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GST Stewardship Group

Access information from meetings of the GST Stewardship Group.

GST Stewardship Group key messages 23 April 2026



Key topics discussed at the GST Stewardship Group meeting on 23 April 2026.

GST Stewardship Group key messages 13 November 2025



Key topics discussed at the GST Stewardship Group meeting 13 November 2025.

GST Stewardship Group key messages 10 July 2025



Key topics discussed at the GST Stewardship Group meeting 10 July 2025.

GST Stewardship Group key messages 20 March 2025



Key topics discussed at the GST Stewardship Group meeting 20 March 2025.

GST Stewardship Group key messages 12 November 2024



Key topics discussed at the GST Stewardship Group meeting 12 November 2024.

GST Stewardship Group key messages 30 July 2024



Key topics discussed at the GST Stewardship Group meeting 30 July 2024.

GST Stewardship Group key messages 13 March 2024



Key topics discussed at the GST Stewardship Group meeting 13 March 2024.

GST Stewardship Group key messages 14 November 2023



Key topics discussed at the GST Stewardship Group meeting 14 November 2023.

GST Stewardship Group key messages 18 July 2023



Key topics discussed at the GST Stewardship Group meeting 18 July 2023.

QC 38570

GST Stewardship Group key messages 23 April 2026

Key topics discussed at the GST Stewardship Group meeting on 23 April 2026.

Last updated 4 June 2026

Welcome and introductions

The co-chairs welcomed members and guests to the meeting and noted recent Australian Taxation Office (ATO) restructures. Members wanted an action item relating to the provision of timing for completion of processing requests and specific ATO contacts to remain open, pending further discussions at a future meeting.

Shadow economy

Findings from recent research into shadow economy behaviour was shared, showing changes and adaptations, with new activities emerging and others expanding in scale or scope. The ATO is incorporating these insights into its compliance activities.

The research showed that while the community was generally hesitant to report shadow economy behaviour, they were more likely to report if entities were operating entirely outside the tax system or were showing behaviours that might cause personal harm to others.

Recommendations for the ATO included:

- focusing on small attainable steps and clear calls to action
- targeting specific behaviours and audiences
- taking a customer centric/behavioural lens.

ATO activities now include:

- targeting deliberate behaviours by increasing compliance on industries of risk
- expanding work with associations and industries for focused communications
- investing in new analytical data models, expanding pre-fill and data matching
- increasing the visibility of consequences of participation in the shadow economy

- using mobile enforcement and new priority strike teams
- aligning future automation with regulatory reform and the Tax Admin 3.0 vision.

Member comments

A suggestion for more community education to address the shadow economy was made, particularly for people new to Australia and to help small and medium enterprises better understand the tax system.

While behavioural changes are being implemented, members wondered whether a more systemic solution was needed in industries with a high degree of shadow economy penetration. The ATO advised it is championing people doing the right thing and highlighting consequences for bad behaviour.

Members raised issues with PayID, with payments made to different mobile phone numbers, and where several businesses operate under the one Australian business number.

It was noted that structural reforms had helped European countries tackle their shadow economies. Similar reforms in Australia could focus on making it easier for honest businesses and harder for those operating outside the system.

Community and industry insights roundtable

Members discussed a range of issues under this agenda item including:

- Emerging pressures on the goods and services tax (GST) system, including rising ATO debt levels, the introduction of Payday Super from 1 July, high fuel prices, and the removal of card surcharges. The ATO noted the critical role of advisers and intermediaries in supporting businesses as these factors converge, and flagged debt management as a potential future agenda item.
- ATO guidance on the GST treatment of medical aids, appliances, and health-related products. There was also interest in greater transparency on targeted taxpayer segments and early visibility of campaigns to support client engagement. The ATO will consider what further information can be shared.

- A member case study that highlighted issues following a Combined Assurance Review, including lack of notification of a supplementary annual GST return. The ATO outlined work is underway to address system and process gaps and committed to improving information sharing and collaboration between the Large Business and GST Stewardship Groups.

GST cashflow advertising campaign

The ATO External Communication team took members through its GST cashflow advertising campaign which encourages businesses to keep GST separate from business cash flow to prevent unexpected tax debts and minimise new GST debt. The ads have been seen more than 22 million times since the campaign began in 2024-25 with 195,000 clicks to the campaign landing web page. Comments on social media have been largely supportive, with a small number of critical comments.

