



Commissioner's opening statement – Senate Economics Legislation Committee, 26 February 2025

Opening statement from Commissioner Rob Heferen to the Senate Economics Legislation Committee, 26 February 2025.

(Check against delivery)

Thank you, Chair.

It's once again a privilege to be before this committee with my executive team, many of whom have travelled from around the country where they represent the around 20,000 ATO staff, in 22 ATO offices across Australia's metropolitan and regional areas.

I have been in the Commissioner role for almost one year, and leading the ATO is the privilege I anticipated it to be. I cannot overstate the dedication and integrity of ATO staff. I've had the pleasure of hearing directly from many of them – about their dedication to their roles as public servants and tax officers who are tasked with the important job of assisting their communities to meet their tax obligations, enabling the revenue to be collected so governments can provide the services the community requires. We at the ATO also understand well our responsibility to the Australian community to administer the tax system according to the law, and to treat access to taxpayer information with the respect and care that is expected by government and the community.

Through the year I have sought to emphasise that the ATO's core role is to collect the right amount of tax, in accordance with the law, in the most efficient, transparent, empathetic, and timely way for the government and the taxpayer.

With this as our main focus, I'm pleased to update the Committee on our progress.

While all tax owed to the government is a priority – from individuals, and from small and large business – we are moving harder and faster to collect priority debt such as unpaid superannuation guarantee, PAYGW– that is, tax that is withheld from employees' pay but not passed on to the government – and GST that is collected from customers but not passed on to the government, and from the small group of taxpayers who exhibit the most non-compliant behaviour in avoiding their obligations.

It is important to note that only 22,000 taxpayers are responsible for \$11 billion of the total tax debt value. In context, **that's about 1% of the total debtors responsible for 20% of what's owed.** To be clear, I'm not talking about just the largest taxpayers – this 1% are taxpayers of varying sizes. And it is this group where our focus lies.

This approach we are taking to collect the tax owed to the government is deliberate and targeted, with action being taken for those who **repeatedly** refuse to engage with us and continue to ignore our reminders. For these taxpayers, we are moving more urgently to deploy the full powers available to us, including issuing Director Penalty Notices, taking garnishee action, and – if necessary – taking wind up action. We are beginning to see the effects of this work, through reduction in the amount of debt owed to the government.

Collecting what's owed is our job. Importantly, we are also making it fairer by protecting good business from those in the system who don't meet their obligations. That is, we are doing our best to assist in ensuring a level playing field.

While we have a job to do, it is important that we carefully differentiate those taxpayers who may be experiencing vulnerability from those who are deliberately non-compliant. To support this, the ATO is implementing a Vulnerability Capability that will strengthen and coordinate the way the ATO supports those who need it most. This program of work will include the development of a framework, together with specific actions and activities to support people experiencing vulnerability, including financial abuse.

I want to reiterate to this committee a message that I provided in my last opening statement: to any taxpayers who may be experiencing financial hardship, the ATO can and will work with you to find a way forward, so please contact us.

With that, I thank you for your time, and we look forward to assisting the committee this evening.