Tax Ombudsman



Annual Report

2025–26



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Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website – see www.pmc.gov.au/government/commonwealth-coat-arms.

Australian Government

The agency's legal name is the Inspector-General of Taxation (IGT); however, we now refer to ourselves as the Tax Ombudsman in short. References to "IGT", the "Inspector-General of Taxation and Taxation Ombudsman (IGTO)" and "Taxation Ombudsman" are used interchangeably throughout this report and refer to the same agency.

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The annual report is available online, go to transparency.gov.au or Taxombudsman.gov.au



We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, sea and community. We pay our respects to First Nations people and their Elders past, present and emerging.

Artwork used with permission from Tarni Morris, a Djab Wurrong, Kirrae Wurrong and Peak Wurrong artist.

Tax Ombudsman

GPO Box 551
Sydney NSW 2001

24 September 2026

The Hon Dr Daniel Mulino MP
Assistant Treasurer and Minister for Financial Services
Parliament House
CANBERRA ACT 2600

Dear Assistant Treasurer,

Annual Report for the financial year ended 30 June 2026

I am pleased to present to you the Annual Report of the Inspector-General of Taxation and Taxation Ombudsman for the financial year ended 30 June 2026.

The annual report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* including section 46, which requires you to table the report in Parliament. It also meets the reporting requirements of the *Inspector-General of Taxation Act 2003*.

In addition, as required under the *Public Governance, Performance and Accountability Rule 2014*, I certify that I am satisfied appropriate fraud prevention, detection, investigation and reporting mechanisms are in place to meet the agency's needs, including fraud risk assessments and fraud control plans, and that all reasonable measures have been taken to prevent, detect and respond to risks of fraud.

Yours sincerely,



Ruth Owen CBE

Inspector-General of Taxation and Taxation Ombudsman

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Introduction by the Accountable Authority



I am pleased to present my Annual Report for the year 2025–26. I am very proud of the progress my organisation has made in the last year. We have had a record breaking year in the number of complaints we have received and resolved and have made an impactful contribution to the fairness and integrity of the tax system through our systemic reviews and reports.

Our key achievements in 2025–26

Complaints

- Received and resolved more complaints than ever before (128% and 61% respectively more than FY25)
- Improved the efficiency and quality of our complaints service
- Reviewed and refreshed all of our written communications to complainants

Reviews

- Embedded our approach to systemic reviews, to be short and sharp and focused on practical recommendations, with reports that are accessible and easy to read
- Completed 4 reviews, including: the ATO's written communications, its services to tax agents; the management and remission of General Interest Charges (GIC); and a private review into a taxpayer's allegations of maladministration
- 97% of our recommendations to the ATO were agreed and are being (or have been) implemented

Relationships and awareness

- Increased the awareness of our service and started the measurement of public and tax professional awareness of our services
- Participated in over 90 speaking engagements at stakeholder events and conferences
- Conducted community roadshows, Meet the Ombo events and First Nations yarning sessions across all parts of Australia

Organisational development / resources

- Enhanced our financial sustainability, with increased funding from the Government of $9m over 4 years
- Supported the wellbeing of our people through a review of psychosocial hazards, unreasonable complainant conduct and additional respect at work training
- Invested significantly in management and leadership development for all team leaders, managers and executives
- Safely managed the transition to a new payroll provider

However, against the measures we set ourselves, we have not been as successful. We achieved 3 of our 7 measurable Key Performance Indicators in FY26. The volume of complaints we received meant we were unable to meet the service standard, although the time we took to resolve complaint investigations has reduced significantly (-58%) from the previous year. Most notably, our customer service levels still require further improvement. Our customers' feedback shows we have more to do to meet their expectations.

The year ahead

The improvements we have made in the last year have been substantial. We need to embed and maintain those changes, while setting our sights higher in what we can achieve on behalf of the community.

Our 2027–2030 Corporate Plan sets out the next stage of our organisational development and our strategic priorities. Learning from the last year, we have simplified our strategic agenda to focus on three priorities:

- improving the customer experience for people who raise a complaint with us
- enhancing the positive influence and impact we have on the tax and superannuation systems of Australia
- driving excellence and continuous improvement in how we run our organisation.

I would like to thank my team for their ongoing commitment to our purpose and their hard work in delivering the significant achievements of the last year; and to all of our stakeholders and partners who continue to provide strong support and valuable insights into our work.



Ruth Owen CBE

Inspector-General of Taxation and Taxation Ombudsman

Overview

Our purpose

Our purpose is to improve the fairness and integrity of tax and superannuation administration in Australia

Our functions

The Office of the Inspector-General of Taxation was established as an independent, Commonwealth statutory agency in 2003. The agency's functions were later expanded in 2015 to include those of the Taxation Ombudsman. The two functions are separate but complementary, enabling us to use data and trends from complaints received to identify opportunities to recommend systemic improvements in the administration of the tax and superannuation systems.

Specifically, we have oversight of tax laws administered by the Commissioner of Taxation, as well as the *Tax Agent Services Act 2009*. The two agencies we oversee are the Australian Tax Office (ATO) and the Tax Practitioners Board (TPB).

Our functions and powers are set out in the *Inspector-General of Taxation Act 2003 (IGT Act)* and parts of the *Ombudsman Act 1976*.

In 2025, we simplified our agency's branding to the 'Tax Ombudsman'. However, we continue to carry out the same responsibilities.

Our key activities

In delivering against our purpose, our key activities are to:

Investigate and help resolve complaints from taxpayers or tax practitioners on the administration of the tax and superannuation systems by the ATO or TPB in a timely and efficient way.

Review and make recommendations on systemic issues relevant to improving tax administration.

Provide independent advice to the Government and Parliament on tax administration.

Raise awareness of the role of our agency and promote the integrity of the tax system.

Case study

Credit card refunds

Bob* accidentally paid his tax bill twice. By the time he realised the error, his credit card had been cancelled. When he contacted the ATO to request a refund, he was advised that it could only be processed back onto the original card – which was no longer active. The ATO cited a contractual restriction with the Reserve Bank of Australia as the reason for refusing alternative refund methods, such as bank transfer or cheque.

We asked the ATO to consider a practical resolution, recommending that the refund be issued either to Bob's nominated bank account or via cheque. Initially, the ATO declined to accept these recommendations. Given that we had received multiple complaints about similar issues, we escalated the matter and sought further clarification on how the ATO intended to resolve it.

We challenged the ATO's position, highlighting the Commissioner's legislative obligation to refund Running Balance Account credits and questioning whether contractual terms could override statutory requirements. In response, the ATO acknowledged that legislation takes precedence but maintained that the Commissioner retained discretion over the refund method.

Following our inquiries, the ATO implemented a new process that now allows refunds to be issued even when the original credit card has been cancelled. We independently verified that this process was successfully applied in Bob's case, and the refund was issued accordingly. This outcome not only resolved Bob's matter but also led to a broader system change to benefit other taxpayers facing similar circumstances.

*name changed to protect customer confidentiality

Our year at a glance

3,668
complaints **received**

3,377
complaints **resolved**

128%
increase in complaints received compared to FY25

58%
reduction in average time to resolve complaint investigations

90+
speaking engagements at stakeholder events

We have resolved more complaints in the last 12 months than ever before

65%
of complaints were received online

140%
increase in complaints received over the past 4 years

80%
of complaints were from unrepresented taxpayers

The ATO agreed to
97%
of our recommendations in completed reviews

Our strategic deliverables in FY26

Our *Corporate Plan 2026–29* published our strategic priorities and deliverables for FY26. This section reports against each of those commitments.

Key activity 1:
Investigate and help resolve complaints from taxpayers or tax practitioners on the administration of the tax and superannuation systems by the ATO or TPB in a timely and efficient way

Strategic priorities

- Improve customer service levels to taxpayers raising complaints with us
- Improve communications to complainants
- Increase public awareness of our complaints service
- Work collaboratively with the ATO / TPB to resolve taxpayer complaints

2025–26 deliverables

- Embed our new complaints operating model, process and guidelines
- Manage similar complaints together to achieve a swifter and more consistent resolution
- Enhance the quality of complaints investigations
- Develop complaint tools, templates and dashboards to support performance
- Improve our written communications to complainants online, in letters and SMS messages
- Develop insights reporting and data-led storytelling
- Refresh the quality assurance framework to support quality improvement and measurement

Comments

Our complaints service is how we support individual taxpayers to resolve their complaints about the ATO or TPB.

We started the year having implemented a new complaints operating model at the end of FY25, following the clearance of a significant backlog of complaints. We have been determined to ensure we did not create a new backlog of complaints, and our new model has served us well in ensuring complaints were progressed in reasonable timeframes. The model has been severely tested as we received over 120% more complaints than the previous year and more than we have ever received in the history of the agency. We have embedded and enhanced the model over the year, as we learned lessons on what worked well and where pinch points occurred.

We have used a number of tools and approaches to increase efficiency and productivity in our end-to-end complaints processes. We use enhanced dashboards to track throughput of complaints at individual and agency level. We have grouped similar complaints together and assigned key specialisms to some of our investigators in order to increase productivity. We have also looked to accelerate to a fast resolution where we can see the complaint cannot be substantiated. These types of complaints are still an important part of our service to the community as we can frequently provide assurance to taxpayers that the issue they have complained about has been handled correctly by the ATO or TPB. Sometimes all that is needed is a clearer explanation.

While throughput of complaints is important to us and our customers, quality has also been a focus for our complaints service in the last year. We have developed a new quality assurance framework and new quality measures for our investigators, which includes how we meet legislative requirements, how we identify the right issues for investigation, how we develop findings for the ATO or TPB and how we communicate with our customers. We still have some areas for improvement in the latter, but the new framework will help us improve the quality of our work and help us balance the ongoing tension between volume, speed and quality.

Our customer satisfaction survey results have increased by 3% in the last year. Sometimes customers are dissatisfied with the outcome of their complaint and that can influence their view of our service. However, customers have also provided clear feedback about areas for improvement in our service – in particular, how we communicate with them. In the last year, we have reviewed and updated all 84 of the communications we sent to customers – in writing, by email or in SMS – to make them more consistent and to use plain English language. We have also updated our website to make it easier to use and understand. We are also improving the frequency with which we communicate with customers to ensure we keep them up to date on their complaint.

Finally, in May 2026 we produced a new Complaints Snapshot report. This report shares the key data and insights from our complaints work – including the volume and type of complaints, who is (and isn't) complaining to us, the key themes coming from complaints and case studies of how we have helped complainants. The report was published on our website. We plan to issue it regularly from hereon, to increase the transparency of what we do and to ensure we make use of the insights from complaints to understand the points of friction or hotspots in the system. We can then use them to drive systemic change and improve tax administration at a national level as well as for individuals.

Key activity 2:
Review and make recommendations on systemic issues relevant to improving tax administration

Strategic priorities

- Focus reviews on areas of broadest community interest
- Use a short, sharp and focused approach to reviews
- Enhance the impact of our reviews and recommendations
- Continue to improve the accessibility of our written reports

2025–26 deliverables

- Continue to embed and enhance the new review process and report style
- Broaden the use of all available levers of influence to achieve impact
- Sharpen the follow up of and publish the ATO's implementation plans on agreed recommendations and assure the intended outcome

Comments

In fulfilling our purpose to improve fairness and integrity in tax and super administration, we need to look at system-wide issues. We undertake systemic reviews and also address relevant key hot topics through other papers or publications. Our recommendations are not binding on the ATO or TPB, so our work has to be credible, relevant and influential in order to make an impact and drive system-wide change.

Our review processes were transformed last year to support our approach to conducting short sharp and focused reviews with short, easy to read reports. We have continued in that vein with 4 reviews completed in the last year. The subject matter of our reviews (on ATO letters and communications, the ATO's registered agent phone line and management of general interest charges) reaffirms that we are focusing on topics that are highly relevant to both the tax profession and the broad community. The general interest charge review was published at a time when the ATO's approach to debt collection was (and still is) of high public interest, with the compounding interest charges making many debts owed to the ATO sometimes impossible to pay back.

We have continued to refine the guidelines under which we work with the ATO to make the process by which we undertake reviews as smooth as possible. We have increased our focus on how the ATO implements recommendations it has agreed to. Of the 33 recommendations made in the last year, the ATO has agreed to 97% (all but one). Once the recommendations are agreed, the ATO has 40 business days to share with us an implementation plan. We have found that an early conversation on our original intentions for the recommendation is helping them to know how to scope their plans. We now publish a high-level summary of the ATO's implementation plans on our website, to increase transparency and to enable the community to hold us to account for the follow through. The ATO is required to report to us quarterly on the status of their implementation plans. This process has experienced some delays in the last year, and we are working with the ATO to speed up the reporting and visibility of implementation outcomes.

Case study

General Interest Charge (GIC) remission request

A tax agent requested remission of general interest charge (GIC) for Alex.* The request was based on Alex's mental health challenges arising from pregnancy-related complications.

The initial ATO officer supported remission but did not have the required delegation, so the matter was escalated to a senior officer. The senior officer declined the remission request. In doing so, the decision appeared to focus only on the circumstances of the business and did not adequately consider Alex's personal health issues, which were outside her control.

Although the agent had raised health matters, the ATO did not seek further information or request the missing medical evidence before making the decision.

After we raised these issues with the ATO, the remission decision was reconsidered and approved.

*name changed to protect customer confidentiality

In addition to undertaking systemic reviews, we have broadened how we seek to influence tax administration and drive system-wide change. From February, we developed our capacity and capability to publish thought leadership on topics relevant to tax administration by creating a new role within our organisation to fulfil this work. Given we can only produce 4 reviews a year, publishing research or thought leadership on other hot topics multiplies the ways we can influence the system. We have commenced work on policy papers on Family Trust Distribution Tax (a topic that is causing severe headaches for some members of the accounting and tax agent profession) and how incarceration impacts on a taxpayer's ability to meet their obligations. These are very different topics and for different audiences where we can highlight the need for system change.

Key activity 3:
Provide independent advice to the Government and Parliament on tax administration

Strategic priorities

- Increase the transparency of what we do
- Keep Government and Parliament informed on the activities of the agency

2025–26 deliverables

- Develop relationships with Government Ministers and their teams.
- Build up relationships with Parliament and MPs (and their offices)
- Increase transparency of areas of disagreement with the ATO
- Provide advice to Government on financial abuse within the tax system
- Develop reporting of structured insights and data-led storytelling
- Publish a Statement of Intent in response to a Statement of Expectations from the Assistant Treasurer

Comments

As a statutory agency, independent from the ATO and the Government, it is important that we have strong relationships with Ministers and the Parliament. Our legislation requires us to report formally to the relevant Minister (the Assistant Treasurer) and Parliament in certain circumstances but, rightly, we operate at arm's length. Following the General Election in 2025, we recognised that (re)establishing those contacts and relationships was a priority to ensure we were well placed to provide advice or highlight areas of concern to the Government and Parliament. In the last year, the agency head has had regular meetings with the Assistant Treasurer and his office. Further development of our profile in Parliament will continue as a priority in FY27, including building the understanding of our role and awareness of our work in the key Parliamentary Committees and offices. Developing our reporting of case studies and insights (started in May 2026) will also help us generate interest.

In holding the ATO to account, it is important we provide the community with full transparency on where the ATO has agreed our recommendations and how they are implementing them; and when we have not reached agreement with the ATO and why. We are publishing on our website and through this Annual Report where the ATO has disagreed with review recommendations. We plan to expand that into issues on which we disagree in the management of individual complaints, especially where we see a systemic impact.

We are also using our complaints data better to report on the volume and trends, providing insights and case studies which exemplify where systemic issues are arising.

Our report on financial abuse within the tax system was published in April 2025 and the ATO has been implementing our recommendations in the last year. However, our report highlighted where the ATO's hands were tied by legislation, meaning that victim-survivors were still being held liable for tax debts for which they weren't responsible. We have been providing advice to Government and other stakeholders on where we believe further action is required to fundamentally address how perpetrators weaponise the tax system to cause harm. The Government has made commitments to address the weaponisation of Government systems such as tax, welfare and child support. We will continue to provide advice on the need for legislative and administrative changes to prevent further harm.

Statements of Expectation and Intent have not yet been published.

Key activity 4:
Raise awareness of our oversight role and promote the integrity of the tax system

Strategic priorities

- Increase public awareness of the Ombudsman complaints service
- Increase the transparency of what we do
- Improve the accessibility of our communications

2025–26 deliverables

- Complete the rebranding to Tax Ombudsman
- Expand our use of social media and evaluate
- Continue to rebuild and enhance our website
- Increase thought leadership outputs
- Leverage insights reporting and data-led storytelling in communications
- Develop plans for community roadshows, forums and outreach
- Develop and deliver plans for culturally and linguistically diverse and First Nations community engagement
- Develop a public awareness campaign
- Measure community and tax profession awareness of our services

Comments

In order to fulfil our role, we need the community to be aware that our services are available to them, at the time they need them. We also need all professionals who advise or represent taxpayers to understand our role and how we can help their clients. While the 128% increase in complaints received over the last year suggests that awareness of our services is growing, we recognise that this is only the beginning. We believe there are still people who need our service but do not know about it. It is our responsibility to ensure everyone who needs our help can access it. That is why we have set out ambitious plans to increase the awareness of our work and to make ourselves accessible to all.

We completed our rebranding to Tax Ombudsman early in the year, helping the community better understand who we are and what we do. This included a refresh of our website and our public facing communications. We have continued to develop and enhance our website, making it easier to use and adding additional pages, such as case studies and further transparency on the ATO's implementation of our recommendations. We have extended our use of social media into Facebook (for taxpayers) and have grown our following on LinkedIn (for professionals). We now have better data to tell us what works in engaging our target audiences.

We have not conducted a general public awareness campaign, not least because we needed to be careful to manage our capacity to meet demand at a time when complaints have doubled. Instead, we have undertaken targeted communication and engagement campaigns focused on tax professionals, financial counsellors and organisations who support people in financial distress or debt. In the last year we have held roadshows in Sydney, Melbourne, Perth and Brisbane including a 'Meet the Ombo' session, open to all. We have also attended some regional events, where we saw demand, for example in Wagga Wagga, the Central Coast, Sunshine Coast, Cairns, Gold Coast, Torquay and Launceston. And we frequently attend events online.