The campaign targeted businesses with the focus on small businesses.

Member comments

Members discussed the demographic/generational challenges associated with reaching specific groups and below-the-lines communications the ATO provides.

Discussions ranged to webinars the ATO runs that are tailored for small businesses and advertised through the ATO and other forums such as chambers of commerce and local councils. Links to these webinars will be provided to stewardship group members.

The ATO will email members a range of specific focus questions following the meeting that they can take back to their networks to gather information and insights on, and feed these back to the ATO.

Simplifying tax administration for business

An overview of the Regulatory Reform Program was provided, outlining some of the key initiatives being undertaken and explored to transform the business experience and interactions with the tax system.

Topics discussed included:

- pre-fill for individuals in business

- dynamic pay as you go instalments
- moving businesses from quarterly to monthly lodgment cycles
- eInvoicing.

The ATO advised it will continue to engage businesses, tax professionals and digital partners through stewardship groups to discuss how to progress existing concepts and identify and develop new opportunities.

Member comments

Members asked for greater visibility of the data the ATO holds throughout the year to better inform client advice.

There was general support for moving businesses from quarterly to monthly lodgments. Businesses engaging or changing tax professionals, paying off debt, lodging outstanding tax returns or exiting the system were good outcomes. Members said the ATO could do more to remove taxpayers from the GST system that are not viable earlier.

There were broad discussions and a range of views on eInvoicing and eReporting. With respect to eReporting, there were mixed views on whether the ATO should consume all transaction data.

Legislation and ATO updates

Attendees were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Attendees

Attendees list

Organisation	Attendee
ATO	Emma Tobias (Co-chair), International, Support and Programs
ATO	Hayley Busuttil, International Support and Programs
ATO	Narda Phillips, Enterprise Solutions and Technology
ATO	Rowan Fox, Small Business
ATO	Sarah Vawser, Individuals and Intermediaries
ATO	Tanya O'Callaghan, International Support and Programs
Australian Banking Association	Chris Plakias
Australian Bookkeepers Association	Kerrie Jarius
Chartered Accountants Australia and New Zealand	Denis McCarthy
Corporate Tax Association	Stephanie Caredes
CPA Australia	Jacqui Hardwick
Digital Service Providers Australia New Zealand	Matthew Prouse
Independent Member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
RSM Australia	Sam Mohammad

Small Business Representative	Amanda Gascoigne (Co-chair)
The Tax Institute	Bastian Gasser
Treasury	Kirby Wu
University of New South Wales	Michael Walpole
Wesfarmers Limited	Caryn Bovell

Guests

Guest attendee list

Organisation	Attendee
ATO	Claudia Bianco, ATO Corporate
ATO	Jack Messaike, Law Design and Practice
ATO	Jenny Lin, Private Wealth
ATO	Lara Cavanough, Public Groups
ATO	Melinda Balkin, Individuals and Intermediaries
ATO	Tony Goding, Small Business
Department of Treasury and Finance, South Australia	Eka Baker
Treasury	Blake Ford

Apologies

Apologies list

Organisation	Member
ATO	Narda Phillips, Enterprise Solutions and Technology
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Treasury	Emma Baudinette

QC 107440

GST Stewardship Group key messages 13 November 2025

Key topics discussed at the GST Stewardship Group meeting 13 November 2025.

Published 7 January 2026

Welcome and introductions

The co-chairs welcomed members and guests to the meeting, noting recent ATO restructures. Members spoke to the closure of an action item on legal practitioners' ability to communicate digitally with the ATO on behalf of their clients. Members encouraged the ATO to find ways where legal practitioners can more easily interact with the ATO.

Counter fraud program

An overview on the fraud environment, including current risks in the GST environment and action being taken within Fraud and Criminal Behaviours (FCB) to treat this was provided.

The ATO app was discussed, with the introduction of new security features in June 2025 that allow taxpayers who register their device to

lock their ATO record if they suspect fraudulent activity. Members are encouraged to share this information with their networks to increase awareness and adoption of the ATO app to help taxpayers combat fraud.

