayer account balances are reported and that values will rise through 2025–26 as debts on hold are progressively added, so the $6.2b total is incomplete on the ATO's own advice.

23 **Disengaged taxpayers 2024–25 (39,352 small businesses holding $11.3b, 215 public and multinational businesses holding $0.3b) and the definition (debt over $100,000, older than 90 days, no payment plan, insolvency, liquidation or dispute).**
**Source.** Appendix 7 Table 7.14 and its preamble, 2024–25. **Method.** As printed.

24 **Independent reviews (65 large market and 392 small business over seven years) and the roughly 1 in 1,200 rate for audited small businesses.**
**Source.** Appendix 4/3 disputes tables, 2018–19 to 2024–25. **Method.** Counts as printed. The ATO prints the 2024–25 small business independent review expansion pilot as a separate row, so the independent review series itself sums to 372 across seven years and the pilot adds 20. Rate = average annual small businesses subject to an audit-related assessment (66,362, a five-year average) divided by average annual small business reviews. On the corrected count the rate is about 1 in 1,250; matching the windows so that five years of reviews are set against the five years for which the denominator exists gives about 1 in 1,500, so the figure used here is the conservative one.

25 **Part IVC litigation rates (12.5 to 20.9 new matters per thousand objections, 107 to 194 cases a year proceeding to decision on the comparable 2020–21 onward basis, where the 2018–19 figure of 102 sits outside that basis) and test case counts (7, 10, 12, 3, 5, 3, 9).**
**Source.** Appendix 4/3 disputes tables, 2018–19 to 2024–25. **Method.** As printed. The litigation series includes a 2020–21 methodology change adding administrative law and debt release matters, so only 2020–21 onward is comparable. The 388 used as the base of the two-year rise is the lowest lodgement figure in the nine-year published record; measured from 2021–22, the first year clean of both the methodology break and the COVID distortion, the rise to 509 is 15.7% over three years. 509 is not a record: 2020–21 recorded 668.

26 **Formal information-gathering notices (25,752 in 2018–19 to 35,818 in 2024–25) and access without notice (5, 3, 5, 17, 42, 51, 18).**
**Source.** Appendix 11/10, Tables 7.30 and 7.31 and predecessors. **Method.** As printed. A 2021–22 reporting change added taxpayer-location notices (8,180 that year); the following report altered the note from "in 2021–22" to "from 2021–22", confirming the change is permanent, then dropped the note entirely from 2023–24. Removing the disclosed 8,180 gives an adjusted 2021–22 figure of 23,179, below the 25,752 of 2018–19, so no year after 2020–21 is comparable with any year before it and the ATO no longer publishes the means of adjusting. The ATO also notes in every year that figures count notices, not taxpayers, then attributes much of the early rise to third-party requests to banks.

27 **Charter index scores falling 7 to 10 points from their 2020–21 peak to their 2022–23 trough, every measure without exception (secure 76 to 66, easy 70 to 60, trustworthy 69 to 60, helpful 71 to 62, timely 66 to 58, conscientious 66 to 59), before the measure set was cut from twelve to five and a new "baseline for future performance results" declared.**
**Source.** Appendix 2, Tables 7.1, 2021–22 to 2023–24 and the 2023–24 note (a). **Method.** As printed. The baseline wording is the ATO's. Two caveats travel with this: the survey instrument changed in the same year the scores fell, from the Client and Community Confidence survey to the Client experience survey, with no bridging or restatement; and 2018–19 also declared a baseline, so the ATO has reset its charter measurement twice in seven years. "Twelve to five" counts charter commitments, not published results, which rose from six index scores to nine percent-agree scores.

28 **Complaints handled on time. Headline result (98%, 99%) against the footnote series without negotiated extensions (73% falling to 59%).**
**Source.** Appendix 9 Table 7.18 and its notes, 2017–18 to 2024–25. **Method.** Both series as printed, the second from the table's own footnotes.

29 **Thirteen published statistics discontinued, replaced or rebased at or immediately after the point they deteriorated, with each last published value and the year it stopped.**
**Source.** Appendix 2 (charter and complaints), Appendix 9/8 (service commitments and revenue assurance), Appendix 8/7 (compensation), Appendix 7/6 (debt), Appendix 11/10 (access powers), 2018–19 to 2024–25. **Method.** Each entry is the last value the ATO printed for that measure and the first year it no longer appears, taken from the appendix that carried it. Where a measure was replaced rather than dropped, the replacement is named. Rows removed without any footnote are identified as such.