Our review into the ATO's engagement with First Nations taxpayers (started in April 2026) has extended to the different communities and organisations with whom we want to consult and work. We contracted an Aboriginal-owned partner, Jindawayni, to support us in culturally safe community engagement and consultation. In the latter part of 2025–26, Jindawayni started a series of 21 yarning sessions across First Nations communities which will be completed in FY27. We intend to learn from these experiences and have developed a Diversity Strategy for the agency which will set out our plans for engagement

with culturally and linguistically diverse communities and First Nations communities (amongst others). The Strategy is due to be implemented from FY27 onwards.

In addition to broadening who we engage with, we have also looked at how we increase our influence. We have extended the range of ways we can achieve strategic influence, such as by publishing thought leadership articles or contributing to more debates and consultations. Our new Complaints Snapshot publication commenced in May 2026 which aims to share important data and insights from the complaints we receive to inform discussion on areas to improve in tax administration.

In testing the effectiveness of our community engagement, we are evaluating the impact of our actions. At an overall level, we are using awareness surveys of the tax profession and general population. These surveys are being used to inform KPIs we will set ourselves in raising awareness and improving our communications and engagement activity. At channel level, we are examining the take up and response to different types of communications and engagements, including social media, newsletters, media, publications and events.

Case study

Resolving an erroneous DPN

Jenny* was issued a Director Penalty Notice (DPN) for $41,000, even though she had no connection to the company involved. She first became aware of the issue when lodging her tax return, after credits were automatically offset against the alleged debt.

Jenny promptly lodged a DPN defence. She was able to show that she was unrelated to the entity and that the issue arose because her tax file number matched the company's ACN, which was an ATO error.

The ATO withdrew the DPN. However, the withdrawal letter stated that a new DPN could still be issued in the future, which caused Jenny significant anxiety. At the same time, there was a delay in the offset credit being refunded and the DPN accounts continued to appear in her ATO Online account.

Jenny made an initial complaint to the ATO. While this resolved the credit issue, it did not address the ongoing visibility of the DPN accounts or the wording of the withdrawal letter. Jenny then escalated the matter to the Tax Ombudsman, seeking assurance that a new DPN would not be raised and that the DPN roles would be removed from her account.

The ATO initially declined, citing recordkeeping requirements. We argued that it was unfair for Jenny to continue to be affected by an ATO error. The ATO agreed to remove the accounts from view and issued an apology confirming that a DPN would not be raised again.

*name changed to protect customer confidentiality

Key activity 5:
Build and maintain strong stakeholder relationships

Strategic initiatives

- Grow our influence in Government, the public service, and the tax profession
- Build trust with key stakeholders
- Develop alliances and partnerships with community organisations
- Adopt a strategy of 'no surprises' with all stakeholders

2025–26 deliverables

- Systematise stakeholder engagement
- Establish and schedule fortnightly stakeholder engagement and events
- Develop approaches to better understand our stakeholders' experience
- Keep building relationships with the ATO and TPB
- Keep building and deepening key tax sector and community organisation relationships
- Leverage our stakeholder relationships to amplify our voice and extend our reach
- Keep building key Government, Parliament and public service relationships
- Measure stakeholder satisfaction

Comments

We have a large stakeholder community to work with which stretches from the tax profession through to a range of community organisations, such as financial counsellors, who support people in financial distress. In addition, we need to work effectively across the Australian Public Service, with peer agencies as well as those we seek to influence, such as the Treasury and Ministers. And while we are independent of the ATO and TPB, we are more influential and impactful when we have good working relationships with those who we oversee.

Building those relationships takes time. In the last year we have sought to plan stakeholder engagements more strategically to maximise our time and theirs. We welcome the support of our stakeholders and recognise that where we are in common cause, their advocacy of our services and points of view can amplify our voice and enhance our impact.

At the start of the year, we recognised that while we work regularly with our stakeholders, we often don't see what they see in tax administration through their everyday work. So, we have invested time in visiting tax agents and financial counsellors to observe their practice as well as attending their local meetings and forums. This has helped us shape recommendations, especially on improvements tax practitioners want to see in the ATO's online systems as well as the ATO's support for the most vulnerable Australians, as seen through the eyes of financial counsellors.

We set out to ensure we stayed in close contact with our stakeholders all year – aiming for engagements at least fortnightly. We far exceeded that goal, with over 90 engagements, averaging two per week.

We have built up our strategic and operational relationships with the ATO and TPB. In particular, with the ATO, we have agreed refreshed complaints handling guidelines and are measuring timeframes for responses, so between us we speed up resolution for the taxpayer. In August 2025, we adopted new guidelines for our systemic reviews following a period of testing. And as part of a commitment to continuously improve them, the guidelines were examined again in March 2026 and some improved processes, including how we follow up on recommendations agreed by the ATO, are being piloted with a view to adopting them in future.

At senior executive level, we have regular conversations to share our insights into how the ATO is administering the tax system and raise key issues of concern, as they arise. This has included a twice-yearly attendance of our agency head at the ATO Executive to highlight the key themes observed through our oversight work.

To test the effectiveness of our stakeholder engagement, we undertake an annual survey, which asks how satisfied our stakeholders are with how we work with them. The results have been positive with around 90% satisfaction and this will be set as an ongoing KPI.

Key activity 6:
Manage and develop our organisation to be as efficient and effective as possible

Strategic priorities

- Prioritise how we spend our resources
- Embed our new operating model
- Develop and embed new performance measures
- Refresh our workforce strategy and plans
- Develop workforce capability
- Develop, engage and nurture our workforce
- Improve internal communications and change management

2025–26 deliverables

- Seek a sustainable solution to our funding requirements
- Decide on a future shared services/payroll provider and manage the transition
- Develop and deliver a new ICT roadmap
- Develop a roadmap of enhancements to our case management system
- Enable ICT and AI to leverage data for reporting and storytelling
- Develop new process support tools
- Embed our new KPIs and adapt as necessary
- Continue to develop appropriate internal and individual performance measures and keep under review
- Create new reporting dashboards and reports
- Develop a workforce strategy and plan
- Develop and execute a plan to invest in staff capability
- Develop and execute a plan to invest in management capability
- Enhance internal consultation and transparency
- Continue to improve internal communications and management of change
- Continue to invest in staff wellbeing
- Develop and execute a plan to monitor and manage staff attrition within budget
- Develop talent management and succession plans
- Improve measurement of employee engagement
- Develop the new Executive Team

Comments

Internally within our organisation, we have undertaken a number of changes to improve our efficiency and effectiveness, ensuring we provide best value for money.

In prior years, we had highlighted that our funding was unsustainable, reporting operational losses several years in a row. In the Mid-Year Economic and Fiscal Outlook (MYEFO) in November 2025, the agency's appropriation was increased by $9m over four years. This is a significant boost for the agency, enabling us to put ourselves on a more sustainable footing and to resource key capacity and capability gaps.

As part of our resourcing, we need to re-shape our workforce to ensure the right work is being done at the right levels, in APS classifications. We fully expect this to be achievable through natural attrition. This does, however, require us to model our workforce changes quite closely to ensure the attrition is managed to protect service delivery, as well as being able to live within resources and meet our responsibilities under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Our attrition and workforce changes were reviewed on a quarterly basis, and this will be ongoing into FY27.

Despite the much-needed injection of funding, our complaints volumes have more than doubled and we have therefore had to find opportunities to enhance productivity and to streamline our processes. This has included making better use of our data and ICT, as developed through our ICT roadmap. Our understanding of our core processes has also improved through better data modelling and analysis, and this has helped us plan better to remove bottlenecks and deploy resources appropriately. Additional reporting and use of real-time dashboards have also helped our operational teams to manage and improve performance on a daily and weekly basis.

We are still developing our suite of Key Performance Indicators (KPIs) at agency level and Key Expected Results (KERs) at staff level, learning what drives performance to achieve best outcomes. In FY25 we tested some new measures and in FY26, we adjusted them to provide better coverage. This remains a work in progress and we expect to adjust our strategic and operational measures again in the year ahead.

We extended our use of Artificial Intelligence (AI) in line with the Policy for the Responsible Use of AI in Government. We updated our privacy, security, and records management policies before extending Co-pilot licences to all staff. We currently use AI to support research, analysis and summarise information but we do not use it for decision-making. We see plenty of opportunities to drive efficiency through the use of AI and ICT and look to drive this more extensively in the year ahead.

In the last year, we recognised that our payroll arrangements with an external provider were creating significant risks. We undertook a due diligence review of alternative options and signed a new shared services agreement with the Department of Industry, Science and Resources on 5 March 2026. The change was a significant one for the organisation and workforce and the transition was carefully managed and successfully completed by the end of May 2026.

Due to capacity constraints, there were some commitments we were unable to complete during the year. This included a new workforce strategy and plan, a learning and development strategy, development for the Executive Team and a talent management/succession plan.

We have however focused on the key issues of importance to our people, based on the feedback they have provided to us. Our teams highlighted internal communications and change management as priorities, as well as building up management and leadership capabilities. We have made considerable improvements in our internal communications based on staff feedback. This includes new channels of communication, better use of our SharePoint intranet and improved newsletters.

Our internal consultation has improved. We are more deliberate in how we engage our teams in consultation as well as ensuring we close the feedback loop and share how their feedback has been taken on board (or if not, why not).

In the last year we have invested in tailored learning and development for our team leaders, managers and executives. This included 7 modules of learning to support their growth and to build up our collective leadership and management capability.

Based on our employee census feedback, we also focused very heavily on psychosocial safety. We completed a psychosocial survey of all staff and this informed a new risk assessment, followed by additional training for all staff and managers on respect at work and bullying and harassment. We have zero tolerance of any forms of bullying and harassment, and this includes unreasonable customer conduct. We refreshed our guidance for staff on how to manage complainant conduct, including when it is OK to refuse to deal with customers. This is a growing trend seen in most complaint handling agencies, and we must ensure our workplace is always a safe and supportive environment for our people, including where they work from home.

We introduced a new pulse survey in January 2026, recognising that a once-a-year census was not frequent enough to hear feedback from our teams. This is helping us act more quickly on our people's feedback and test whether our actions are working.



Case study

Supporting finalisation of a deceased estate

Margaret* sought to lodge her late partner's outstanding tax returns to finalise his estate. She provided the ATO with a certified copy of the will, which named her as the authorised Legal Personal Representative (LPR). However, the ATO requested that she obtain probate. When Margaret contacted the Supreme Court, she was advised that probate was not necessary as her partner had no assets. Moreover, the cost of obtaining probate posed an unnecessary financial burden.

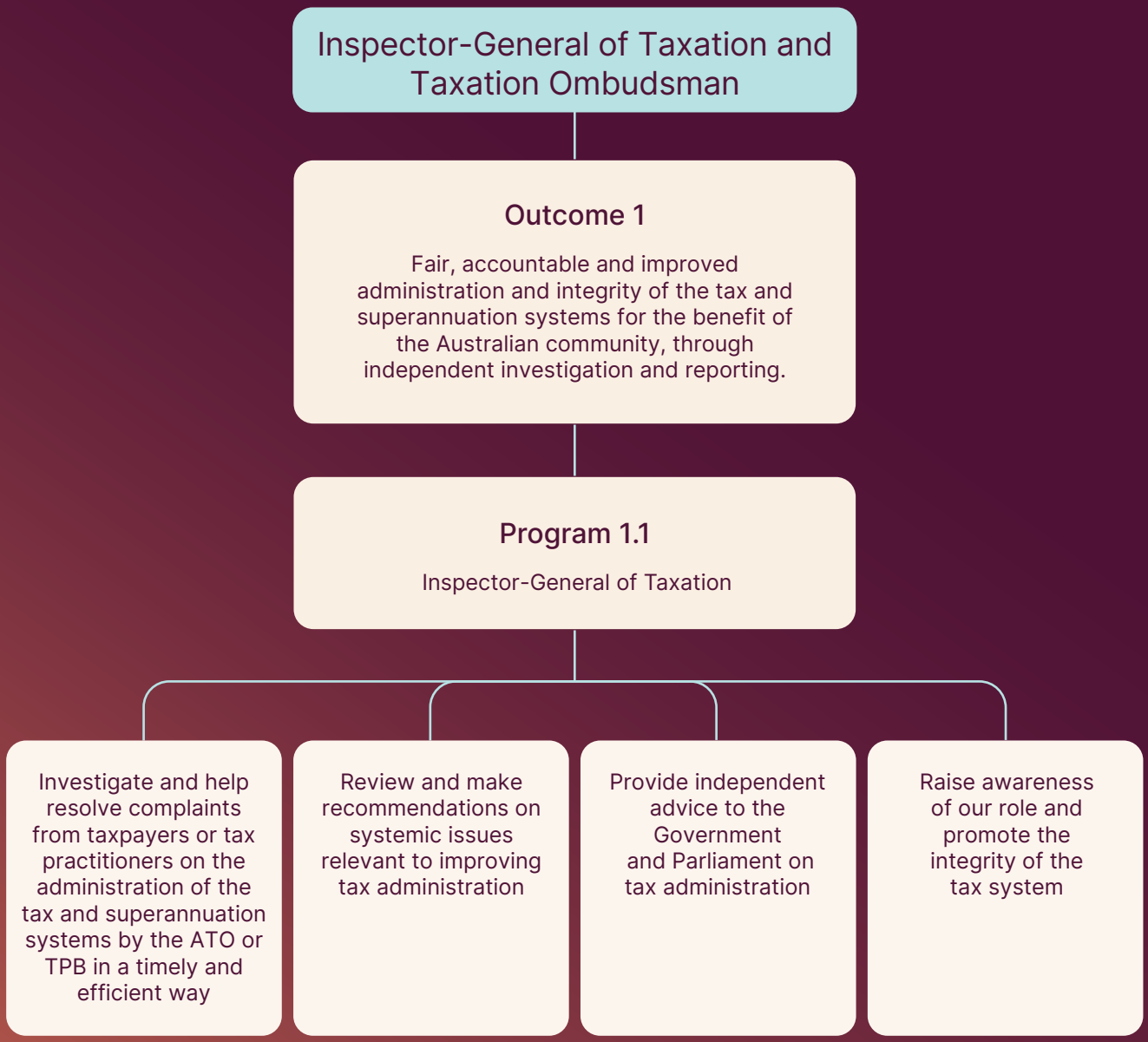
We requested the ATO reconsider its requirement for probate, highlighting that Margaret had already provided a certified copy of the will confirming her role as LPR, and that probate was not legally required due to the absence of estate assets.

The ATO reviewed the circumstances and agreed that probate was not necessary. They accepted the certified will as sufficient evidence of Margaret's authority as LPR. Margaret was then provided with the information she needed to lodge her late partner's tax returns, allowing her to finalise the estate without incurring unnecessary costs.

*name changed to protect customer confidentiality

Outcome and program structure

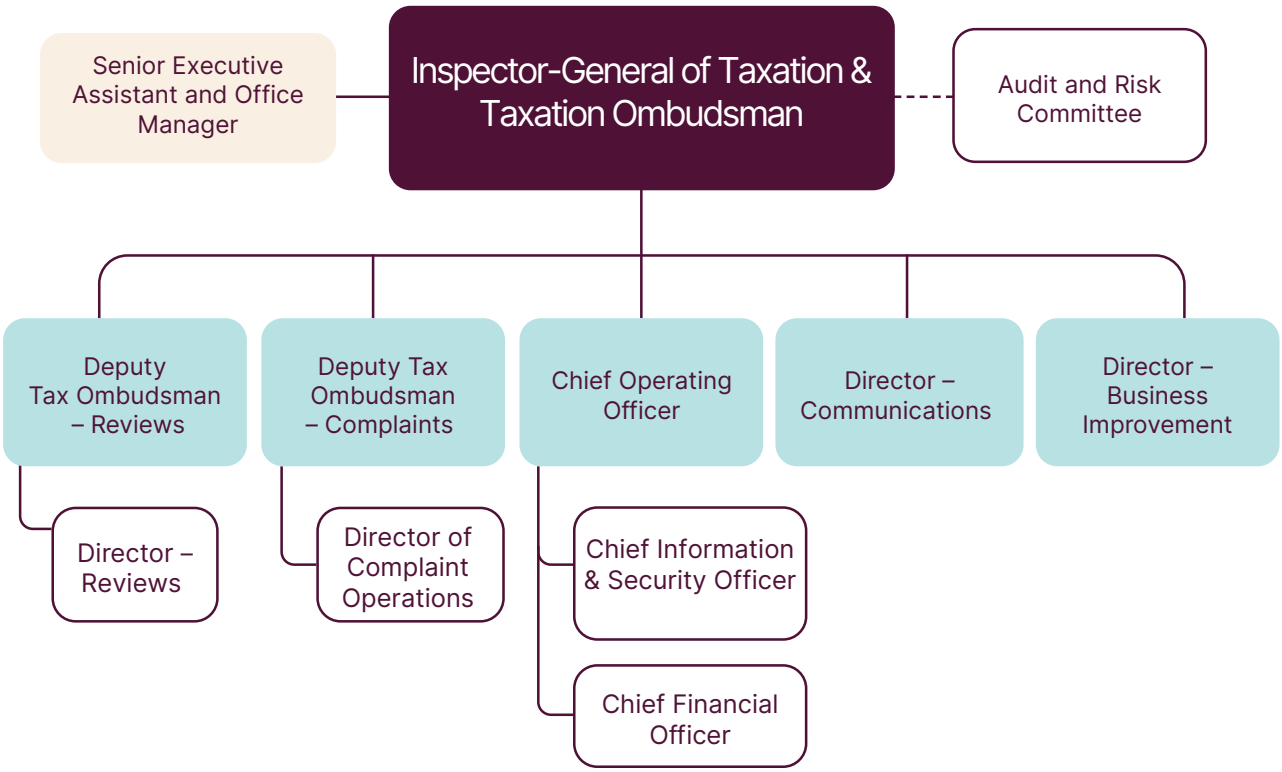
Here is a snapshot of the outcome and program administered by our agency during FY26, as defined within the Portfolio Budget Statements 2025–26:



Organisational structure

Our agency is an independent statutory agency which means that:

- our powers and responsibilities are defined by law
- we operate independently of the ATO and TPB
- we report directly to Parliament.



Accountable Authority

Ruth Owen CBE was appointed as the Inspector-General of Taxation by the Governor-General, commencing on 15 July 2024 for a term of 5 years.