From 17 November 2025, security messages will expand to include Australian business number (ABN) and GST registration events and Online services for agents will provide more visibility of taxpayers' account statuses.

The ATO said the app is a secure channel that aims to counter the challenge of digitally enabled fraud.

Banking Industry Association representatives spoke about what they are doing to tackle cybersecurity and scams. Preventing scams without disrupting the ordinary course of business for customers is an ongoing challenge. Australia's banking industry is a world leader in responding to managing scams through the implementation of a scam prevention framework.

Member comments included:

- The implementation of client-to-agent linking, which provides protection against identity-related fraud and theft, and its impacts on tax agents.
- Younger taxpayers will look to interact more digitally with the ATO, moving from ato.gov.au to the app. The ATO said it will use the app to strengthen and secure existing online services.
- Members advised they would be happy to provide input into messaging that could be used to promote the ATO app as it expands its reach into the GST space.

Small business digitalised tax experience plus resilience framework

The ATO spoke about the planned implementation of initiatives to improve and modernise the small business tax experience and development of the small business resilience framework.

New small businesses often don't understand their tax and super obligations, are short on time and have a limited awareness of business fundamentals. Unexpected events such as family illness, supply chain issues or extreme weather have a greater impact on small

businesses. While most try to meet their tax obligations, the small business tax gap and tax debts from this sector remain high.

The development of a small business resilience framework by the ATO aims to support sustainable businesses, prevent vulnerability and help to set up healthy habits from the start.

The ATO is a major touchpoint for small businesses and through the ATO's new to business email series provides information and guidance at one month, 6-month and 18-month intervals as a support tool for new business owners. The resilience framework is about how we use our data to identify critical points in a small business lifecycle and offer proactive support and guidance.

The ATO works closely with small business intermediaries and is aware of their issues interacting with clients who have limited business knowledge. It also supports people that have been moved from employee to contractor status and need to obtain an ABN.

The ATO has a significant program of work underway to progress a digitalised tax experience to help small businesses to meet their tax obligations correctly and from the start.

We are exploring how we better support businesses to manage the complexity in the system and improve their tax performance through digital and data driven solutions including:

- Better aligning tax processes with the way small businesses operate – integrating Pay as you go instalment calculations in software to reflect real-time economic performance.
- Making better use of data to enhance accuracy and provide greater certainty – enhancing pre-fill for individuals in business with a focus on using Taxable payments annual report data.
- Better aligning reporting and payment to existing small business processes and profitability – moving businesses with a history of poor compliance from quarterly to monthly reporting.

Member comments included:

- Is possible to tailor messaging for small business segments such as sole traders, microbusinesses and those with business activity statement agents and modify messaging to be more specific for their situations? The ATO said it is focused on developing more specific messaging.

- A range of activities the ATO could undertake to help small businesses was suggested including
 - practical examples of GST registration (some tax agents are still getting it wrong)
 - fact sheets using specific case studies
 - small business podcasts and step-by-step videos that help businesses to work through what they must do including registration and guidance on what tax agents can ask the business.
- Members praised the work of the ATO and the support it is providing to both small businesses and tax agents and believe there are opportunities to provide positive stories on ato.gov.au or through social media.
- How can we help the ATO to find the right platforms to reach specific small business segments, including high-level government websites, councils, chambers of commerce and industry specific networks. Members proposed holding a specific meeting to workshop ideas.

Update on the supplementary annual GST return

The ATO provided an update following the first round of lodgments of supplementary annual GST returns by December balancers, noting the importance of these taxpayers (those lodging in 2024–25 represent more than 20% of all GST claimed and paid in the system).

The results demonstrated the investment many taxpayers had made in their GST governance and in actioning ATO recommendations from their most recent assurance review.

Around three-quarters of lodgers completed the GST analytical tool (GAT) and provided the results. Many taxpayers progressing towards fully implementing ATO recommendations provided expected GAT completion dates or dates for internal controls in their return.

The ATO advised early observations confirm that the information provided through the return, coupled with the assurance achieved through prior reviews, will enable us to tailor our future engagement resulting in less resource investment for many taxpayers. For instance,

in the Top 1,000 program we have observed in the Combined Assurance Reviews that commenced following the lodgment of the return in August, that our engagement has been more tailored and targeted than it would have otherwise been. In some cases, no GST component of the review was undertaken.

