



# Commissioner's Opening Statement – Senate Economics Legislation Committee, 25 October 2023

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Thank you Chair.

I would like to make some opening remarks, especially in relation to large corporate taxpayers which I know is a matter of particular interest to the community and this Committee.

This week we tabled our 2022-23 annual report which shows our net tax collections were \$576 billion – up \$60.6 billion over the previous year.

Rates of corporate tax compliance in Australia continue to set a very high bar for the rest of the world.

Since the [Tax Avoidance Taskforce](#) commenced in 2016, it has helped secure around \$28 billion in additional tax revenue from multinational enterprises, large public and private businesses.

Chair, you would have seen the Treasurer announce we secured an additional \$6.4 billion in tax revenue for the Australian community from large public corporations and multinationals last financial year.

This additional revenue is off the back of our compliance interventions, paired with strong commodity prices. It is an outstanding result that reflects years of sustained effort from our Taskforce.

Around \$4.4 billion of last year's result is due to our earlier interventions in the oil and gas sector now flowing through the system, positively impacting tax collections.

This result largely reflects the ATO's ability to capitalise on the success in the Chevron case, permanently removing more than \$40 billion of past and future interest deductions for related party finance arrangements from the tax system.

Some oil and gas companies are now among the biggest taxpayers in Australia.

Next month, we will also be releasing our ninth corporate tax transparency report which will show a record high level of income tax paid by large corporates for 2021-22.

During my tenure, I've witnessed a significant shift in the attitude and behaviour of large corporate taxpayers when it comes to paying tax.

Clearly, the \$576 billion we collected last year is from more taxpayers than just large corporates. Small and medium businesses and individual taxpayers contribute significantly to our bottom line. As our report outlines, our tax gap analysis is showing steady improvements across these markets, with the gaps decreasing and tax performance improving.

Over the past few years, the overall tax gap estimates have declined gradually, falling from 8.1% in 2015–16 to 7% in 2020–21. This year, of the 15 income-based and transaction-based tax gap estimates we produce, we saw an improvement across 9 of the estimates. A 1% improvement may not sound like much, but that reflects almost \$6 billion per year available to support the Australian community.

When the community sees large corporates doing the right thing, we know this has a positive influence on attitudes and behaviour to paying tax.

Most taxpayers pay on time and in full. This year, we have been transparent about our return to a business-as-usual approach to debt collection. Addressing collectable debt is a top priority for the ATO.

The vast majority of collectable debt is self-assessed and reported to us by the taxpayer. It includes GST a business has collected from customers but hasn't passed on to the ATO. It includes unpaid pay-as-you go withholding from wages and superannuation guarantee charge that has a direct impact on employees.

While small business has the largest proportion of the collectable debt book, we are focused on non or late payment in every group in the tax system. We want to encourage a culture of paying tax on time and in full.

We have a critical role in supporting a level playing field and protecting other creditors in the system.

The ATO remains committed to upholding the integrity and fairness of Australia's tax system for the benefit of all Australians.

Thank you, Chair, I welcome your questions.