Table 1.1 Details of Accountable Authority during the reporting period

Name	Position title/Position held	Period as the Accountable Authority in FY26
Duy Dam	Acting Inspector-General of Taxation	1 July 2025 to 6 July 2025
Ruth Owen CBE	Inspector-General of Taxation	7 July 2025 to 30 June 2026

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Financial performance 49

Our annual performance statement

Statutory statement

I, Ruth Owen CBE, as the Accountable Authority, have prepared the FY26 annual performance statement for the purpose of paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (**PGPA Act**). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the agency in FY26 and complies with subsection 39(2) of the PGPA Act.

Overall performance results

We measured our success against the 7 key performance indicators (KPIs) outlined in our *Corporate Plan 2026–2029*.

In FY26:

3
KPIs were achieved

4
KPIs were not achieved

1
KPI was not measured due to creating a baseline measurement for FY26

Table 2.1 Annual performance statement

Performance Measure	Target	Methodology	Result	Status
KPI 1: Finalise complaints received from 1 July 2025 within 50 calendar days				
Resolving complaints in a timely way	60%	The measure is of the % of complaints completed since 1 July 2025, excluding cases transferred to the ATO to resolve in the first instance.	46%	Not achieved
KPI 2: Finalise complaints received from 1 July 2025 within 80 calendar days				
Resolving complaints in a timely way	85%	The measure is of the % of complaints completed since 1 July 2025, excluding cases transferred to the ATO to resolve in the first instance.	74%	Not achieved
KPI 3: Customer satisfaction survey results				
Customer satisfaction survey results	65% of complainants say they would use our service again	Based on responses to a customer survey issued to all customers using our complaints service, irrespective of the outcome of their complaint.	61% of complainants said they would use our service again	Not achieved
KPI 4: Number of systemic reviews completed and published				
Number of systemic reviews completed and published	4 reviews completed and published	Manual data from our review workplan.	4 reviews completed and published	Achieved
KPI 5: % of systemic review recommendations agreed				
% of systemic review recommendations agreed	80% of recommendations agreed	Manual data based on reporting from the ATO and TPB.	97% agreed	Achieved
KPI 6: % of systemic review recommendations implemented within planned timeframe				
% of systemic review recommendations implemented within planned timeframe	90%	Manual data based on reporting from the ATO and TPB.	75%	Not achieved
KPI 7: Stakeholders are satisfied with the quality of the Tax Ombudsman's work				
% of stakeholders are satisfied with the quality of our work	90%	Based on the results of a feedback survey distributed to key stakeholders by the office of the Tax Ombudsman.	90%	Achieved
KPI 8: Public are aware of the Tax Ombudsman service				
% of the public are aware of the Tax Ombudsman service – to be baselined in FY26	N/A – to be baselined in FY26	Based on the results of a community survey by an independent research organisation.	N/A	N/A

Key performance indicator 1

Finalise 60% of complaints received since 1 July 2025 within 50 calendar days

Strategic priority

Improve customer service levels to taxpayers raising complaints with us

Measure

The measure is of the % of complaints completed from 1 July 2025

Target

60%

Result

Not achieved – 46% of complaints received from 1 July 2025 were finalised within 50 calendar days

We did not achieve this target during FY26. Performance remained below target throughout the year.

Performance improved in the second half of the year, reflecting the impact of operational reforms and targeted queue reduction activities.

The primary factors affecting performance were:

- complaint volumes substantially higher than forecast
- a higher volume of complaint cases on hand at the commencement of FY26
- workforce capacity constraints.

In response, we implemented a range of operational improvements including complaint topic specialisation, revised allocation practices, specialist assurance streams, queue reduction initiatives, revised closure arrangements and strengthened performance monitoring. These initiatives reduced the number of complaints awaiting allocation from 106 in January 2026 to 29 by April 2026.

Key performance indicator 2

Finalise 85% of complaints received since 1 July 2025 within 80 calendar days

Strategic priority

Improve customer service levels to taxpayers raising complaints with us

Measure

The measure is of the % of complaints completed from 1 July 2025

Target

85%

Result

Not achieved – 74% of complaints received since 1 July 2025 were finalised within 80 calendar days

Performance fluctuated throughout the year and remained below target.

The same operational pressures affecting KPI 1 also affected achievement of this measure. Sustained increases in complaint demand, higher than anticipated opening workloads and capacity constraints contributed to longer case handling times.

While the target was not achieved, queue reduction activities, revised complaint management practices and increased focus on allocation and throughput improved overall operational performance during the latter part of FY26. We continued to reduce waiting times for complaints as we streamlined our processes. Complaints were resolved 34% faster than FY25.

Key performance indicator 3
Customer satisfaction survey results

Strategic priority
Improve customer service levels to taxpayers raising complaints with us

Measure
Customer satisfaction survey results

Target
65% of complainants say they would use our service again

Result
Not achieved – 61% of complainants say they would use our service again

Customer satisfaction results have increased from FY25 (58%) and fluctuated throughout the year between 53% and 74%. However, feedback from our customers indicates there is further opportunity to improve their experience and this will be a major focus of our work in the coming year.

Throughout the year, the complaints function focused on maintaining complainant engagement, monitoring customer feedback and strengthening service delivery practices.

Customer feedback indicated that many complainants continue to value our service, despite the pressures on timeliness.

Despite the challenges presented during FY26, we continued to receive positive feedback from many taxpayers who used our services:

" I felt heard and validated. And I was provided with the correct information, which the ATO did not provide."

"The complaint service was excellent and the staff member who investigated my complaint was very thorough and efficient and was able to provide detailed information both verbally and in writing..."

"After stumbling on the ombudsman, and contacting them, it was resolved fast. More people need to know about them."

Key performance indicator 4
Number of systemic reviews completed and published

Strategic priority
Enhance the impact of our reviews and recommendations

Measure
Number of systemic reviews completed and published

Target
4 reviews completed and published

Result
Achieved – 4 reviews completed and published, including 1 own-motion review completed and notified to affected parties

During FY26, we progressed 7 reviews, 2 of which were carried over from the previous financial year. We also commenced 5 new reviews and completed and published 4 review reports as follows:

- *Letters from the ATO*
- *Systemic review of the effectiveness of the ATO's registered agent phone line*
- *In the interest of fairness: A review into the ATO's management of remission of general interest charge (GIC)*
- Review of the ATO's management of a complex and long-running case in which allegations of maladministration had been raised by a taxpayer. Due to the need to protect taxpayer privacy and confidentiality, this report was finalised and notified to all affected parties but was not published.

The remaining reviews commenced in FY26 were:

- *Bias isn't always seen: A review into the ATO's controls for bias in decision-making and disclosures*
- *The ATO's Online Services for Agents*
- *The ATO's engagement with First Nations taxpayers*

The body of review work reflects our ongoing efforts to refine our approach to the identification of areas suitable for review, our engagement with stakeholders and the conduct of reviews to deliver timely observations and meaningful recommendations for improvement.

A brief summary of each completed review is provided in Table 2.2.

Table 2.2: Summary of completed reviews

Letters from the ATO	
Release date	**17 July 2025**
Scope and key findings	This review examined the ATO's processes for developing key template letters that are issued to taxpayers. Annually, the ATO issues more than 140 million letters and messages to taxpayers. While most of these are simple reminders, there are many that inform taxpayers about their tax obligations and what they need to do to comply. We heard that some taxpayers find the ATO's letters "scary" and lacking in empathy, and the letters sometimes seem threatening or had an accusatory tone. We found that the ATO has a comprehensive framework for developing such letters, but aspects of it, such as user testing, were not always applied. This can lead to technical language being used, which creates confusion and an inappropriate tone which can cause anxiety and stress for taxpayers. Our recommendations to the ATO were aimed at improving the design process to improve consistency and quality of the letters produced. We recommended extended use of user testing with input from everyday Australian taxpayers as well as expert input into the development of its correspondence.

Systemic review of the effectiveness of the ATO's registered agent phone line	
Release date	**16 October 2025**
Scope and key findings	This review examined the ATO's service offering to registered tax and BAS agents, with a particular focus on the Registered Agent Phone Line. While the review was initially prompted by concerns about the phone service, it expanded to consider the broader range of services available to agents, including digital services and support for Client-to-Agent Linking. The review was informed by surveys, submissions and consultations with agents, professional associations and the ATO. The report found that agents play a critical role in Australia's tax system, representing 62% of individual taxpayers and 96% of other taxpayers, yet many agents believe the ATO does not sufficiently recognise or value their contribution. A key finding was a mismatch between agents' expectations and the ATO's service model, leading to frustration and declining trust. Agents reported that digital services often do not meet their needs, forcing them to use the phone more frequently, while the registered agent phone line was criticised for inconsistent service quality, limited technical expertise and long resolution times. The review also found that many agent calls are handled by relatively inexperienced staff, including externally contracted call centre officers, and that there is no dedicated agent servicing team. Agents reported that the quality of phone support has deteriorated in recent years. The report concluded that improving services for agents is not about providing preferential treatment but ensuring services are appropriately tailored to the role agents play in supporting taxpayer compliance. Better engagement and co-design with agents were identified as essential to improving service outcomes and reducing unnecessary administrative burden. We recommended that the ATO strengthen its strategic relationship with agents through better consultation, transparency and co-design; review and improve digital services to reduce unnecessary phone contact; enhance the usability and responsiveness of practice mail and online services; and improve the quality, performance measurement and transparency of the registered agent phone line. We also recommended a new phone service model that routes complex enquiries to more experienced staff and improved support for the Client-to-Agent Linking process, particularly for vulnerable taxpayers and those requiring additional assistance.

In the interest of fairness: A review into the ATO's management of remission of general interest charge (GIC)	
Release date	**2 March 2026**
Scope and key findings	The review examined how the ATO administers requests for remission (reduction or refund) of the General Interest Charge (GIC) that accrues on unpaid tax debts. We undertook extensive consultation with taxpayers, tax practitioners, professional associations, financial counsellors and small businesses to assess whether the ATO's decision-making frameworks, policies and processes support fair, consistent and transparent outcomes. The review focused on whether ATO practices align with principles of good tax administration, including consistency, transparency and accuracy. The review found that taxpayers and practitioners experienced significant inconsistency in GIC remission decisions, with similar circumstances often producing different outcomes. It also identified that ATO guidance was vague and difficult to navigate, and that communication with taxpayers was often insufficient to explain why remission requests had been approved or denied. These issues were found to contribute to confusion, perceptions of unfairness and reduced confidence in the administration of GIC remission requests. A key theme of the report was balancing the need for the GIC regime to encourage timely payment of tax debts while recognising that some taxpayers face genuine circumstances that affect their capacity to pay. The report recognised that taxpayers should not be rewarded for deliberate late payment, but that there are situations where remission is appropriate and should be administered consistently and transparently. We made four recommendations aimed at improving fairness, consistency and clarity in GIC remission decisions. One of the most significant recommendations was that the ATO establish an upfront interest-free payment plan option for eligible taxpayers who enter into and maintain compliant payment arrangements, helping them repay debts more quickly. The ATO agreed to all recommendations and has already begun implementing changes intended to improve consistency in remission decision-making and taxpayer outcomes.

Own-motion review into a complex and long-running case	
Release date	**22 April 2026**
Scope and key findings	Our investigation examined allegations of maladministration by the ATO that were raised by a taxpayer and subsequently reported in the media. Our investigation found that some, but not all, allegations of maladministration were substantiated. We identified historical procedural failings within the ATO that did not meet community expectations of an objective and impartial tax administrator and reported our findings to the Commissioner of Taxation and the taxpayer. At the same time, our investigation found no evidence to substantiate some of the complainant's more serious allegations. The review reinforces the importance of robust administrative processes, transparency and impartial decision-making in maintaining public confidence in the tax system.

Key performance indicator 5
% of review recommendations agreed

Strategic priority
Enhance the impact of our reviews and recommendations

Measure
% of systemic review recommendations agreed

Target
80% of recommendations agreed

Result
Achieved. 97% of recommendations were agreed by the ATO

Once we make a recommendation in a review, the ATO responds to us by either agreeing or not agreeing to our recommendations. In FY26, 97% of our recommendations were agreed in full or in part. Only 1 of our recommendations was not agreed.

Table 2.3 Reviews – Summary of recommendations agreed

Review	Total recommendations made	Total recommendations agreed
Letters from the ATO	9	9
Effectiveness of the ATO's registered agent phone line	14	13
In the interest of fairness: A review into the ATO's management of remission of general interest charge	10	10
Review of the ATO's management of a complex and long-running case	0	N/A
Total	**33**	**32**

Table 2.4 Reviews – detailed overview of agreed recommendations

Letters from the ATO		
	Recommendation	**ATO response**
1	The ATO: (a) Review its letter design framework to set clear expectations about when the process is to be activated, teams to be involved and joint sign off processes for disagreements, including a point of escalation and resolution where required.	Agree
	(b) Strengthen mutual understanding and collaboration between business areas and specialist communications teams to ensure their respective skills are used effectively during the letter drafting process.	Agree
	(c) Update letter templates to include standard information about support options for culturally and linguistically diverse taxpayers and those with disabilities.	Agree
2	The ATO develop a framework for consultation and user testing of all template letters including: • when consultation or testing is required, and outlining priorities if not all templates can be tested • expected timeframes and funding • who should participate in consultation or testing (including participants who are representative of the affected taxpayer population and those who are culturally and linguistically diverse) • how validation of changes to letters is to be conducted with participants.	Agree
3	The ATO: (a) Evaluate options for gathering direct feedback on letter clarity and comprehension, with the aim of implementing simple, effective mechanisms, where appropriate.	Agree
	(b) Explore opportunities to make greater use of data and analytic tools to understand which letters are driving call volumes.	Agree
	(c) Adopt a structured, proactive approach to the periodic review of correspondence based on usage volume, complexity, and potential for confusion.	Agree
4	The ATO: (a) Promote the correct use of communication preferences and address fields.	Agree
	(b) Review how taxpayers and tax agents' communication preferences are applied across all letter templates, with the aim of ensuring these preferences are followed unless there are strong reasons not to.	Agree

Systemic review of the effectiveness of the ATO's registered agent phone line		
	Recommendation	**ATO response**
1	The ATO: (a) Publicly recognise the value and essential role played by agents within the tax and superannuation systems, continuing to use appropriate speaking engagements and throughout its public facing communications. This should be followed by periodic joint assessments of the strength of the strategic relationship with the agent community.	Agree
	(b) Refine engagement with agents by outlining to them: i. The criteria used to determine when matters will go to consultation or to co design, so agents understand when and how they may be involved in developing or improving changes that impact them. ii. How it will close the loop on agent feedback. This can include providing timely feedback on consultation outcomes, specifying which agent suggestions have been adopted, which have not, and why.	Agree
	(c) Refresh how engagement and stewardship groups operate to maximise the value from time spent engaging with agents and agent representatives.	Agree
	(d) Strengthen the internal function leading engagement with agents (and their representative bodies), including acting as the voice of agents within the ATO's internal priority setting and decision-making.	Agree
2	In consultation with the agent community (and the Tax Ombudsman), the ATO: (a) Undertake a review of its digital service offerings to identify content gaps in the ATO website and functionality gaps in Online Services for Agents (OSfA) and practice mail that may be driving unnecessary call volumes. The review should examine opportunities to: i. Enhance progress tracking of transactions, enquiries, applications and escalations on OSfA and practice software, providing real-time status updates and estimated resolution timeframes. ii. Enhance the usability of practice mail and improve response times, particularly for high-volume low complexity issues, to incentivise its use over the phone line.	Agree
	(b) Strengthen data collection, measurement and consultation to better understand the drivers of why agents are calling rather than using online, self-service channels.	Agree
	(c) Improve transparency by sharing with agents a targeted set of internal decision-making tools (such as staff guidance or checklists) so that they can better understand and anticipate ATO decision-making without needing to call. An example of this would be staff guidance or checklists on agreeing to payment plans.	Agree

Systemic review of the effectiveness of the ATO's registered agent phone line		
	Recommendation	**ATO response**
3	The ATO: (a) Improve service quality by: i. Using criteria developed in consultation with the agent community to assess the quality and resolution of calls from agents. This would be a supplement to the current quality assurance framework. ii. Regularly applying its current (and then a refreshed) quality assurance framework to a sample of calls made by agents, enabling targeted evaluation of call handling, quality and resolution including staff capability to address agent enquiries. iii. Providing a dedicated, recurring mechanism for agents to provide structured feedback on their call experience and using that to guide improvements in agent call handling.	Agree
	(b) Publish registered agent phone line service performance data including calls answered, waiting time, quality assurance, resolution and other indicators such as call transfers, escalations, hold times.	Agree
	(c) Develop a new service model which: i. Ensures that registered agent phone line calls are routed to experienced ATO staff as far as possible, as part of the priority service. ii. Differentiates agent calls that need more experienced staff or a higher degree of tax technical knowledge and routes them accordingly, potentially with a callback option where access to expert staff is required.	Disagree
	(d) Undertake a review of the fast key code system, co-designed with the agent community, to ensure that fast key codes are clear and better meet the needs of agents, so that they can connect with the correct ATO officer more efficiently.	Agree
4	The ATO: (a) Review and update available guidance to ensure that clear information is available to taxpayers regarding the documentation and technology requirements needed to successfully complete the client-agent linking (CAL) process prior to taxpayers commencing that process.	Agree
	(b) Make it easier for taxpayers to seek CAL telephone support, including improved visibility and access to telephone support options.	Agree
	(c) Formally explore ways to better support taxpayers experiencing vulnerability to complete the nomination process, which may include tailored assistance, improved communications and support options, and alternative pathways to complete a nomination such as via practice mail.	Agree

In the interest of fairness: A review into the ATO's management of remission of general interest charge (GIC)		
	Recommendation	**ATO response**
1	The ATO to conduct a post implementation review of the changes implemented in relation to GIC remission in late 2025 and early 2026, within 12 months of their completion. This includes the introduction of a centralised function for decision-making, a standard application form, and website updates, including revised guidance and published examples of how the criteria for remission are applied.	Agree
2	The ATO: (a) Build on its plans for a new centralised penalty and interest function with updated guidance and training to improve how its officers consider the specific circumstances of each case.	Agree
	(b) Explore greater use of partial remission (meaning remission for a part period or partially reducing the amount payable) and publish the factors it may consider when deciding partial remissions.	Agree
	(c) Explore options for upfront agreement of full or partial GIC remission for a specific period (including the future period of a payment plan) for taxpayers repaying their debts.	Agree
3	The ATO: (a) Build on its improvements in addressing inconsistency in decision-making by conducting regular calibration sessions on complex GIC remission applications.	Agree
	(b) Build on its improvements in addressing inconsistency in decision-making by providing better clarity in its internal guidelines on when officers are expected to request further information.	Agree
	(c) Build on its improvements in addressing inconsistency in decision-making by updating internal guidelines such that officers are prompted to consider if special circumstances, including serious hardship or serious vulnerability, apply at the earliest stage possible.	Agree
4	The ATO: (a) Improve the level of detail in its letters that refuse GIC remission or agree only partial remission, to explain how its decisions were reached.	Agree
	(b) Update its standard paragraphs, templates, guidance, and training to ensure decision letters are tailored to better acknowledge the taxpayer's lived experience and personal circumstances.	Agree
	(c) Improve clarity and visibility of the options for reconsideration and review of GIC remission decisions, including updating its letter templates and internal staff guidance.	Agree
Own-motion review into a complex and long-running case		
	No recommendations were made to the ATO	N/A

Key performance indicator 6
% of review recommendations implemented within planned timeframe

Strategic priority
Enhance the impact of our reviews and recommendations

Measure
Systemic review recommendations implemented within planned timeframe

Target
90% of recommendations implemented within planned timeframe

Result
Not achieved. 75% of recommendations implemented within planned timeframe

The responsibility for implementing recommendations rests with the ATO and the relevant business areas. We actively monitor the ATO's implementation of recommendations in a number of ways.