Member comments included:

- They are comfortable with the progression of this initiative and how feedback from industry groups has helped the ATO to be able to close the information loop.
- As requested, the ATO provided members with information they can share with their networks and will return in in about a year's time to provide another update.

Australian border force – GST at the border

Australian Border Force (ABF) is the second-largest revenue collector for the Commonwealth. In 2023–24, it collected \$5.6 billion in GST and \$40.1 billion in deferred GST on imported goods in addition to collecting customs duty and other charges.

The tourist refund scheme administration and proposals to improve the traveller experience, including reduced processing times was discussed. Other countries with different models to Australia offer good examples of changes that could be implemented.

2025 review and 2026 forward work program

We propose a total of 3 regular meetings for 2026 plus the option to add specific, opt-in meetings or virtual consultations, like 2025.

Members endorsed the concept of holding 3 regular meetings plus another, member-led meeting the day before, enabling them to focus on a particular topic.

Following the meeting, the ATO will email members to seek their feedback on how the group worked in 2025, ideas for the 2026 forward work program and suggestions for a specific, member-led meeting.

Legislation and ATO updates

Members were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Recognising 25 years of GST

The Commissioner of Taxation Rob Heferen and former Commissioner of Taxation Michael D'Ascenzo joined the meeting to recognise and reflect on 25 years of GST.

They talked through the extensive work that the ATO and others undertook to set up, implement and administer the GST.

Attendees

Attendees list

Organisation	Member or Attendee
ATO	Hector Thompson (Co-chair), International Support and Programs
ATO	Andrea Wood, International Support and Programs
ATO	Hayley Busuttil, International Support and Programs
ATO	Narda Phillips, Enterprise Solutions and Technology
ATO	Rowan Fox, Small Business

Australian Banking Association	Chris Plakias
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Corporate Tax Association	Stephanie Caredes
Digital Service Providers Australia New Zealand	Matthew Prouse
Independent Member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
Small Business Representative	Amanda Gascoigne (Co-chair)
The Tax Institute	Elisha Herbert
University of New South Wales	Michael Walpole
Wesfarmers Limited	Caryn Bovell

Guest attendees

Guest attendee list

Organisation	Attendee
ATO	Angela Allen, Small Business
ATO	Darryl McCarthy, International Support and Programs
ATO	David Allen, ATO Executive
ATO	Helen Wilson, Fraud and

	Criminal Behaviours
ATO	Melinda Balkin, Individuals and Intermediaries
ATO	Rob Heferen, Commissioner of Taxation
ATO	Virginia Gogan, Public Groups
Australian Banking Association	Mitchell Frater-Baird
Australian Banking Association	Nick Giurietto
Australian Border Force	David Wadsworth
Australian Border Force	Gabrielle Tramby
Australian Border Force	Katie O'Brien
Australian Border Force	Melissa Catania
Department of Treasury and Finance, South Australia	Eka Baker
Department of Treasury, Western Australia	Jake Prendergast
Treasury	Tanuja Doss

Apologies list

Apologies list

Organisation	Member
ATO	Sarah Vawser, Individuals and Intermediaries
CPA Australia	Ken Fehily
RSM Australia	Sam Mohammad

The Tax Institute	Bastian Gasser
Treasury	Emma Baudinette

QC 106033

GST Stewardship Group key messages 10 July 2025

Key topics discussed at the GST Stewardship Group meeting 10 July 2025.

Published 21 August 2025

Welcome and introductions

The co-chairs welcomed members and guests to the meeting. Minor changes to the group's charter were endorsed and the group was advised that the proposed 2025 membership refresh has been postponed to 2026.

ATO Vulnerability Framework

The ATO presented an overview of the Vulnerability Capability and the draft Vulnerability Framework (Framework), which was released for public consultation on 12 June 2025, with submissions closing on 18 July 2025.

The Framework sets out the ATO's commitment to supporting people experiencing vulnerability while carrying out its role of collecting tax to help fund essential services for the Australian community.