For those recommendations that are agreed in full or in part, the ATO provides us with its implementation plans within 8 weeks setting out actions that it will take to implement the recommendations. We engage with the ATO to discuss its planned implementation including the timeframes. Each quarter, we receive a status report of progress of implementation which is also tracked on our register for reporting purposes. Once an implementation plan has been completed, we receive a closure assurance report that has been signed off by the relevant Deputy Commissioner.

During the financial year, the ATO completed its implementation of 31 recommendations across five reviews. Due to the planned timeframes for implementation, some of the recommendations that were implemented in this financial year related to reviews finalised and published in prior years. Based on data provided by the ATO, 75% of recommendations implemented were done so within planned timeframes. The remainder were delayed for a range of reasons, including needing further time to consult with taxpayers, ensuring governance documents or realigning delivery dates of associated or overlapping recommendations. In one instance, the delay was beyond the ATO's control due to an external dependency not being available by the planned implementation date.

In this financial year, the ATO also identified some challenges on its end in providing status reports on progress as well as closure assurance reports which can impact the timely visibility for our office to assure that a recommendation has been implemented by the planned date. We continue to engage and work with the ATO to enhance implementation monitoring to ensure that recommendations that we have made and accepted by the ATO are implemented in a timely manner to deliver intended benefits to the community.

Table 2.5 Reviews – recommendation and implementation plans due for completion in FY2026

Tax identity fraud: an own initiative investigation

(This table is an extract of the full report and includes only tasks due for completion in 2025-26. Consequently, item numbers may not appear sequentially. The full implementation plans are available at www.taxombudsman.gov.au/reviews/completed-reviews/.)

	Recommendation	Status	Planned implementation date	Completion date
1	The ATO: (b) Lodgement and processing controls should be enhanced as part of the self-assessment system so that it does not process suspicious lodgements that may be linked to TaxID fraud without verification.	Completed with delays	Q1 FY26	Q2 FY26
	(c) Systems delay High Risk refunds unless and until there has been adequate authentication and verification of the bank account details.	Completed on time	Q2 FY26	Q2 FY26
	(d) In the long term, bring its payment systems up to financial industry standards and develop a dedicated application for trusted devices to allow safe and trusted real time communications between the ATO and taxpayer for verification purposes.	Completed on time*	Q4 FY26	Q4 FY26
2	The ATO: (a) Actively engage with trusted participants in the financial system to combat TaxID fraud and join the Australian Financial Crimes Exchange (AFCX) and actively participate in the Fraud Reporting Exchange (FRX) on case specific issues.	Completed with delays	Q2 FY26	Q4 FY26
3	The ATO: (a) Authenticate change of taxpayer or tax agent contact details which are high risk, which necessarily includes changes of: • bank account details • mobile or other telephone contact details • contact email addresses.	Completed on time*	Q4 FY26	Q4 FY26
	(b) Implement systems which allow for multi-factor authentication. The ATO should: i. Implement a real-time multi-factor authentication and confirmation system within the tax system for taxpayers. ii. Use that system to require taxpayers' confirmation before making any changes to a taxpayer's contact and bank account details. iii. Use a dedicated app on the taxpayer's trusted device, pre-existing contact number or email address to alert the taxpayer to any new or overriding myGov linking event to their ATO Online account.	Completed on time*	Q4 FY26	Q4 FY26
	(d) Implement controls which better empower taxpayers to protect their own accounts (24/7), by implementing ATO online functionality which allows taxpayers to immediately block online access to their accounts, and which can only be unlocked with their consent.	Completed on time	Q4 FY26	Q2 FY26

Tax identity fraud: an own initiative investigation				
	Recommendation	**Status**	**Planned implementation date**	**Completion date**
	(e) Provide a clearly identifiable and easily accessible online reporting page or contact centre where bank account details associated with TaxID fraud can be reported.	Completed on time	Q1 FY26	Q1 FY26

The ATO's administration and management of objections				
	Recommendation	**Status**	**Planned implementation date**	**Completion date**
1	The ATO: (b) Capture and report on timeframes elapsing between objections first being received within the ATO and other key milestones leading to the first contact with a taxpayer or tax practitioner and through to resolution.	Completed on time	Q1 FY26	Q1 FY26
	(c) Explore options to differentiate objections lodged by professionals other than registered tax agents (such as accountants and legal professionals) within ATO systems to enhance overall reporting and analysis in objections work and outcomes.	Completed on time	Q1 FY26	Q1 FY26
2	The ATO: (a) Explore options to better streamline self-initiated objections that are lodged for the purpose of seeking to make amendments to prior lodgements which are out of time, where those amendments are of low value or low risk to revenue.	Completed with delays	Q2 FY26	Q3 FY26
	(b) Where no feasible options exist, provide a briefing to Treasury and the Government about the time and resources devoted to self-initiated objections (particularly from individual taxpayers) and options for policy or legislative change to improve the overall taxpayer and administrative experience, in line with the recent changes for small business.	Completed on time*	Q4 FY26	Q4 FY26
3	The ATO review options available to administratively reconsider audit decisions or assessments that were finalised in circumstances where the taxpayer did not have an opportunity to engage.	Completed with delays*	Q1 FY26	Q4 FY26
4	The ATO further develop its structured feedback framework between the objections function and all business lines to share feedback and learnings arising from objections matters, both at a case level and on a more systemic level and consider monitoring the impact of the improvements.	Completed with delays*	Q2 FY26	Q4 FY26

Identification and management of financial abuse within the tax system				
	Recommendation	**Status**	**Planned implementation date**	**Completion date**
1	The ATO, in consultation with subject matter experts, community organisations and people with lived experience: (a) Develop and provide regular mandatory training to all ATO frontline officers and other staff who engage with taxpayers to support them in identifying and referring cases of financial abuse to a specialist team.	Completed on time*	Q4 FY26	Q4 FY26
	(b) Create a specialist, centralised team to be the point of referral for cases of alleged or potential financial abuse that are outside the skills and expertise of ATO frontline officers to manage.	Completed with delays*	Q4 FY26	Q1 FY27
	(c) Provide additional specialist training in financial abuse and trauma-informed practice to officers in that team, those in the Specialised Client Support team and the Advocate Help Desk.	Completed with delays*	Q2 FY26	Q4 FY26
	(d) Refresh its policies and procedures to include specific guidance on the identification and management of financial abuse within the tax system.	Completed on time	Q3 FY26	Q3 FY26
	(e) Consider options to implement system indicators that alert ATO officers to potential financial abuse while minimising safety and privacy risks for victim-survivors.	Completed on time	Q3 FY26	Q3 FY26
2	The ATO: (a) Further develop its procedures and guidelines on the circumstances in which it will: • permanently remove a debt • defer or discontinue recovery action • administer other types of relief for tax liabilities incurred because of financial abuse, to enable case officers to provide correct, consistent and complete advice and support to victim-survivors.	Completed on time*	Q4 FY26	Q4 FY26
	(b) Improve its written guidance and website communications to raise awareness amongst taxpayers and tax professionals about financial abuse, the types of support and relief that are available, and where to go for other forms of support such as community organisations, helplines and financial counsellors.	Completed on time*	Q4 FY26	Q4 FY26
	(c) Consider options to obtain supporting information in circumstances where the taxpayer may not have direct evidence of financial abuse, including from trusted partners.	Completed on time	Q3 FY26	Q3 FY26

Identification and management of financial abuse within the tax system				
	Recommendation	**Status**	**Planned implementation date**	**Completion date**
	(d) Adopt a 'Safety by Design' framework and develop assessment tools to ensure that all relevant ATO teams have a lens of financial abuse when they design new internal policies or procedures, to minimise the potential for abuse of the tax system.	Completed on time *	Q4 FY26	Q4 FY26
3	The ATO: (a) Undertake a review of its existing powers that may be applied to redistribute liabilities to perpetrators and develop staff guidance on how and when these powers would be used.	Completed on time	Q4 FY26	Q3 FY26
	(b) Provide accessible communication channels for victim-survivors or third parties to report suspected financial abuse in the tax system.	Completed on time*	Q4 FY26	Q4 FY26
	(c) Consider whether any of the exceptions contained within Division 355 of Schedule 1 to the *Taxation Administration Act 1953* empowers it to disclose instances of domestic and financial abuse outside of the ATO and: i. if the exceptions do not empower such actions, raise the matter with the Treasury for consideration as part of its current review of tax regulator secrecy exceptions; or ii. if the exceptions do empower such actions, implement a process and guidelines to assist officers to identify and refer cases for consideration of potential external disclosure.	Delayed	Q4 FY26	N/A
4	The ATO: (c) Assess the risk and prevalence of income underreporting by individuals with child support obligations and assess whether the ATO's current compliance approach is commensurate to the risk.	Completed on time*	Q4 FY26	Q4 FY26
	(d) Consider its policy on debt relief where a victim-survivor has multiple Commonwealth debts and where those debts are caused by the same financial abuse.	Completed on time	Q3 FY26	Q3 FY26

Letters from the ATO				
	Recommendation	**Status**	**Planned implementation date**	**Completion date**
1	The ATO: (c) Update letter templates to include standard information about support options for culturally and linguistically diverse taxpayers and those with disabilities.	Completed on time	Q3 FY26	Q3 FY26
2	The ATO develop a framework for consultation and user testing of all template letters including: • When consultation or testing is required, and outlining priorities if not all templates can be tested. • Expected timeframes and funding. • Who should participate in consultation or testing (including participants who are representative of the affected taxpayer population and those who are culturally and linguistically diverse). • How validation of changes to letters is to be conducted with participants.	Completed on time*	Q4 FY26	Q4 FY26
3	The ATO: (a) Evaluate options for gathering direct feedback on letter clarity and comprehension, with the aim of implementing simple, effective mechanisms, where appropriate.	Completed on time*	Q4 FY26	Q4 FY26

Systemic review of the effectiveness of the ATO's registered agent phone line				
	Recommendation	**Status**	**Planned implementation date**	**Completion date**
3	The ATO: (d) Undertake a review of the fast key code system, co-designed with the agent community, to ensure that fast key codes are clear and better meet the needs of agents, so that they can connect with the correct ATO officer more efficiently.	Completed on time	Q4 FY26	Q4 FY26

* We have been advised by the ATO that these recommendations have been completed and are awaiting the closure reports.

Key performance indicator 7
Stakeholder satisfaction

Strategic priority
Enhance the satisfaction of our stakeholders

Measure
% of stakeholders are satisfied with the quality of the Tax Ombudsman's work

Target
90% of stakeholders are satisfied with the quality of the Tax Ombudsman's work

Result

Achieved – 90% of stakeholders are satisfied with the quality of the Tax Ombudsman's work

We have maintained the high level of satisfaction of our stakeholders from the previous year. This is a strong recognition of the efforts we have made in building and deepening relationships with stakeholders across government, the tax profession and across the community.

Key performance indicator 8
Public awareness of the Tax Ombudsman service

Strategic priority
Raise public awareness of our agency's service

Measure
% of the public are aware of the Tax Ombudsman service – to be baselined in FY26

Target
% of the public are aware of the Tax Ombudsman service – to be agreed following completion of baseline measurement

Result
N/A

We commenced independent customer research to measure public awareness of our agency and its services. This research indicated some awareness, however the results were largely conflated with other Ombudsmen. This indicated there is still some work to be done to help the public understand our unique role and functions.

A fulsome communication and engagement strategy is in place to help us connect with the tax community and other community organisations supporting taxpayers, to improve awareness of our agency and how we can help people with tax or superannuation complaints.

Measuring general public awareness has proved difficult with the margin of error being close to the prior levels of awareness. In the year ahead, we will not be seeking to increase awareness by a specific percentage. Rather, we will seek a directional increase in awareness, to be measured year on year.

Case study

Protecting a survivor of financial abuse from unfair director penalties

Mei*, a survivor of physical, emotional and financial abuse, was coerced by her former partner into becoming a director of a company shortly before he resigned. After leaving, he opened a bank account in the company's name without her knowledge, carried out transactions that benefited him, and left the company owing tax debts.

The ATO was preparing to issue Director Penalty Notices (DPNs) which would have made Mei personally liable for debts she did not create. She lodged complaints with both the ATO and the Tax Ombudsman at the same time due to the seriousness of her situation, and both agencies agreed to progress the matter concurrently.

We initiated an expedited investigation. We also guided Mei on practical steps, including approaching ASIC and the company's bank to challenge the unauthorised directorship and bank account. Importantly, the ATO agreed to pause all recovery activity – including DPNs – while the matter was reviewed.

During the investigation, the ATO advised that the company had since been deregistered, meaning Mei was no longer a director and the ATO would have to re-register the company to pursue any further action.

The ATO determined it would not pursue DPNs or recovery action at that time, and given the company's deregistration, it is highly unlikely that enforcement action will occur in future. Although some details remain confidential, Mei gained reassurance that she would not be held responsible for her ex-partner's actions. She expressed deep gratitude for the support and clear communication throughout the process.

*name changed to protect customer confidentiality

Other mandatory performance reporting for the agency

Section 41 of the IGT Act requires our agency to report on the number of:

- complaints received each year; and
- investigations we commenced and completed during the year; and
- times that we issued a notice under section 9 of the *Ombudsman Act 1976*.

A complaint is categorised as any external approach received by our agency requiring the registration of a complaint case, only some of which require investigation. Paragraph 7(1)(a) or (b) of the IGT Act defines the scope of our investigations as "action affecting a particular entity that:

(i) is taken by a tax official; and

(ii) relates to administrative matters under a taxation law; and

(iii) is the subject of a complaint by that entity to the Inspector – General."

Table 2.6 Number of complaints received, investigations commenced and completed during the financial year

Financial Year	Number of complaints received	Number of complaints completed	Number of investigations commenced	Number of investigations completed
FY26	3,668*	3,377	2,171	1,891
FY25	1,608*	2,094	1,364	1,703
FY24	1,705	1,464	1,461	1,193
FY23	1,529	1,445	1,021	841
FY22	1,314	1,186	421	418

*Due to a change in measurement methodology, complaints received in FY25 and FY26 may not be directly comparable with previous financial years.

The number of times that we have issued a notice under section 9 of the *Ombudsman Act 1976* (as it applied by virtue of section 15 of our Act) during the financial year and details of the circumstances in which we issued each of those notices.

We may issue notices to persons to require them to produce documents and attend an interview to answer questions when we believe that they are capable of furnishing information that is relevant to an investigation. These notices are issued under section 9 of the *Ombudsman Act 1976* (s 9 notice) which operates by virtue of section 15 of the IGT Act. A section 9 notice protects the recipient from penalties that may otherwise arise from disclosing confidential or secret information. They may be issued to current and former tax officials, amongst others. Recipients who do not comply with a section 9 notice may be criminally prosecuted for an offence which carries a sanction of up to 6 months imprisonment.

In FY26, we **did not** issue any notices under section 9 of the Ombudsman Act.

Financial performance

Our FY26 financial statements are presented in Part 5 of this report. We received an unmodified audit report on the FY26 financial statements from the Australian National Audit Office on 28 September 2026. We ended FY26 with a surplus of $140,122, compared with a deficit of $302,192 in FY25. The agency also recorded a net cash operating surplus of $484,674 during FY26 compared with a net cash operating surplus of $83,927 in FY25.

The improved result in FY26 was primarily driven by increased Government appropriations received during the year, which supported the delivery of the agency's statutory functions while meeting increasing employee and supplier costs.

The agency's net assets increased to approximately $2.55 million at 30 June 2026 and it continued to maintain sufficient appropriations and cash resources to meet liabilities as and when they fall due.

A summary of our total resources is included in Appendix 2.

A summary of our expenses for outcomes is included in Appendix 3.

Part 3: Management and accountability

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Corporate governance

Governance framework

As an independent statutory authority, we are separate from the ATO and the TPB. We are independent and autonomous in our day-to-day operations.

However, we are required to report to the Assistant Treasurer and Parliament on certain aspects of our performance as set out in the IGT Act. As the Accountable Authority (**AA**) of the agency, the Inspector-General of Taxation is responsible for the operation and performance of the agency pursuant to the requirements of the PGPA Act.

The AA has issued instruments of delegation in respect of certain functions and responsibilities. A suite of Accountable Authority Instructions (**AAIs**), policies, procedures, plans and guidelines offer guidance to our officers in their exercise of powers under the instruments of delegation.

Executive Committee

The Executive Committee is the agency's most senior governance committee overseeing and driving strategic and operational outcomes for the agency.

In FY26, our Executive Committee consisted of:

- the Tax Ombudsman
- the Deputy Tax Ombudsman – Complaints
- the Deputy Tax Ombudsman – Reviews
- the Chief Operating Officer
- the Chief Financial Officer
- the Chief Information and Security Officer
- the Director of Complaint Operations
- the Director-Reviews
- the Director-Business Improvement
- the Director-Communications.