The Framework is founded on the commitments made in **Our Charter** and outlines 6 guiding principles, 4 core focus areas, and a clear approach to how the ATO engages with the community.

The ATO acknowledged that the Framework recognises its part within a broader eco-system, while also aiming to promote transparency around the ATO's legal boundaries, funding, and responsibilities to help manage expectations and avoid misunderstandings.

The ATO's Frontline Operations area set up an Advocate Helpdesk in August 2024 in response to industry consultation and feedback. This team provides financial counsellors, tax clinic representatives and other advocates with direct support for their clients.

Financial counsellors and National Tax Clinic representatives are able to access the Advocate Help Desk via phone **1300 137 295** or email AdvocateHelpDesk@ato.gov.au Experienced ATO staff have been trained in assisting advocates to support taxpayers experiencing vulnerability.

Member comments

Members discussed challenges in preventing financial abuse and the need for early detection and ongoing awareness. They also raised concerns regarding company director responsibilities, questioning whether additional support may be warranted.

Feedback emphasised areas for strengthening the Framework, including balanced messaging on legal boundaries, greater clarity around the ATO's discretionary powers, clearer agent collaboration, and enhanced transparency to demonstrate the Framework's practical impact.

One member noted that the development of the Framework represents a significant advancement for the ATO when compared with other tax administrations and welcomed future plans for consultation and collaboration.

Post meeting update

Public consultation on the draft ATO Vulnerability Framework closed on 18 July 2025. The ATO received a significant volume of feedback from the community, advocates, and partners, highlighting the importance of this work. The final ATO Vulnerability Framework is now scheduled for publication in late October 2025, in support of a comprehensive communications launch aligned with the ATO's ongoing efforts to better assist people experiencing vulnerability.

ATO processing update

The ATO took members through the restructure from Service Delivery to Frontline Operations, the work it has done to reduce processing backlogs and how it manages demands and work volumes.

Members discussed specific processes impacting non-resident Australian business number (ABN) registrations and GST grouping applications. The ATO advised that some forms need to go through several, manual checks that impact on processing times.

The ATO said that form complexity and small volumes can also have an impact on processing times, although it remains focused on improving its internal processes and providing greater staff capability.

Frontline Operations will return in 2026 to update the group.

Member comments

A member asked if forms can be categorised by form type rather than work type, with simple forms able to be processed more quickly. The ATO advised that grouping the forms by work type works better administratively, however it is always looking to create efficiencies.

A member asked whether specific forms could be redesigned to increase efficiencies. The ATO advised that it's looking into the best mix of resources for the different work types and is considering whether redesigning specific forms would help.

A member said it would be helpful if the ATO could provide guidance on processing times they could expect for specific forms. The ATO is currently reviewing service commitments and will communicate them to members.

A member asked about the Australian Security and Investments Commission's suppression of director addresses, which prevents people from applying for an ABN and from changing director details via the Australian Business Register (ABR) login. The ATO outlined that director address suppressions are requested by taxpayers to protect their privacy. The member also asked why they are authorised to change ABR details online but cannot authorise a bulk upload of changes via the online services for business portal. The ATO will talk to the member offline about these issues.

No online channel for legal representatives

The ATO outlined improvements undertaken to address concerns that some GST Stewardship Group legal practitioners and members of other stewardship groups had identified when communicating with the ATO. There was general discussion about the constraints preventing legal practitioners from communicating digitally with the ATO. The ATO provided the group with a draft guide it has been developing for legal practitioners which aims to improve their experience when contacting the ATO on behalf of their clients.

Member comments

A member said the guide would be useful if it provides information for lawyers on what they have to do when requesting a ruling and seeking guidance on behalf of their clients. They said it would particularly benefit lawyers from small and medium-sized firms.

Members asked about faster and better alternatives to communicating with the ATO than post and fax and questioned whether there are other existing channels that could be used.

Community expectations of privately owned and wealthy groups and GST

The ATO's Private Wealth area sought input from members on how community expectations might shape its approach to GST compliance for privately owned and wealthy groups (POWG). The ATO asked members if there is a segment of the POWG population that they think needs a differentiated approach and what such an approach might look like.

Member comments

Members acknowledged the unique moral dimension of GST, being a tax that is collected by businesses for government and the community, with the expectation that they will ensure GST is correctly reported and remitted.