Corporate governance practices

As a small agency, our corporate governance and administrative practices are proportionate to the size and scale of our agency. The Treasury provides a small range of shared services to the agency via a Memorandum of Understanding (MOU) including some limited financial, security and wellbeing services.

Audit and Risk Committee (ARC)

Our Audit and Risk Committee (ARC) is an important element of the agency's governance structure. It provides advice and assurance to the Accountable Authority.

The ARC is appointed by the Accountable Authority (AA) pursuant to the PGPA Act. Its membership is fully independent of the Executive and governed by its own charter. A copy of the ARC charter is available on our website via this link: ARC Committee Charter 2025

During FY26, the members of the ARC comprised:

- **Mr Bruce Turner AM** (Chair)
- **Mr David Barry** (retired as a member on 27 November 2025)
- **Ms Fiona Erhardt**
- **Ms Kathleen Mackay** (commenced on 8 January 2026)

The ARC met on three occasions in FY26.

The remuneration of the ARC is set by the AA in accordance with an internal policy and is regularly reviewed to ensure remuneration remains competitive.

The ARC has a clear schedule of agenda items to be reviewed during the year in line with the PGPA Act. These include Accountable Authority Instructions, Fraud Corruption and Control Plan, Business Continuity Plan and Risk Management Policy and Framework.

The ARC provides independent advice on our governance arrangements, financial and performance reporting, risk management, internal controls and compliance frameworks.

Further details on each member are provided in Table 3.1. The total annual remuneration represents payments made in FY26. All payments are made on a cash basis and on provision of valid invoices from each ARC member.

Table 3.1 – Details of the Audit and Risk Committee's members

Member name	Qualifications, knowledge, skills and experience	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)
Bruce Turner AM (Commenced 30 March 2023; appointed as Chair on 17 February 2025)	Bruce has over 40 years' experience as a practitioner and leader in governance, risk management, compliance, fraud control, and assurance across the financial services and government sectors, including as Chief Audit Executive for the ATO (February 2007 – February 2012), Integral Energy, and State Rail. In July 2025, Bruce was awarded the Global Internal Audit Legacy Award from the Institute of Internal Auditors, of which he is a Fellow. Bruce is now retired but continues to Chair and participate in audit and risk committees and boards. Bruce is a fellow of the Australian Institute of Company Directors. He was appointed a Member of the Order of Australia in 2015.	3 out of 3	$5,400*
David Barry (Commenced 28 November 2012; retired as a member on 27 November 2025)	David has over 30 years' experience as a risk, compliance and assurance executive within ASX listed and professional services companies. He is a member of Chartered Accountants Australia and New Zealand, a graduate of the Australian Institute of Company Directors and a fellow of the Institute of Internal Auditors.	2 out of 3	$2,600
Fiona Erhardt (Commenced 6 September 2017; appointed as Deputy Chair on 22 January 2025)	Fiona has over 30 years' experience leading finance teams at both an operational and corporate level in a big 4 accountancy firm, ASX listed companies and the not-for-profit sector. She specialises in risk management, governance, reporting/budgeting and finance transformation. She is a member of Chartered Accountants Australia and New Zealand and is a graduate of the Securities Institute of Australia.	3 out of 3	$5,200**
Kathleen Mackay (Commenced 8 January 2026)	Kathleen has over 20 years' experience in senior executive, board and committee roles across the public, higher education and private sectors. She has held Chief Information Officer, Chief Digital Officer and Chief Technology Officer roles across large organisations, including the University of Tasmania, Revenue NSW and the Royal Automobile Club of Tasmania (RACT). Kathleen brings deep expertise to the ARC in digital transformation, cyber security, artificial intelligence, data governance, enterprise risk and organisational resilience. Her governance experience also includes membership of the Department of Premier and Cabinet Audit and Risk Committee and Chair of the Chief Executive Women Tasmania Chapter. Kathleen is a graduate of the Australian Institute of Company Directors (GAICD).	1 out of 3	$1,300

*The Chair received $1,800 (GST inc) per meeting; all other members received $1,300 (GST inc) per meeting.

**Ms Erhardt was paid for an invoice relating to a meeting from FY25.

Risk management

We have established and maintained appropriate systems of risk management and internal controls in accordance with section 16 of the PGPA Act through our risk management policy and framework.

Our framework is consistent with both the current international risk management standard AS/NZS ISO 31000:2018 Risk Management – Guidelines and the Commonwealth Risk Management Policy 2023. Our risk register was reviewed in the first half of 2026.

Our approach to managing risk is embedded in our everyday business and management practices and is core to our culture of proactive escalation of risk. Our team's awareness of risk management policies and procedures is maintained through training programs and communications. We hold regular discussions with officers to build awareness of risk management and their roles and responsibilities to identify, escalate and mitigate risks.



Internal audit

Internal audit activity during FY26 has been deliberately targeted, with completed audits focusing on payroll controls – including assurance over the transition to a new payroll provider – and independent penetration testing to address key cyber security risks. Findings from these engagements have informed management action plans and ongoing ICT risk treatments.

No significant internal control issues or compliance breaches arose during the year which would have warranted any internal audit activity.

Fraud and corruption prevention

Our Fraud and Corruption Control Plan has been developed in accordance with the *Commonwealth Fraud Control Framework*. The Fraud and Corruption Control Plan is reviewed and updated every two years, or as new risks emerge, to ensure that it remains current and fit for purpose.

Our Fraud Risk Assessment forms the basis of the Fraud and Corruption Control Plan and has been developed with appropriate controls, prevention, detection and investigation, and reporting standards.

We have undertaken all reasonable measures to minimise the incidences of fraud. We have also worked with the ATO to enhance the fraud protection measures on our staff's access to ATO data and systems and this is now underpinned by a shared risk register.

Our employees have mechanisms to report fraud or suspected fraud confidentially through a variety of means – including submitting an anonymous webform, in-person, in writing, via phone, or to a dedicated email inbox.

No cases of fraud were identified in FY26. Fraud information data is reported annually to the Australian Institute of Criminology by responding to questionnaires issued by that agency as required.

Integrity and ethical standards

We are a Commonwealth integrity agency within the *National Anti-Corruption Commission Act 2022*. We work in collaboration with other integrity agencies as part of the Commonwealth Integrity Agencies Group (IAG) and meet regularly to share best practice with other Inspectors-General across government. We have embedded integrity functions within our corporate enabling team to ensure we meet our obligations and to develop the maturity of our approach to integrity.

We expect the highest standards of behaviour and ethical conduct from our staff. We have policies and procedures in place that reinforce expectations and behaviours of employees as part of the APS Code of Conduct and Values, to ensure ethical standards are upheld in accordance with the *Public Service Act 1999*. We continue to strengthen and embed our pro integrity culture and practices through a program of improvements guided by the *APS Integrity Taskforce Report*, the *Integrity Good Practice Guide*, and the *Commonwealth Integrity Maturity Framework*.

Significant non-compliance issues with finance law

We are required to provide details of any statements to the Minister under paragraph 19(1)(e) of the PGPA Act that relate to non-compliance with the finance law and action taken to remedy the non-compliance. No such statements were reported in the FY26 period.

External scrutiny

External audit

Other than the annual financial statement audit, there have not been any audits of our office undertaken by the ANAO in FY26.

Reports on operations

No reports in FY26 on the operations of our office were issued by the Auditor-General (other than the report on financial statements which is reproduced later in Part 5 of this report), a Parliamentary committee or the Commonwealth Ombudsman.

Judicial, administrative tribunal or Australian Information Commissioner decisions

No judicial, administrative tribunal or Australian Information Commissioner decisions were made that have had, or may have, a significant impact on the operations of our office.

Capability reviews

No capability reviews of the agency were released during FY26.

Gender equality reporting

Our agency supports the Australian Government's commitment to advancing gender equality through the delivery of fair, accessible and responsive complaint handling and review services. The agency seeks to identify systemic issues that may disproportionately affect particular groups and, where appropriate, to promote equitable outcomes through its recommendations and engagement activities.

During FY26, we continued to consider the experiences of diverse taxpayer cohorts in our complaint handling and review work. This included the publication of the Identification and management of financial abuse within the tax system, which highlighted the significant impacts of financial abuse on victim-survivors, the majority of whom are women. The review identified opportunities to strengthen administrative responses and improve support for affected taxpayers. In the Federal Budget of May 2026, the Government announced new measures to prevent the weaponisation of government systems, including responses to our recommendations on how the tax and child support systems were being manipulated by perpetrators of abuse.

Through our oversight, investigation and stakeholder engagement functions, we contribute to a taxation and superannuation administration system that is fair, accessible and responsive to the needs of all Australians.

Assets management

The management of our assets is governed by the AAIs and aligns with government best practice.

The assets of the agency include cash or cash at bank. The Treasury manages all banking facilities on our behalf under an MOU. This is an important operational feature and control in the context of the size of our agency.

The agency's approach to asset management is consistent with the requirements of Department of Finance's Capital Budgeting guidance and supports the effective, efficient, economical and ethical management of Commonwealth resources. The agency manages an asset register, which is subject to regular stocktake to ensure the register is up to date. Assistance is provided by Treasury as part of the MOU with the processing of our asset acquisitions, depreciation, revaluations and disposals.

The agency undertakes an annual asset materiality review to support fair value reporting requirements under the Australian Accounting Standards. Asset replacement and investment requirements identified through this process are considered as part of the annual budget planning process. The agency also maintains a capital management plan.

Our fixed assets include office fit-out, a right-of-use asset, computer and telephony equipment, audio-visual equipment, and infrastructure.

Procurement

Our procurement practices are consistent with the requirements of the Commonwealth Procurement Rules (CPR) and align with the Treasury's policies and processes under our MOU. We have developed our own procurement manual to support our officers when undertaking procurement activities.

We publish information about significant procurements that our office expects to undertake the following year in an annual procurement plan (where applicable) which is available on the AusTender website at www.tenders.gov.au.

We are committed to continuous improvement in procurement practices and have published a statement of business ethics for suppliers and our officers, which complements the Commonwealth Supplier Code of Conduct. More information on our procurement processes can be found on our website: Our policies and plans - Tax Ombudsman

Exempt contracts

Our office is required to provide details of any contract or standing offer entered into during the period, with a value of more than $10,000 (inclusive of GST) that has been exempted by the AA from being published in AusTender because it would disclose exempt matters under the *Freedom of Information Act 1982 (***FOI Act***)*.

No such contracts were entered into in this reporting period.

Commonwealth Strategic Commissioning Framework

In FY26, we took steps to bring core work in-house in line with the APS Strategic Commissioning Framework. Our targets for 2025–2026 aimed to bring $396,350 (GST excl) of core work in-house in communications and marketing. This target was achieved with an actual reduction of $396,350 (GST excl) in relevant supplier expenditure in 2025–26.

Australian National Audit Office access clauses

Our office is required to provide details of any contracts entered into during FY26 of $100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises.

No such contracts were entered into during the reporting period.

Initiative to support small business

We support 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. We aim to apply procurement practices that do not unfairly discriminate against SMEs and provide appropriate opportunities for SMEs to compete.

Contract expenditure reporting

Consultants are engaged where there is a requirement for specialist expertise or independent research and assessment. Consultants are typically engaged to carry out defined reviews or evaluations, or to provide independent advice, information or solutions to assist with our decision-making.

Prior to engaging consultants, we take into account the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the PGPA Act and related regulations including the CPR and relevant internal policies.

In FY26, consultants were engaged to provide specialist expertise not available within our office. We are supported in part, by Treasury policies and procedures, and our own procurement manual, for selecting and engaging consultants.

Table 3.2 Expenditure on reportable consultancy contracts current report period (2025–26)

	Number	Expenditure $'000 (GST inc.)
New contracts entered into during the reporting period	4	365
Ongoing contracts entered into during a previous reporting period	6	269
Total	**10**	**634**

Reportable consultancy contracts

During FY26, 4 new reportable consultancy contracts were entered into involving total expenditure of $364,665. In addition, 6 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $268,797.

Table 3.3 Organisations receiving a 5% or more share of reportable consultancy contract expenditure current report period (2025–26)

Name of organisation	ABN	Expenditure $'000 (GST inc.)	Proportion of total expenditure (%)	Spend category
Jindawayni Consulting Pty Ltd	48 678 336 582	277	44	Community consultation, education and training services
PNP Solutions Pty Ltd – T/as ECLEVA	31 075 938 242	84	13	ICT development
HD IT	59 339 678 158	57	9	ICT support
Aya Leadership Pty Ltd	42 646 353 246	51	8	Education and Training Services
Morris Forensic Pty Ltd	56 668 979 520	40	6	Internal Audit
Orima Research	77 076 347 914	38	6	Customer research

Table 3.3 reports on the suppliers to our agency who received 5% or more of our total consultancy contract expenditure.

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.

Table 3.4 Expenditure on reportable non-consultancy contracts current report period (2025–26)

	Number	Expenditure $'000 (GST inc.)
New contracts entered into during the reporting period	3	142
Ongoing contracts entered into during a previous reporting period	11	575
Total	14	717

Reportable non-consultancy contracts

During FY26, 3 new reportable non-consultancy contracts were entered into involving total actual expenditure of $141,545. In addition, 11 ongoing reportable non-consultancy contracts were active during the period, involving total actual expenditure of $574,662.

Table 3.5 Top five organisations and organisations receiving more than 5% of reportable non-consultancy contract expenditure (2025–26)

Name of organisation	ABN	Expenditure $'000 (GST inc.)	Proportion of total expenditure (%)	Spend category
Investa Asset Management Pty Ltd	16 089 301 922	392	55	Property lease management
Dell Australia Pty Limited	46 003 855 561	123	17	ICT
Cox Purtell Staffing Services Pty Ltd	42 063 258 524	46	6	Contracted staff
Data 3 Limited	31 010 545 267	40	6	ICT
Aurion Corporation Pty Ltd	63 050 431 868	23	3	Payroll

Table 3.5 reports the top 5 suppliers in our agency who received 5% or more of our total non-consultancy contract expenditure.

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.

Case study

When recovery isn't possible – but clarity still matters

Koa* contacted our office after spending several years trying to recover unpaid superannuation from a former employer. Over time, they became increasingly distressed by what they saw as slow progress, limited information, and a lack of clear updates about what action was being taken.

The employer was a corporate trustee with multiple directors and a long history of non-compliance. Based on their own past involvement in the business, Koa believed assets were being concealed through related entities to avoid paying debts. While the ATO had taken recovery action over the years, including issuing Director Penalty Notices and a statutory demand, there had been no meaningful recovery of the unpaid super.

A key challenge in this case was the ATO's strict confidentiality obligations. Even where Koa felt they already understood what was happening behind the scenes, the ATO was legally limited in what it could confirm or disclose about its compliance and recovery activity. This contributed to frustration and a sense of being "kept in the dark", despite genuine efforts underway.

Our role focused on clarity, expectation setting and care. We worked with the ATO to explain, in plain language, what information could be shared, what could not, and why. When public registers later showed the employer moving toward deregistration, we helped Koa understand what that development might mean, without overstating its significance or creating false expectations.

Although the superannuation remained unpaid when the complaint was closed, Koa told us they felt heard, better informed, and clearer about the limits of what could be achieved.

*name changed to protect customer confidentiality

Part 4: Our people

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Management of human resources

As a small agency, our effectiveness is dependent on the capability, commitment, and adaptability of our people. Delivering independent oversight of the administration of the tax system requires a workforce with expertise across complaint handling, investigations, public administration, taxation, finance, law, stakeholder engagement and customer service.

The agency continued to operate a hybrid workforce model during 2025–26, enabling us to attract and retain talent from across Australia while maintaining a cohesive and collaborative organisational culture. This approach has strengthened access to specialist skills, broadened our recruitment reach and supported workforce flexibility in a competitive labour market.

During the year, the agency focused on strengthening workforce capability through the creation of new roles in communications and policy. We also invested in learning and development in investigations, brief writing, management and leadership and developing cultural competence to support the implementation of our strategic priorities.

Our people's professionalism, expertise and commitment to fairness, integrity and public service underpin the agency's ability to deliver high-quality outcomes for taxpayers and contribute to improving the administration of the Australian tax system.

Performance management

Consistent with the *Inspector-General of Taxation Enterprise Agreement 2024–27*, formal performance reviews are conducted every six months for APS staff. Senior Executive Service (SES) and Executive Level (EL) employees participate in an annual formal review supported by regular performance and development discussions throughout the year.

During 2025–26, the agency continued to strengthen its performance management framework to support the successful implementation of its strategic priorities and operating model reforms. Building on the introduction of new organisational key performance indicators in the previous year, the agency focused on embedding clearer performance expectations, strengthening accountability and improving the alignment between individual performance outcomes and organisational objectives.

Performance planning and review processes were used to reinforce agency priorities, support employee development and encourage ongoing conversations between managers and employees regarding performance, wellbeing, and capability development.

Greater emphasis was placed on regular feedback, coaching, and development discussions to support continuous improvement and foster a high-performing workplace culture.

From April 2025, we started implementation of the Australian Public Service Commission's new non-SES performance framework, with effect from FY27.

The Performance Development System (PDS) continues to provide a framework for:

- supporting employee development and capability growth
- recognising and rewarding strong performance
- addressing under-performance in a timely and constructive manner
- assessing eligibility for salary advancement in accordance with the *IGTO Enterprise Agreement 2024–2027*
- aligning individual objectives with organisational priorities
- embedding a culture of continuous improvement, accountability and learning
- promoting regular, constructive and real-time feedback between managers and employees
- supporting joint accountability for performance, development and wellbeing.

Workforce composition

The agency head is a statutory appointment. All other officers are employed under the *Public Service Act 1999* and are required to uphold the APS Values and Code of Conduct. Senior Executive Service (SES) employees are engaged under individual determinations, while non-SES employees are covered by the Agency's enterprise agreement made under the *Fair Work Act 2009*.

During 2025–26, the agency continued to embed workforce reforms introduced as part of its new complaints operating model. Building on the independent work value assessments completed in the previous year, the agency focused on transitioning to a new workforce composition by June 2027. In addition, we continued to align the capability profile and organisational structure to operational priorities, workload demands and our strategic objectives.

In FY26, we re-classified an SES2 role to SES1 and created new roles of Communications Director, Communications Officer and Policy Officer to bring in new capabilities.