Members agreed that wealth alone should not determine differentiated GST engagement, and instead proposed alternative lenses for the ATO to consider, such as:

- tailored approaches for POWGs operating in specific industries where the community might consider there to be more risk

- engagement strategies informed by business sophistication, including their agent or adviser representation.

Members advised they would be interested in further workshopping this topic with the ATO if there is further data the ATO is able to share to support analysis through the industry and business sophistication lens.

Legislation and ATO updates

Members were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Attendees

Attendees list

Organisation	Member
ATO	Emma Tobias (Co-chair), International Support and Programs
ATO	Andrea Wood, International Support and Programs
ATO	Darryl McCarthy, International Support and Programs
ATO	Emma Chamberlain, Individuals and Intermediaries
ATO	Michael Morton, Small Business

ATO	Natalie Payne, International Support and Programs
Australian Banking Association	Chris Plakias
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Corporate Tax Association	Stephanie Caredes
CPA Australia	Ken Fehily
Digital Service Providers Australia New Zealand	Matthew Prouse
Independent Member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
Small Business representative	Amanda Gascoigne (Co-chair)
The Tax Institute	Bastian Gasser
Wesfarmers Limited	Caryn Bovell

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Anita Challen, Frontline Risk and Strategy
ATO	Anna Longley, Frontline Risk and Strategy

ATO	Carolynne McQuay, Private Wealth
ATO	Cassandra Franklin, Office of the Chief Tax Counsel
ATO	Jenny Lin, Private Wealth
ATO	Rob Thomson, Individuals and Intermediaries
ATO	Virginia Gogan, Public Groups
Department of Treasury and Finance, Tasmania	Damien Jarvis
Tax and Business Advisory Clinic, UNSW	Tony Martins
Treasury	Chadd Gunton
Treasury	Juyeon Lee

Apologies

Apologies list

Organisation	Member
ATO	Hector Thompson
ATO	Nadia Alfonsi
ATO	Narda Phillips
ATO	Rowan Fox
ATO	Sarah Vawser
ATO	Will Day

Australian Bookkeepers Association	Kerrie Jarius
RSM Australia	Sam Mohammad
University of New South Wales	Michael Walpole
Treasury	Emma Baudinette

QC 105414

GST Stewardship Group key messages 20 March 2025

Key topics discussed at the GST Stewardship Group meeting 20 March 2025.

Published 24 April 2025

Community and industry insights roundtable

The use of artificial intelligence and the supplementary annual GST return have been scheduled in meeting agendas.

Further topics discussed included:

- processing documents and forms, particularly for grouping and GST registration
- online services for legal firms
- issues faced by non-resident entities relating to registration, grouping, refunds, systems
- director penalty notices and increased levels of debt and vulnerable clients
- fraud issues, particularly in construction, payroll and service provider sectors

- exploring Australian Taxation Office (ATO) data resources to improve compliance across the cash economy.

Supplementary annual GST return

The group discussed the implementation of the supplementary annual GST return. A broad communication strategy is raising awareness of the new lodgment obligations and providing clarity for taxpayers on what they need to do. The first notices requiring lodgment will issue in May with lodgment due in August.

Taxpayers involved in a pilot have provided feedback to the ATO. While the majority said the questions were clear and guidance was relevant and easy to follow, the ATO is considering making further refinements to questions relating to GST governance and the GST Analytical Tool (GAT).

The ATO will share a further update after analysing and evaluating the first year of lodgments.

Member comments

A member asked if taxpayers who do not need to do an assurance review, based on the responses provided in the supplementary annual GST return, will get an updated GST assurance rating. The ATO is considering this and what will be communicated to taxpayers.

The ATO acknowledged a request for further web guidance for taxpayers regarding GAT and confirmed that undertaking the GAT is expected as part of good governance. The ATO reiterated there is no threshold applied when analysing the GAT and that each circumstance is considered individually.

A member asked if there are likely to be any more risk-based interactions with taxpayers because of the supplementary annual GST return, such as a letter or phone call. The ATO noted information used for risk-based programs will depend on the information provided by taxpayers in the return.