Recognising the need for a sustainable and resilient workforce, the agency continues to refine its workforce planning approach to reduce reliance on key individuals, increase flexibility and build capability and depth across functions. Workforce planning activities are ongoing to address succession risks, emerging capability requirements and opportunities to strengthen organisational resilience through development opportunities and targeted recruitment.

Table 4.1 Australian Public Service Act employment arrangements current report period (as at 30/6/2026)

	SES	Non-SES	Total
Determinations under subsection 24(1) of the *Public Service Act 1999*	2	0	2
Inspector-General of Taxation Enterprise Agreement 2024–2027	0	35	35
Individual Flexibility Arrangement	0	1	1
Total	**2**	**36**	**38**

Executive remuneration

The agency head's remuneration is determined by the Remuneration Tribunal. SES remuneration is set by the agency head as Accountable Authority in accordance with their contractual terms and conditions. The agency head considers and compares APS wide data when setting remuneration for SES to ensure consistency with like agencies and positions. The minimum and maximum salary ranges of SES remuneration were uplifted by 3.4% during FY26 in line with the salary uplift received by APS staff. All APS and EL employees have their remuneration and employee entitlements set in the *Inspector-General of Taxation Enterprise Agreement 2024–2027*. In addition, as set in the terms and conditions of employment for this cohort, there was one individual flexibility arrangement in place in FY26.

Table 4.2 Australian Public Service Act employment salary ranges by classification level (minimum/ maximum) current report period (2025–26)

Classification level	Minimum Salary	Maximum Salary
SES 3	-	-
SES 2	-	-
SES 1	$222,854	$246,740
EL 2	$167,688	$192,448
EL 1	$137,284	$157,479
APS 6	$105,247	$127,508
APS 5	$93,303	$99,276
APS 4	$82,985	$87,328
APS 3	$74,300	$78,638
APS 2	$65,611	$69,956
APS 1	$57,497	$61,815
Other	N/A	N/A
Minimum/Maximum range	$57,497	$246,740

Learning and development

We maintain a strong focus on supporting and developing our people in both their specialist fields and their broader professional development within the Australian Public Service.

During 2025–26, the agency continued to support learning and development activities that strengthened both technical capability and broader professional skills. Learning and development remained an important component of maintaining a highly skilled workforce capable of delivering the agency's statutory functions and strategic priorities.

Training undertaken during the year strengthened staff capability across a range of areas:

- All staff undertook mandatory training on cyber security, integrity and respect at work.
- All staff undertook cultural awareness education and training on engaging with First Nations people and communities, in time for our review into how the ATO engages with First Nations taxpayers.
- All staff were trained as we transitioned to a new payroll provider and use of self-service support tools.
- In addition, we offered learning and development based on role:
  - Certificate IV in Investigations for our complaints investigators
  - Brief writing in Government
  - Navigating ATO systems
  - Coaching
  - Management and leadership
  - Artificial intelligence.
- The agency continued to invest in leadership capability through a structured management and leadership development program. The program strengthened managers' skills in emotional intelligence, coaching, performance management, communication, team leadership and operational

management, while reinforcing APS values, employment responsibilities and effective people management practices. The program supported up to 11 leaders to build high-performing teams, foster psychologically safe workplaces and drive continuous improvement across the agency.

Where our people have completed a tertiary degree (or equivalent) and hold a professional association membership relevant to their role (e.g. tax, law, finance), the agency reimbursed the employee, as per the *Inspector-General of Taxation Enterprise Agreement 2024–2027*, up to $1,000 each (GST exclusive) to maintain their ongoing professional memberships.

Wellbeing and workplace health and safety

The agency is committed to providing a safe, healthy and supportive workplace in accordance with the *Work Health and Safety Act 2011* (WHS Act). Work health and safety (WHS) training and emergency management evacuation procedures are part of the mandatory training suite all our officers undertake.

During 2025–26, the agency continued to support employee wellbeing while implementing organisational change. Change initiatives were underpinned by consultation, collaboration and employee involvement, consistent with the *Inspector-General of Taxation Enterprise Agreement 2024–2027*. Employees were provided with opportunities to contribute to the design and implementation of changes and to provide ongoing feedback throughout the process.

Employee wellbeing remains a key organisational priority. In FY26 our employee census results highlighted that some employees experienced bullying and harassment both from within the organisation and from complainants. This was a very concerning outcome. We undertook a more detailed psychosocial survey with all of our workforce, and as a result, undertook training for all managers on addressing bullying and harassment, trained all staff on respect at work and updated our procedures on unreasonable complainant conduct. We will continue to keep the safety of our people as a high priority.

During the year, the agency participated in a proactive WHS inspection by Comcare relating to risk management arrangements. No non-compliance was identified within the scope of the inspection.

During FY26, we received 6 incident reports. No notices were given under sections 90, 191, 195 or 198 of the WHS Act. No WHS investigations were undertaken during this year.

Resilience

We recognise that the nature of our work, particularly in complaints handling and investigations, can expose employees to challenging situations and increased psychosocial risks. Supporting employee wellbeing, resilience and psychological safety remain a key priority for the agency.

The agency adopts a proactive approach to supporting employees' wellbeing through a combination of training, leadership support, workplace policies and ongoing opportunities for employees to raise concerns, seek assistance and provide feedback. Employees are encouraged to participate in regular discussions with managers and have access to structured debriefing mechanisms where appropriate.

All staff have access to our employee assistance program.

Staffing statistics

Tables 4.3 to 4.8 detail staffing in the current (FY26) and previous (FY25) periods as at 30 June of each year.

Table 4.3 All ongoing employees – current reporting period (2025–26) and previous reporting period (2024–25)

	Man/Male						Woman/Female						Other identification*						Total	
	2024–25			2025–26			2024–25			2025–26			2024–25			2025–26			2024–25	2025–26
	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T		
NSW	17	0	17	15	0	15	6	2	8	6	1	7	-	-	-	-	-	-	**25**	**22**
Qld	-	-	-	1	0	1	1	0	1	3	0	3	-	-	-	-	-	-	**1**	**4**
SA	1	0	1	1	0	1	2	0	2	4	0	4	-	-	-	-	-	-	**3**	**5**
Tas	1	0	1	1	0	1	-	-	-	-	-	-	-	-	-	-	-	-	**1**	**1**
Vic	1	0	1	0	1	1	-	-	-	1	0	1	-	-	-	-	-	-	**1**	**2**
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
ACT	2	0	2	2	0	2	-	-	-	-	-	-	-	-	-	-	-	-	**2**	**2**
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
External Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Total	22	0	22	20	1	21	9	2	11	14	1	15	-	-	-	-	-	-	**33**	**36**

FT = Full Time, PT = Part Time, T = Total

* Includes employees who are non-binary, use a different term or preferred not to answer

Table 4.4 All non-ongoing employees – current reporting period (2025–26) and previous reporting period (2024–25)

	Man/Male						Woman/Female						Other identification*						Total	
	2024–25			2025–26			2024–25			2025–26			2024–25			2025–26			2024–25	2025–26
	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T		
NSW	-	-	-	1	0	1	1	0	1	1	0	1	-	-	-	-	-	-	**1**	**2**
Qld	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Tas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Vic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
ACT	-	-	-	-	-	-	-	-	-	1	0	1	-	-	-	-	-	-	**-**	**1**
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
External Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Total	**-**	**-**	**-**	**1**	**0**	**1**	**1**	**0**	**1**	**2**	**0**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**3**

Table 4.5 Australian Public Service Act ongoing employees – current reporting period (2025–26) and previous reporting period (2024–25)

	Man/Male						Woman/Female						Other identification*						Total	
	2024–25			2025–26			2024–25			2025–26			2024–25			2025–26			2024–25	2025–26
	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T		
SES 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
SES 2**	1	0	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1**	**-**
SES 1	2	0	2	1	0	1	-	-	-	1	0	1	-	-	-	-	-	-	**2**	**2**
EL 2	2	0	2	3	0	3	2	2	4	4	0	4	-	-	-	-	-	-	**6**	**7**
EL 1	5	0	5	6	0	6	3	0	3	2	0	2	-	-	-	-	-	-	**8**	**8**
APS 6	10	0	10	6	1	7	2	0	2	3	1	4	-	-	-	-	-	-	**12**	**11**
APS 5	1	0	1	3	0	3	1	0	1	2	0	2	-	-	-	-	-	-	**2**	**5**
APS 4	1	0	1	1	0	1	1	0	1	1	0	1	-	-	-	-	-	-	**2**	**2**
APS 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
APS 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
APS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Total	**22**	**0**	**22**	**20**	**1**	**21**	**9**	**2**	**11**	**13**	**1**	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**33**	**35**

FT = Full Time, PT = Part Time, T = Total

* Includes employees who are non-binary, use a different term or preferred not to answer

** SES2 role reclassified to SES1 and backfilled through acting arrangements

Table 4.6 Australian Public Service Act non-ongoing employees – current reporting period (2025–26) and previous reporting period (2024–25)

	Man/Male						Woman/Female						Other identification*						Total	
	2024–25			2025–26			2024–25			2025–26			2024–25			2025–26			2024–25	2025–26
	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T		
SES 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EL 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EL 1	-	-	-	1	0	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
APS 6	-	-	-	-	-	-	1	0	1	2	0	2	-	-	-	-	-	-	1	2
APS 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
APS 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
APS 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
APS 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1**	**0**	**1**	**1**	**0**	**1**	**2**	**0**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**3**

Table 4.7 Australian Public Service Act employees by full time and part time status – current reporting period (2025–26) and previous reporting period (2024–25)

	Ongoing						Non-ongoing						Total	
	2024–25			2025–26			2024–25			2025–26			2024–25	2025–26
	FT	PT	T	FT	PT	T	FT	PT	T	FT	PT	T		
SES 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SES 2**	1	0	1	-	-	-	-	-	-	-	-	-	1	-
SES 1	2	0	2	2	0	2	-	-	-	-	-	-	2	2
EL 2	4	2	6	7	0	7	-	-	-	-	-	-	6	7
EL 1	8	0	8	8	0	8	-	-	-	1	0	1	8	9
APS 6	12	0	12	9	2	11	1	0	1	2	0	2	13	13
APS 5	2	0	2	5	0	5	-	-	-	-	-	-	2	5
APS 4	2	0	2	2	0	2	-	-	-	-	-	-	2	2
APS 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
APS 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**31**	**2**	**33**	**33**	**2**	**35**	**1**	**0**	**1**	**3**	**0**	**3**	**34**	**38**

FT = Full Time, PT = Part Time, T = Total

* Includes employees who are non-binary, use a different term or preferred not to answer

** SES2 role reclassified to SES 1 and backfilled through acting arrangements

Table 4.8 Australian Public Service Act employment type by location – current reporting period (2025–26) and previous reporting period (2024–25)

	Ongoing		Non-ongoing		Total	
	2024–25	2025–26	2024–25	2025–26	2024–25	2025–26
NSW	25	21	1	2	**26**	**23**
Qld	1	4	-	-	**1**	**4**
SA	3	5	-	-	**3**	**5**
Tas	1	1	-	-	**1**	**1**
Vic	1	2	-	-	**1**	**2**
WA	-	-	-	-	**-**	**-**
ACT	2	2	-	1	**2**	**3**
NT	-	-	-	-	**-**	**-**
External Territories	-	-	-	-	**-**	**-**
Overseas	-	-	-	-	**-**	**-**
Total	**33**	**35**	**1**	**3**	**34**	**38**

Indigenous employment

In FY26, we did not have any employees who identified as Indigenous.

Executive remuneration

Remuneration details for all key management personnel within the agency are set out in Table 4.9. Key management personnel comprise key decision makers – the agency head, along with all SES, EL2 officers and the Chief Financial Officer.

Table 4.9 Information about remuneration for key management personnel for current report period (2025–26)

		Short-term benefits		
Name	**Position title**	**Base salary* received in FY26**	**Bonuses**	**Other benefits and allowances**
Ruth Owen	Inspector-General of Taxation	$500,727	$0	$0
Victoria Haffey	Deputy Tax Ombudsman – Complaints (from 1 September 2025)	$191,714	$0	$159
Duy Dam	Deputy Tax Ombudsman – Reviews	$216,039	$0	$53
Marcelle Hudson	Chief Operating Officer	$141,654	$0	$614
Helen Fong**	Director Reviews Acting Deputy Tax Ombudsman – Reviews (5 March 2026 to 2 April 2026)	$169,648	$0	$0
Jarrod Joseph**	Acting Deputy Tax Ombudsman – Complaints (from 1 July 2025 to 1 September 2025) Director of Complaint Operations (from 1 September 2025)	$204,506	$0	$614
David Clancy	Director Business Improvement	$182,440	$0	$0
Darren Broers	Chief Information & Security Officer	$179,192	$0	$2,493
Julian Lim	Chief Financial Officer (to 8 May 2026)	$99,988	$0	$19,025
Piri Kularajah	Chief Financial Officer (from 6 May 2026)	$26,849	$0	$0
Emma Collien	Director Communications (from 3 July 2025)	$197,706	$0	$1,269
Total		**$2,110,463**	**$0**	**$24,227**

*Base salary is calculated in accordance with RMG 138 and includes leave accruals and other relevant inclusions and adjustments

**Base salary received while acting in key management personnel roles during FY26

^Includes a prior year adjustment to correct the valuation of long service leave reported in the previous year

^^The reported long service leave movement includes the impact of a payroll configuration relating to part-time service; this will be corrected prospectively

Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Superannuation contributions	Long service leave	Other long-term benefits		
$30,115	$11,896	$0	$0	$542,739
$27,957	$15,663	$0	$0	$235,492
$41,477	($8,079)^	$0	$0	$249,490
$28,039	($1,395)	$0	$0	$168,912
$23,194	($344)^^	$0	$0	$192,498
$29,163	$3,537	$0	$0	$237,820
$28,081	$4,912	$0	$0	$215,433
$28,036	$7,091	$0	$0	$216,813
$18,840	$3,934	$0	$0	$141,786
$3,719	$126	$0	$0	$30,694
$32,906	$19,108	$0	$0	$250,989
$291,528	**$56,449**	**$0**	**$0**	**$2,482,667**

Part 5: Financial statements

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Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Inspector-General of Taxation (the Entity) for the year ended 30 June 2026:

(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 2026 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 2026 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements.

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 the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Inspector-General of Taxation and Taxation Ombudsman 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 Inspector-General of Taxation and Taxation Ombudsman is also responsible for such internal control as the Inspector-General of Taxation and Taxation Ombudsman 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 Inspector-General of Taxation and Taxation Ombudsman 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 Inspector-General of Taxation and Taxation Ombudsman 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.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

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.

Australian National Audit Office



Dr Richard Grant

Executive Director

Delegate of the Auditor-General

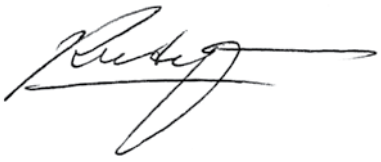
Canberra

28 September 2026

Financial statements

In our opinion, the attached financial statements for the year ended 30 June 2026 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 Inspector-General of Taxation will be able to pay its debts as and when they fall due.



Ruth Owen CBE
Inspector-General of Taxation
and Taxation Ombudsman

24 September 2026



Piri Kularajah
Chief Financial Officer

24 September 2026

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Inspector-General of Taxation
Statement of Comprehensive Income
for the period ended 30 June 2026

	Notes	2026 $	2025 $	Original Budget $
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**6,480,957**	5,868,919	4,606,000
Suppliers	1.1B	**1,830,418**	1,183,512	2,063,000
Depreciation and amortisation	2.2A	**606,778**	603,031	606,000
Finance costs	1.1C	**27,033**	34,953	21,000
Write-down and impairment of other assets	1.1D	**27,558**	1,052	-
Total expenses		**8,972,744**	7,691,467	7,296,000
Own-source income				
Own-source revenue				
ANAO audit services received free of charge	1.2A	**64,000**	64,000	60,000
Other revenue	1.2A	**-**	1,275	
Total own-source revenue		**64,000**	65,275	60,000
Gains				
Gains from sale of assets		**7,866**	-	-
Total gains		**7,866**	-	-
Total own-source income		**71,866**	65,275	60,000
Net (cost of)/contribution by services		**(8,900,878)**	(7,626,192)	(7,236,000)
Revenue from Government	1.2B	**9,041,000**	7,324,000	6,892,000
Surplus/(Deficit)		**140,122**	(302,192)	(344,000)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassifications to net cost of services				
Changes in Asset Revaluation Surplus		**-**	(500)	-
Total comprehensive income/(loss)		**140,122**	(302,692)	(344,000)

The above statement should be read in conjunction with the accompanying notes.

Inspector-General of Taxation
Statement of Financial Position
as at 30 June 2026

	Notes	2026 $	2025 $	Original Budget $
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	**68,978**	20,000	34,000
Trade and other receivables	2.1B	**4,247,256**	3,780,717	3,483,000
Total financial assets		**4,316,234**	3,800,717	3,517,000
Non-financial assets				
Buildings	2.2A	**1,068,014**	1,625,094	1,068,000
Plant and equipment	2.2A	**114,418**	80,965	27,000
Computer software	2.2A	**-**	-	47,000
Other non-financial assets	2.2B	**48,459**	124,883	63,000
Total non-financial assets		**1,230,891**	1,830,942	1,205,000
Total assets		**5,547,125**	5,631,659	4,722,000
LIABILITIES				
Payables				
Suppliers		**170,177**	160,978	313,000
Other payables	2.3A	**357,490**	222,905	170,000
Total payables		**527,667**	383,883	483,000
Interest bearing liabilities				
Leases	2.4A	**571,377**	833,602	572,000
Total interest bearing liabilities		**571,377**	833,602	572,000
Provisions				
Employee provisions	3.1A	**1,721,627**	1,868,040	1,527,000
Other provisions	2.5A	**177,571**	171,371	164,000
Total provisions		**1,899,198**	2,039,411	1,691,000
Total liabilities		**2,998,242**	3,256,896	2,746,000
Net assets		**2,548,883**	2,374,763	1,976,000
EQUITY				
Contributed equity		**1,514,573**	1,480,573	1,515,000
Reserves		**364,383**	364,383	365,000
Retained surplus/(Accumulated deficit)		**669,927**	529,807	96,000
Total equity		**2,548,883**	2,374,763	1,976,000

The above statement should be read in conjunction with the accompanying notes.