Future GST PAG priorities

Following discussions on GST public advice and guidance (PAG) products at the July and November 2024 meetings, the ATO

canvassed members' views and insights on what issues they consider the ATO should prioritise for future PAG to improve the GST system.

The ATO asked members to consult within their industry or professional groups on priorities. Members were asked to consider the ATO PAG prioritisation factors and were reminded that their insights would be fed back to relevant areas within the ATO as part of normal PAG prioritisation processes.

Members elaborated on the first 2 of the topics raised in their written comments: the need for specific public guidance on modern build-to-rent development arrangements, and modern social and affordable housing development arrangements. An out-of-session meeting will be arranged for members to further discuss PAG priorities.

Member comments

Investors, particularly foreign investors, in sectors such as build-to-rent, need a level of certainty within specific time horizons, before they commit to investment. Members noted it would be helpful for the ATO to provide more guidance on its website with extra examples.

Members asked for more guidance on the sector of social housing, particularly surrounding the provision of advice to community housing providers, to give them greater levels of comfort about what they are doing.

GST system background and context

The ATO guided members through the current GST product ecosystem, risks and challenges, and reflected on the outcomes of previous stewardship group workshops that focused on improving the system.

Members highlighted GST administration focus areas such as natural systems, digitalisation, contemporary business practices, supply chains, support, and education.

As the GST gap has increased, the group considered practices implemented by other jurisdictions to reduce their value-added tax gaps.

Predictions for the future of GST

The group discussed a range of ideas for improving the future administration of GST. Broader societal and technological trends and what that might mean for GST were also canvassed.

The GST payments process is expected to become more streamlined and flexible with the rollout of new payment platforms, providing an opportunity to change peoples' perspective on payments. The group will continue to be discuss this topic at future meetings.

Member comments

Members predicted an increasing prevalence of grey law, that is rules that aim to influence conduct but are not legally binding, and discussed what that might mean.

System-generated data that goes directly to the ATO from platforms such as Amazon, eBay and Airtasker provides the ATO with a broad range of data that might enable it to fully complete tax returns then seek confirmation from the taxpayer or provide them with an avenue to challenge it.

GST has shifted over the 25 years since its inception, from theoretically pure to incorporating more practical approaches such as reverse charging.

Members discussed a range of ideas for improving the future administration of GST in the areas of digitalisation, better use of natural systems, payments, support and education.

Legislation and ATO updates

Members had an opportunity to ask questions on updates, which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Attendees

Attendees list

Organisation	Member
ATO	Hector Thompson (Co-chair), International Support and Programs
ATO	Andrea Wood, International Support and Programs
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Digital Service Providers Australia New Zealand	Matthew Prouse
Independent Member	Jennee Chan
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RSM Australia	Sam Mohammad
Small Business Representative	Amanda Gascoigne (Co-chair)

The Tax Institute	Bastian Gasser
University of New South Wales	Michael Walpole
Wesfarmers Limited	Caryn Bovell

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Cathy Joseph, International Support and Programs
ATO	Jenny Lin, Private Wealth
ATO	Michael Morton, Small Business
ATO	Nadia Alfonsi, Public Groups
ATO	Rowan Fox, International Support and Programs
ATO	Virginia Gogan, Public Groups
Department of Treasury and Finance, Tasmania	Damien Jarvis
Queensland Treasury	Matheus Yeo
Treasury	Chadd Gunton

Apologies

Apologies list

Organisation	Member
ATO	Sarah Vawser, Individuals and Intermediaries
Property Council of Australia	Elke Bremner
Treasury	Emma Baudinette

QC 104314

GST Stewardship Group key messages 12 November 2024

Key topics discussed at the GST Stewardship Group meeting 12 November 2024.

Published 10 December 2024

Community and industry insights roundtable

Members discussed a range of issues, including:

- artificial intelligence
- Supplementary annual GST return
- processing documents and forms
- Online services for legal firms
- merchant fees and increased use of cash
- changes to Relationship Authorisation Manager
- Director Penalty Notices and ATO debt.