Inspector-General of Taxation
Statement of Changes in Equity
for the period ended 30 June 2026

	Notes	2026 $	2025 $	Original Budget $
CONTRIBUTED EQUITY/CAPITAL				
Opening balance				
Balance carried forward from previous period		**1,480,573**	1,448,573	1,481,000
Transactions with owners				
Contributions by owners				
Departmental capital budget appropriation		**34,000**	32,000	34,000
Total transactions with owners		**34,000**	32,000	34,000
Closing balance as at 30 June		**1,514,573**	1,480,573	1,515,000
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		**529,807**	831,999	440,000
Comprehensive income				
Surplus/(Deficit) for the period		**140,122**	(302,192)	(344,000)
Total comprehensive income		**140,122**	(302,192)	(344,000)
Closing balance as at 30 June		**669,927**	529,807	96,000
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		**364,383**	364,883	365,000
Changes in provision for restoration		**-**	(500)	-
Closing balance as at 30 June		**364,383**	364,383	365,000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		**2,374,763**	2,645,455	2,286,000
Comprehensive income				
Surplus/(Deficit) for the period		**140,122**	(302,192)	(344,000)
Changes in provision for restoration		**-**	(500)	-
Total comprehensive income		**140,122**	(302,692)	(344,000)
Transactions with owners				
Contributions by owners				
Departmental capital budget appropriation		**34,000**	32,000	34,000
Total transactions with owners		**34,000**	32,000	34,000
Closing balance as at 30 June		**2,548,883**	2,374,763	1,976,000

The above statement should be read in conjunction with the accompanying notes.

Accounting policy

Equity Injections

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.

Inspector-General of Taxation
Cash Flow Statement
for the period ended 30 June 2026

	Notes	2026 $	2025 $	Original Budget $
OPERATING ACTIVITIES				
Cash received				
Appropriations		**8,949,844**	7,225,767	6,892,000
Other cash received		**156,608**	1,275	-
GST received		**171,541**	135,125	-
Total cash received		**9,277,993**	7,362,167	6,892,000
Cash used				
Employees		**6,649,393**	5,475,560	4,606,000
Suppliers		**1,687,341**	1,325,046	2,003,000
Interest payments on lease liabilities		**20,834**	28,398	21,000
GST paid		**165,531**	123,829	-
Section 74 receipts transferred to OPA		**332,982**	219,126	-
Other cash used		**-**	-	-
Total cash used		**8,856,081**	7,171,959	6,630,000
Net cash from/(used by) operating activities		**421,912**	190,208	262,000
INVESTING ACTIVITIES				
Cash used				
Purchase of plant and equipment		**110,709**	18,990	34,000
Total cash used		**110,709**	18,990	34,000
Net cash (outflows) from investing activities		**(110,709)**	(18,990)	(34,000)
FINANCING ACTIVITIES				
Cash received				
Contributed equity - departmental capital budget		**-**	32,000	34,000
Total cash received		**-**	32,000	34,000
Cash used				
Principal payments of lease liabilities		**262,225**	216,912	262,000
Net cash used		**262,225**	216,912	262,000
Net cash inflows from financing activities		**(262,225)**	(184,912)	(228,000)
Net increase/(decrease) in cash held		**48,978**	(13,694)	-
Cash and cash equivalents at the beginning of the reporting period		**20,000**	33,694	34,000
Cash and cash equivalents at the end of period	2.1A	**68,978**	20,000	34,000

The above statement should be read in conjunction with the accompanying notes.

Inspector-General of Taxation
Notes to and forming part of the financial statements

Overview

The Inspector-General of Taxation (IGT) is an independent Commonwealth statutory agency and a not-for-profit Australian Government entity.

The objective of the IGT is to improve the fairness and integrity of the taxation system and superannuation administration system through independent investigation of tax disputes, review investigations of systemic and broader community issues, reporting matters that are in the public interest and the provision of independent advice to Government and its relevant entities.

The key activities of the IGT are:

- investigate and help resolve complaints from taxpayers and tax practitioners regarding the administration of the taxation and superannuation systems by the Australian Taxation Office (ATO) and the Tax Practitioners Board (TPB) in a timely and efficient way;
- review and make recommendations on systemic issues relevant to improving tax administration;
- provide independent advice to the Government and Parliament on tax administration; and
- raise awareness of the role of the Inspector-General of Taxation and Taxation Ombudsman and promote the integrity of the taxation and superannuation administration system.

The IGT performs the dual functions of Inspector-General of Taxation and Taxation Ombudsman.

The Basis of Preparation

The financial statements are general purpose financial statements as required by:

a) section 42 of the *Public Governance, Performance and Accountability Act 2013*; and
b) Australian Accounting Standards including simplified disclosures for *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit 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 held 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 are presented in Australian dollars.

The continued existence of the IGT in its present form and with its present programs is dependent on government policy and on continuing appropriations by Parliament for the IGT policy advice, administration and programs.

Taxation

The IGT is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Supplier Payment Terms and Payables

Supplier payables represent amounts owing for goods and services received. Consistent with the Supplier Pay On-Time or Pay Interest Policy (RMG 417), correctly rendered invoices are paid within 20 days, or within 5 days for Peppol e-invoiced transactions.

Payables include accruals and are recognised at amortised cost. Liabilities are recognised to the extent the goods or services have been received (and irrespective of having been invoiced).

Events After the Reporting Period

Subsequent to the reporting date, an employment-related matter progressed further. The matter remains unresolved and any financial impact cannot presently be determined. Accordingly, no adjustment has been made to the amounts recognised in the financial statements.

Subsequent to the reporting date, the IGT completed a review of historical payroll arrangements and identified minor discrepancies in employee entitlements. The IGT is undertaking remediation of affected employees. Management has assessed the financial impact and determined that the amounts are not material to the current or prior reporting periods. Accordingly, no adjustment has been made to these financial statements.

1. Departmental financial performance

This section analyses the financial performance for the IGT for the period ended 30 June 2026.

1.1: Expenses

	2026 $	2025 $
1.1A: Employee benefits		
Wages and salaries	**4,883,253**	4,381,138
Superannuation		
Defined contribution plans	**670,083**	538,156
Defined benefit plans	**164,086**	206,699
Leave and other entitlements	**763,535**	742,926
Total employee benefits	**6,480,957**	5,868,919

Accounting policy

Accounting policies for employee related expenses are contained in Note 3: People and relationships.

	2026 $	2025 $
1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants and contractors	**537,885**	390,737
Service level agreement fees	**306,849**	146,451
Travel	**208,207**	137,870
Information communication technology	**206,483**	171,817
Seminars and conferences	**175,260**	69,223
Property operating expenses	**104,306**	86,474
Audit fees	**134,000**	64,000
Subscriptions and periodicals	**58,774**	30,691
Legal and insurance expenses	**45,643**	28,148
Advertising and printing	**18,678**	8,599
Membership and other fees	**17,375**	17,876
Other	**6,541**	20,766
Total goods and services supplied or rendered	**1,820,001**	1,172,652
Goods supplied	**70,535**	44,242
Services rendered	**1,749,466**	1,128,410
Total goods and services supplied or rendered	**1,820,001**	1,172,652
Other suppliers		
Workers compensation expenses	**10,417**	10,860
Total other suppliers	**10,417**	10,860
Total suppliers	**1,830,418**	1,183,512

Inspector-General of Taxation
Notes to and forming part of the financial statements

	2026 $	2025 $
1.1C: Finance costs		
Interest on lease liabilities	**20,834**	28,398
Unwinding of discount	**6,199**	6,555
Total finance costs	**27,033**	34,953

The above disclosures should be read in conjunction with the accompanying notes 2.5A and 2.4A.

Accounting Policy

All borrowing costs are expensed as incurred.

1.1D: Write-down and impairment of other assets		
Write-down and impairment of plant and equipment	**27,558**	1,052
Total write-down and impairment of other assets	**27,558**	1,052

1.2: Own-source revenue

	2026 $	2025 $
1.2A: Other revenue		
ANAO audit services received free of charge	**64,000**	64,000
Other revenue	**-**	1,275
Total other revenue	**64,000**	65,275

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and 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.

Other revenue

Other revenue is related to contracts with other Commonwealth entities for various projects and are recognised at a point in time.

1.2B: Revenue from Government		
Revenue from Government	**9,041,000**	7,324,000
Total revenue from Government	**9,041,000**	7,324,000

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the IGT gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivables are recognised at their nominal amounts.

Inspector-General of Taxation
Notes to and forming part of the financial statements

2. Departmental financial position

This section analyses the Inspector-General of Taxation assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1: Financial assets

	2026 $	2025 $
2.1A: Cash and cash equivalents		
Cash on hand or on deposit	**68,978**	20,000
Total cash and cash equivalents	**68,978**	20,000

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand; and

b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.1B: Trade and other receivables		
Goods and services receivables in connection with		
Goods and services	**11,559**	-
Total goods and services receivables	**11,559**	-
Appropriation receivables		
From ordinary annual appropriation	**4,209,952**	3,751,814
Total appropriation receivables	**4,209,952**	3,751,814
Other receivables		
GST receivable from the Australian Taxation Office	**25,745**	28,903
Total other receivables	**25,745**	28,903
Total trade and other receivables (gross)	**4,247,256**	3,780,717
Total trade and other receivables	**4,247,256**	3,780,717

Credit terms for goods and services were within 28 days (2025: 28 days).

Accounting Policy

Financial assets

Receivables and loans that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.2: Non-financial assets

2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment for 2026

	Buildings $	Plant and equipment $	Total $
As at 1 July 2025			
Gross book value	2,447,092	134,661	2,581,753
Accumulated depreciation, amortisation and impairment	(821,998)	(53,696)	(875,694)
Total as at 1 July 2025	**1,625,094**	**80,965**	**1,706,059**
Additions			
Purchase or internally developed	-	110,709	110,709
Depreciation and amortisation	(314,042)	(49,698)	(363,740)
Depreciation on right-of-use assets	(243,038)	-	(243,038)
Write-down and impairments recognised in net cost of services	-	(27,558)	(27,558)
Total as at 30 June 2026	**1,068,014**	**114,418**	**1,182,432**
Total as at 30 June 2026 represented by:			
Gross book value	2,447,092	170,074	2,617,166
Accumulated depreciation, amortisation and impairment	(1,379,078)	(55,656)	(1,434,734)
Total as at 30 June 2026	**1,068,014**	**114,418**	**1,182,432**
Carrying amount of right-of-use assets	**466,099**	**-**	**466,099**

All revaluations are independent and are conducted in accordance with the revaluation policy stated below. In 2023-24 a full revaluation was conducted. A desktop review was completed for 2025-26 with no material revaluation or impairment identified. The next comprehensive revaluation will be completed in 2026-27.

As at 30 June 2026, the IGT had no contractual commitments for either the acquisition of property, plant and equipment or for the acquisition of intangible assets (2025: nil).

Inspector-General of Taxation
Notes to and forming part of the financial statements

Accounting Policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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.

Lease Right-of-Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise 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 Commonwealth lessees 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.

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. Lease ROU assets continue to be measured at cost after initial recognition. The IGT did not identify any indicators of impairment.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than $2,000 and computer equipment of less than $1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Following initial recognition at cost, property plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Cost is considered an acceptable fair value proxy for assets under construction. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were 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 reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus or deficit. Revaluation decrements for a class of assets are recognised directly through surplus or deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the last revaluation date was eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the IGT using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Accounting Policy (continued)

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset Class	**2026**	2025
Buildings	**Lease terms**	Lease terms
Plant and equipment	**1-15 years**	1-15 years

Impairment

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 IGT were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

All tangible assets were assessed for impairment as at 30 June 2026.

Fair value measurements - validation process

Comprehensive valuations are carried out once every three years. In the intervening years, an annual materiality review is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. The IGT appointed Jones Lang LaSalle (JLL) to undertake a full revaluation of all tangible property, plant and equipment assets as at 30 June 2024. A desktop review was completed by JLL for 2025-26 with no material revaluation or impairment identified.

2.2B: Other non-financial assets

Prepayments	**48,459**	124,883
Total other non-financial assets	**48,459**	124,883

Accounting Policy

Prepayments

Prepaid expenses are recognised where an expense above $2,000 was made to 30 June 2026 but the good, service or event causing rise to the expense is not due for receipt or occurrence until 2026-27.

Inspector-General of Taxation
Notes to and forming part of the financial statements

2.3: Payables

	2026 $	2025 $
2.3A: Other payables		
Salaries and wages	**170,286**	134,801
Superannuation	**28,554**	25,085
Other	**158,650**	63,019
Total other payables	**357,490**	222,905

Accounting Policy

Other

Other payables include liabilities arising from inter-agency leave transfers. When employees transfer from another Australian Government entity and the associated leave entitlements are transferred to the IGT, a liability is recognised for the value of the leave entitlements assumed by the IGT.

2.4: Interest bearing liabilities

2.4A: Leases		
Lease liabilities	**571,377**	833,602
Total leases	**571,377**	833,602

Total cash outflow for lease for the period ended 30 June 2026 was $283,059, $262,225 in principal repayments and $20,834 in interest payments (2025: $245,310, $216,912 in principal repayments and $28,398 in interest payments).

Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**299,207**	283,059
Between 1 to 5 years	**288,308**	587,515
Total leases	**587,515**	870,574

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C and 2.2A.

Accounting Policy

Leases

For all new contracts entered into, the IGT 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 department'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 re-assessment or modification.

2.5: Other provisions

2.5A: Other provisions

	Provision for restoration obligations[1] $
As at 1 July 2025	**171,371**
Unwinding of discount or change in discount rate	6,200
Total as at 30 June 2026	**177,571**

1. Relates to the lease agreement for 201 Kent Street, Sydney.

Inspector-General of Taxation
Notes to and forming part of the financial statements

3. People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

3.1: Employee provisions

	2026 $	2025 $
3.1A: Employee provisions		
Leave	**1,721,627**	1,868,040
Total employee provisions	**1,721,627**	1,868,040

Accounting Policy

Employee benefits

Liabilities for short-term employee benefits and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the IGT's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

In 2025-26, the liability for long service leave was prepared with reference to an actuarial assessment of leave provisions completed by the Australian Government Actuary in 2024-25. The actuarial assessment considered the likely tenure of existing staff, patterns of leave claims, payouts, future salary movements, attrition rates, and pay increases. The next actuarial assessment will be completed in the 2026-27 financial year.

Superannuation

Staff of the IGT in general are members of the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The PSS is a defined benefit scheme for the Australian Government. The PSSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's administered schedules and notes.

The IGT makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The IGT accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

3.2: Key management personnel remuneration

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the IGT. In 2025-26, the IGT has determined the key management personnel to be all members of its Executive Committee. Key management personnel remuneration is reported in the table below:

	2026 $	2025 $
Short-term employee benefits	**2,134,690**	2,178,515
Post-employment benefits	**291,528**	327,956
Other long-term employee benefits	**56,449**	101,443
Total key management personnel remuneration expenses[1]	**2,482,667**	2,607,914

The total number of key management personnel that are included in the above table is 11 people for 10 roles (2025: 13 people for 10 roles).

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 entity.

3.3: Related party disclosures

Related party relationships:
The IGT is an Australian Government controlled entity. Related parties to the IGT are key management personnel including the Portfolio Minister and Executive, 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.

Significant transactions with related parties can include:
- the payments of grants or loans;
- purchases of goods and services;
- 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 IGT, it has been determined that there are no related party transactions to be separately disclosed (2025: nil).

Inspector-General of Taxation
Notes to and forming part of the financial statements

4. Funding

This section identifies the Inspector-General of Taxation funding structure.

4.1: Appropriations

4.1A: Annual appropriations

Annual Appropriations for 2026

	Appropriation Act	PGPA Act		Appropriation applied in 2026 (current and prior years)	
	Annual Appropriation $	Section 74 $	Total appropriation $	$	Variance $
Departmental					
Ordinary annual services[1]	**9,041,000**	**332,982**	**9,373,982**	**(8,900,865)**	**473,117**
Capital Budget[2]	**34,000**	**-**	**34,000**	**-**	**34,000**
Total Departmental[3]	**9,075,000**	**332,982**	**9,407,982**	**(8,900,865)**	**507,117**

1. In 2025-26, $9.041 million is reported as revenue from government and reported in the statement of comprehensive income. The $0.473 million variance relates to unspent appropriations and s74 receipts.
2. Departmental Capital Budgets are appropriated through Appropriation Act (No.1). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
3. As per the Service Level Agreement, Treasury draws down all appropriations to fund operating and capital expenditure on behalf of the Inspector-General of Taxation.

Annual Appropriations for 2025

	Appropriation Act	PGPA Act			
	Annual Appropriation $	Section 74 $	Total appropriation $	Appropriation applied in 2025 $	Variance $
Departmental					
Ordinary annual services[1]	7,324,000	219,126	7,543,126	(7,250,573)	292,553
Capital Budget[2]	32,000	-	32,000	(20,888)	11,112
Total Departmental[3]	7,356,000	219,126	7,575,126	(7,271,461)	303,665

1. In 2024-25, $7.324 million was reported as revenue from government and reported in the statement of comprehensive income. The $0.293 million variance related to unspent appropriations and s74 receipts.
2. Departmental Capital Budgets were appropriated through Appropriation Act (No.1). They formed part of ordinary annual services and are not separately identified in the Appropriation Acts.
3. As per the Service Level Agreement, Treasury draws down all appropriations to fund operating and capital expenditure on behalf of the Inspector-General of Taxation.

	2026 $	2025 $
4.1B: Unspent annual appropriations		
Departmental		
Supply Act (No. 3) 2022-23[1]	**-**	76,000
Appropriation Act (No. 1) 2024-25	**-**	3,740,701
Appropriation Act (No. 1) 2024-25 - DCB	**11,112**	11,112
Appropriation Act (No. 1) 2025-26	**1,914,840**	-
Appropriation Act (No. 1) 2025-26 - DCB	**19,000**	-
Appropriation Act (No. 3) 2025-26	**2,250,000**	-
Supply Act (No. 1) 2025-26 - DCB	**15,000**	-
Cash at Bank	**68,978**	20,000
Total Departmental	**4,278,930**	3,847,813

1. Supply Act (No.3) 2022-23 the underspent appropriation $76,000 lapsed on 1 July 2025 under section 39 of the FRR.

4.2: Net cash appropriation arrangements

	2026 $	2025 $
Total comprehensive income/(loss) as per the Statement of Comprehensive Income	**140,122**	(302,692)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)[1]	**363,739**	359,993
Plus: depreciation of right-of-use assets[2]	**243,038**	243,038
Less: lease principal repayments[2]	**(262,225)**	(216,912)
	484,674	83,427
Less: Changes in asset revaluation reserve	**-**	500
Net Cash Operating Surplus/ (Deficit)	**484,674**	83,927

1. From 2011, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation and amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations and/or departmental capital budget funding. Capital budgets are appropriated in the period when cash payment for capital expenditure is required.
2. The inclusion of depreciation and amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

Inspector-General of Taxation
Notes to and forming part of the financial statements

5. Managing uncertainties

This section analyses how the Inspector-General of Taxation manages financial risks within its operating environment.

5.1: Contingent assets and liabilities

Quantifiable Contingencies
There were no quantifiable contingent assets or liabilities in 2026 (2025: nil).

Unquantifiable Contingencies
The IGT has identified a potential contingent asset as at 30 June 2026 relating to an unresolved matter. As entitlement to, and the amount of, any potential recovery remains uncertain, no asset has been recognised in the financial statements.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

5.2: Financial instruments

	2026 $	2025 $
5.2A: Categories of Financial Instruments		
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	**68,978**	20,000
Trade and other receivables - goods and services	**11,559**	-
Total financial assets at amortised cost	**80,537**	20,000
Total financial assets	**80,537**	20,000
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers payable	**170,177**	160,978
Other payables	**158,650**	63,019
Total financial liabilities measured at amortised cost	**328,827**	223,997
Total financial liabilities	**328,827**	223,997

Accounting Policy

Financial assets

In accordance with AASB 9 Financial Instruments, the IGT classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss;
b) financial assets at fair value through other comprehensive income; and
c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

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 where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, 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 interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Other payables are amounts owed to other entities that do not arise from the supply of goods or services including liabilities arising from inter-agency leave balances payable to other Australian Government entities but excluding superannuation and salary payable.

All payables are expected to be settled within 12 months except where indicated.

Inspector-General of Taxation
Notes to and forming part of the financial statements

6. Other information

6.1: Current/Non-Current Distinction for Assets and Liabilities

	2026 $	2025 $
6.1A: Current/Non-Current Distinction for Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**68,978**	20,000
Trade and other receivables	**4,247,256**	3,780,717
Other non-financial assets	**45,460**	62,455
Total no more than 12 months	**4,361,694**	3,863,172
More than 12 months		
Buildings	**1,068,014**	1,625,094
Plant and equipment	**114,418**	80,965
Other non-financial assets	**2,999**	62,428
Total more than 12 months	**1,185,431**	1,768,487
Total assets	**5,547,125**	5,631,659
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**170,177**	160,978
Other payables	**357,490**	222,905
Leases	**286,654**	262,225
Employee provisions	**420,871**	445,154
Total no more than 12 months	**1,235,192**	1,091,262
More than 12 months		
Leases	**284,723**	571,377
Employee provisions	**1,300,756**	1,422,886
Other provisions	**177,571**	171,371
Total more than 12 months	**1,763,050**	2,165,634
Total liabilities	**2,998,242**	3,256,896

7. Budget commentary and explanation of major variances

7.1: Budget variance commentary

The table below provides explanations for major variances between the IGT's original budget estimates, as published in the 2025-26 Portfolio Budget Statements (PBS), and the actual financial performance and position for the year ended 30 June 2026. The budget is not audited.

Variances are considered to be 'major' if they are core to the IGT's activities and based on the following criteria:

- the variance between budget and actual is greater than +/- 10% of the original budget for a line item and greater than +/- $100,000; and
- an item is below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of the IGT's performance.

Variances relating to cash flows are a result of the factors explained for net cost of services, assets or liabilities variations. Unless otherwise individually significant, no additional commentary has been included.

The nature and timing of the Commonwealth's budget process can also contribute to variances.

Budget Variance explanation	Affected statements and line items
The net cost of service was higher than Budget due to: - an increase in IGT's workforce in line with the additional appropriations received - a termination payment made to a Senior Executive Service employee as disclosed in the Events After the Reporting Period disclosure in IGT's 2024-25 Financial Statements - partially offset by a reduction in supplier costs mainly due to decreased spending on information technology and consultants.	Statement of Comprehensive Income - Employee benefits - Suppliers Statement of Financial Position - Supplier - Other payables - Employee provisions Statement of Cash Flows - Employees - Suppliers
Additional Departmental Appropriations were received as part of the Portfolio Additional Estimates (Appropriation Act No. 3). The additional funding received remains partially unspent at year-end driving a higher than budgeted trade and other receivables balance.	Statement of Comprehensive Income - Revenue from Government Statement of Financial Position - Trade and other receivables Statement of Cash Flows - Appropriations

Part 6: Other mandatory information and appendices

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Other mandatory information

Advertising and market research

We did not conduct or incur any costs relating to advertising campaigns during FY26. We conducted two market research surveys this year to better understand our customer satisfaction and test the public awareness of our services. Both surveys were undertaken by ORIMA Research, and the cost for one of the surveys is disclosed in Table 3.3.

Grants

No discretionary grant programs are administered by our agency.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their family and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas is available at www.disabilitygateway.gov.au/ads.

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 www.apsc.gov.au.

Freedom of information

Entities subject to the *Freedom of Information Act 1982 (FOI Act)* are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is pursuant to Part II of the FOI Act. Our agency's Information Publication Scheme statement is available at Tax Ombudsman Information Publication Scheme.

Climate action in Government operations

Ecological sustainable development and environmental performance

Our office has measures in place to improve its overall environmental performance and complies with the principles of ecologically sustainable development. The owner of our leased office premises has active energy, waste management and water conservation strategies.

We encourage recycling by providing waste bins, segregating waste into paper and cardboard products as well as plastic, takeaway cups, and glass products. We also recycle toner printer cartridges.

Our office has a smart lighting system and water taps with energy saving functionality. Our ICT systems use a cloud-only technology provider that uses renewable energy sources and is carbon neutral. The office has printers with relatively low energy consumption and a 'Follow-Me' printing system to minimise paper wastage. We use 100% recycled paper that is certified carbon neutral and sustainable forest management certified.

We report to Government annually on our office's energy performance in accordance with the Energy Efficiency in Government Operations Policy.

Emissions reporting

APS Net Zero 2030 is the Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions. As part of this, non-corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the FY26 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO2-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports. Our Greenhouse Gas Emissions reports for FY26 are set out in Tables 6.1 and 6.2.

Table 6.1 Greenhouse gas emissions inventory – location-based method FY26

Emission source	Scope 1 t CO2-e	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e
Electricity (location based approach)	n/a	9.82	0.47	10.29
Natural gas	-	n/a	-	-
Solid waste[a]	-	n/a	1.36	1.36
Refrigerants	-	n/a	n/a	-
Fleet and other vehicles	-	n/a	-	-
Domestic commercial flights	n/a	n/a	24.38	24.38
Domestic hire car[b]	n/a	n/a	-	-
Domestic travel accommodation	n/a	n/a	5.97	5.97
Other energy	-	n/a	-	-
Total t CO2-e	**-**	**9.82**	**32.18**	**42.00**

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO2-e = Carbon Dioxide Equivalent.

n/a = not applicable

Note a: a portion of solid waste data was estimated based on the net lettable area occupied by the Tax Ombudsman.

Note b: emissions from hire cars for 2025–26 may be incomplete due to a lack of robust data. The quality of data is expected to improve over time as emissions reporting matures.

Table 6.2 Electricity greenhouse gas emissions FY26

Emission source	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e	Electricity kWh
Electricity (location based approach)	9.82	0.46	10.28	15,334.11
Market-based electricity emissions	10.28	1.40	11.67	12,682.85
Total renewable electricity consumed	n/a	n/a	n/a	2,651.27
Renewable power percentage[1]	n/a	n/a	n/a	2,651.27
Jurisdictional renewable power percentage[2]	n/a	n/a	n/a	-
GreenPower	n/a	n/a	n/a	-
Large-scale generation certificates	n/a	n/a	n/a	-
Behind the meter solar[3]	n/a	n/a	n/a	-
Total renewable electricity produced	n/a	n/a	n/a	-
Large-scale generation certificates[2]	n/a	n/a	n/a	-
Behind the meter solar[3]	n/a	n/a	n/a	-

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO2-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

1 The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

2 The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

3 Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

Appendices

Appendix 1 – Relationship between the performance measures in the Portfolio Budget Statements 2026-27 and Tax Ombudsman Corporate Plan 2026–29

Portfolio Budget Statements 2026–27	Tax Ombudsman Corporate Plan 2026-2029
Effective handling of tax administration complaints	KPI 1 and KPI 2 – Resolving complaints in a timely way KPI 3 – Customer satisfaction survey results
Efficient conduct of reviews into tax administration issues	KPI 4 – Number of systemic reviews completed and published KPI 5 – % of review recommendations agreed KPI 6 – % of systemic review recommendations implemented within planned timeframe
Publication of reports on tax administration	KPI 4 – Number of systemic reviews completed and published KPI 8 – public awareness
Independent advice to Government and relevant entities on improvements to tax administration	KPI 7 – stakeholder satisfaction

Appendix 2 – Entity resource statement

Inspector-General of Taxation resource statement 2025–26

	Actual available appropriation for 2025–26 $'000	Payments made 2025–26 $'000	Balance remaining 2025–26 $'000
	(a)	(b)	(a) – (b)
Departmental			
Annual appropriations – ordinary annual services[1]	9,408	5,129	4,279
Prior year appropriations available – ordinary annual services	3,772	3,772	-
Total resourcing and payments for the Tax Ombudsman	**13,180**	**8,901**	**4,279**

1. Departmental Capital Budgets are appropriated through Appropriation Act (No.1). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Appendix 3 – Expenses for outcomes

Expenses for Outcome 1

Outcome 1: Fair, accountable and improved administration and integrity of the taxation and superannuation systems for the benefit of the Australian community, through independent investigation and reporting.	Budget* 2025–26 $'000	Actual expenses 2025–26 $'000	Variation 2025–26 $'000
	(a)	(b)	(a) – (b)
Program 1.1: Inspector-General of Taxation			
Departmental expenses			
Departmental appropriation	9,022	8,268	754
s74 External Revenue	60	0	60
Expenses not requiring appropriation in the Budget year[1]	363	705	-342
Total expenses for Outcome 1	**9,445**	**8,973**	**472**
	2025–26	**2024–25**	
Average staffing level (number)	**35**	**35**	

* Full-year budget, including any subsequent adjustment made to the 2025–26 budget at Additional Estimates.

1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees, and write down and impairments.

Appendix 4 – Correction of errors in previously tabled Annual Report

Page in 2024–2025 Annual Report	Error
68	In Table 4.9, with respect to Kuan-Kuan Tian, the correct dates for his period of acting as Director-Complex Disputes Unit should have been 1 July 2024 to 19 January 2025
81	For FY2024 under section 1.1B, Goods Supplied was reported as $44,242 when it should have been $260,923
81	For FY2024 under section 1.1B, Services Rendered was reported as $1,128,410 when it should have been $1,527,264
81	For FY2024 under section 1.1B, Total Goods and Services Supplied or Rendered was reported as $1,172,652 when it should have been $1,788,187

Part 7: Reference materials

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Glossary

Activities	The actions/functions performed by agencies to deliver government policies.
Appropriation	An amount of public money that Parliament authorises for spending (that is, funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
APS employee	A person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the *Public Service Act 1999*.
Complaint	Expression of dissatisfaction made to or about an organisation related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.
Consolidated Revenue Fund	The principal operating fund from which money is drawn to pay for the activities of the Government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control. The PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. It is the primary piece of Commonwealth resource management legislation. The PGPA Act applies to all Commonwealth entities and Commonwealth companies.
Corporate plan	The primary planning document of a Commonwealth entity that sets out the objectives and strategies the entity intends to pursue in achieving its purposes over at least four reporting periods.
Complaints Service	The service offered by our agency to address complaints raised by the community about the administrative actions and decisions of the ATO or TPB, as well as systems relating to tax administration.
Financial results	The results shown in the financial statements of an entity.
Grant	An arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth and covered by the Commonwealth Grants Rules and Guidelines.
Investigation	An investigation commenced pursuant to section 8 of the *Ombudsman Act 1976*.
Materiality	Takes into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.
Non-ongoing APS employee	A person engaged as an APS employee under paragraphs 22(2)(b) or 22(2)(c) of the *Public Service Act 1999*.

Ongoing APS employee	A person engaged as an ongoing APS employee under paragraph 22(2)(a) of the *Public Service Act 1999*.
Operations	The functions, services and processes performed in pursuing the objectives or discharging the functions of the office.
Outcomes	The results, impacts or consequence of actions by the Commonwealth on the Australian community.
Portfolio Budget Statements	The Budget related papers detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Programmes	An activity or group of activities that deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
Responsible Minister	The minister who is responsible for matters described under the Administrative Arrangements Order (AAO). Each Commonwealth entity and company has a responsible minister - which one depends on the matters that the entity or company deals with, or otherwise prescribed by the rules.
Review	An investigation into the systems and processes that the ATO and TPB use to administer tax laws, including how they engage and communicate with the public and organisations.
Tax Ombudsman website	Our website can be found at: www.taxombudsman.gov.au

List of requirements

PGPA Rule reference	Part of report	Description	Requirement
17AD(g)	**Letter of transmittal**		
17AI	1	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
17AD(h)	**Aids to access**		
17AJ(a)	2	Table of contents (print only).	Mandatory
17AJ(b)	115	Alphabetical index (print only).	Mandatory
17AJ(c)	113	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	108	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
17AD(a)	**Review by Accountable Authority**		
17AD(a)	4	A review by the accountable authority of the entity.	Mandatory
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	6	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	23	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	22	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	6–7	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	24	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	24	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	24	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio Departments Mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AE(2)	N/A	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
17AD(c)	**Report on the performance of the entity**		
	Annual performance statements		
17AD(c)(i); 16F	26–48	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	**Report on financial performance**		
17AF(1)(a)	49	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	102–103	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	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.
17AD(d)	**Management and accountability**		
	Corporate governance		
17AG(2)(a)	51–55	Information on compliance with section 10 (fraud and corruption systems).	Mandatory
17AG(2)(b)(i)	1	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	1	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	1	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the entity.	Mandatory
17AG(2)(c)	51–55	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	N/A	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
	Audit Committee		
17AG(2A)(a)	52	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	53	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	53	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	53	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	53	The remuneration of each member of the entity's audit committee.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
	External scrutiny		
17AG(3)	56	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	56	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
17AG(3)(b)	56	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
17AG(3)(c)	56	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory
	Management of human resources		
17AG(4)(a)	62–65	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	66–69	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees (b) statistics on part time employees (c) statistics on gender (d) statistics on staff location.	Mandatory
17AG(4)(b)	66–69	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: • Statistics on staffing classification level • Statistics on full time employees • Statistics on part time employees • Statistics on gender • Statistics on staff location • Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	63	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory
17AG(4)(c)(i)	63	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	64	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	64	A description of non salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
	Asset management		
17AG(5)	56	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
	Purchasing		
17AG(6)	57	An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory
	Reportable consultancy contracts		
17AG(7)(a)	57–59	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
17AG(7)(b)	58	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
17AG(7)(c)	57–59	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
17AG(7)(d)	58	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
	Reportable non-consultancy contracts		
17AG(7A)(a)	57–59	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
17AG(7A)(b)	59	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
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts**		
17AGA	57–59	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
	Australian National Audit Office Access Clauses		
17AG(8)	57	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

PGPA Rule reference	Part of report	Description	Requirement
	Exempt contracts		
17AG(9)	57	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
	Small business		
17AG(10)(a)	57	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
17AG(10)(b)	57	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	N/A	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
	Financial statements		
17AD(e)	73–98	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive Remuneration		
17AD(da)	70–71	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule.	Mandatory
17AD(f)	**Other mandatory information**		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that *"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, mandatory
17AH(1)(a)(ii)	100	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory
17AH(1)(b)	N/A	A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."*	If applicable, mandatory
17AH(1)(c)	100	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	100	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	104	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	57, 100–101	Information required by other legislation.	Mandatory

Shortened terms

Acronym	Description or Term
AA	Accountable Authority
AAIs	Accountable Authority Instructions
ABN	Australian Business Number
AI	Artificial intelligence
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ATO	Australian Taxation Office
BCP	Business Continuity Plan
CALD	Culturally and linguistically diverse
Commissioner	Commissioner of Taxation
CMS	Case management system
CPD	Continuing professional development
CPR	Commonwealth Procurement Rules
EL	Executive Level
Finance law	The PGPA Act, PGPA Rule, any other instrument made under the PGPA Act or an Appropriation Act
FOI Act	*Freedom of Information Act 1982*
FY22	Financial year ending on 30 June 2022
FY23	Financial year ending on 30 June 2023
FY24	Financial year ending on 30 June 2024
FY25	Financial year ending on 30 June 2025
FY26	Financial year ending on 30 June 2026
GST	Goods and Services Tax
HR	Human resources
ICT	Information and communications technology
IGT	Inspector-General of Taxation
IGTO	Inspector-General of Taxation and Taxation Ombudsman
IGT Act	*Inspector-General of Taxation Act 2003*
IPS	Information Publication Scheme

Acronym	Description or Term
KER	Key expected result
KPI	Key performance indicator
MOU	Memorandum of understanding
NACC	National Anti-Corruption Commission
Ombudsman Act	*Ombudsman Act 1976*
PBS	Portfolio Budget Statements
PDS	Performance Development System
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	*Public Governance, Performance and Accountability Rule 2014*
Public Service Act	*Public Service Act 1999*
SES	Senior Executive Service
SME	Small and Medium Enterprise
Taxation law	(a) an Act of which the Commissioner has the general administration (including a part of an Act to the extent to which the Commissioner has the general administration of the Act); or (b) legislative instruments made under such an Act (including such a part of an Act); or (c) the *Tax Agent Services Act 2009* or regulations made under that Act.
TPB	Tax Practitioners Board
WHS	Work health and safety
WHS Act	*Work Health and Safety Act 2011*

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Tax Ombudsman

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