Driving improved reporting outcomes

Insights from pilots, initiatives and engagements have helped shape a work program with a focus on seamless and increased frequency of reporting and payment for small businesses as part of the future digitalised tax experience. The ATO will incrementally move towards this future tax experience, including:

- raising awareness within the small business community about the option and benefits of reporting monthly, expected to commence in November 2024
- applying the Commissioner of Taxation's discretion to change a business's GST reporting cycle to monthly for those small businesses with a poor compliance history of non-payment or lodgment and incorrect reporting. This initiative is expected to commence in February 2025 for selected small business taxpayers.

The ATO is investigating the best ways to raise awareness of monthly reporting options within the small business community and is focused on enhancing the understanding of the benefits and impacts on small businesses, bookkeepers and accountants.

Member comments

- Small businesses are sensitive to compliance costs when switching from quarterly to monthly reporting. Members queried whether the benefits of monthly reporting outweigh increased costs. The ATO noted evaluation will be an important element of the initiative, which will provide further insights at a greater scale on benefits and impacts.
- Building in incentives, including monetary incentives, could encourage businesses to move to monthly reporting. Bill payments would be reduced if paid monthly instead of quarterly.
- Paying monthly might be difficult for certain industries, such as construction, where natural business cycles may fluctuate. An industry lens will be applied as part of evaluating the initiative.
- Members asked whether the impact of Payday Super has been factored into the ATO's planning. The ATO has considered the impact of Payday Super in designing the initiative and may support small businesses to prepare for more frequent reporting and payment of tax obligations.

ATO's payment and lodgment strategy

The ATO briefed members on debt levels with a focus on GST and PAYG withholding and outlined steps to drive improvements in payment. Quicker action makes it easier for businesses to get back on track. A significant amount of existing debt is less than 12 months old.

A new approach is being implemented to shift payment behaviour by using additional support from financial advisers and other intermediaries to help taxpayers. This has already resulted in more phone calls and payment outcomes. The ATO is also developing a Vulnerability framework.

The ATO briefed members on a restructure in the Service Delivery Group, which became Frontline Operations Group on 15 July 2024.

Member comments

- Members addressed the large volume of Director Penalty Notices being issued, with tax clinics having very limited capacity to help a cohort of vulnerable people. While the implementation of the ATO helpline is a good concept, there are some teething problems.
- Members questioned limitations on ATO payment plans to 2 years. The ATO noted it is difficult for taxpayers to maintain payment plans over a long period, with many defaulting within 12 months.

Legislation and ATO update

Members had the opportunity to ask questions on updates prepared by the ATO and Treasury. The group discussed how and when the ATO can provide visibility to stewardship groups regarding upcoming public advice and guidance.

GST gap

The group discussed GST net and gross gap estimates, and how they have increased in the past 2 years since the COVID-19 pandemic. The latest gap update includes an uplift to the shadow economy which is higher than the Australian Bureau of Statistics estimate historically used. Over the past 12–18 months, the ATO has worked to develop a bottom-up GST gap which will be used in the ATO annual report from 2024–25 onwards.

Member comments

- Members asked whether the impact of Protego GST fraud is included in GST gap numbers. The ATO confirmed it has factored in a higher non-recovery rate to reflect the impact of Protego.
- Members asked whether issuing DPNs has an impact on the size of the GST gap, with the ATO noting it does not make explicit adjustments for this.

GST financial services

A key focus area of the ATO's *GST Financial Services and Insurance strategy* is the issue of taxpayers using GST apportionment and attribution approaches that do not align to current ATO views. Some taxpayers continue to rely on dated ATO interactions, despite the issuance of updated public guidance.

Member comments

- It can be difficult for taxpayers to align with ATO guidance when the guidance is highly fact dependent. The ATO explained that public guidance provides key principles for taxpayers to follow, and it is not possible to deal with every factual scenario. It is important for taxpayers to apply the principles to their specific circumstances. The ATO will seek to engage with individual taxpayers in areas of ambiguity.
- When public guidance is issued, the ATO should be prepared for private ruling requests on issues or factual circumstances not covered by the guidance. A member queried the time taken to finalise some private rulings in these circumstances. The ATO is prepared for private ruling requests in such circumstances; however, often the issues are highly complex, further information is required from the taxpayer, and internal experts must be engaged. As a result, complex private ruling requests take time to finalise.

2024 review and 2025 forward work program

The ATO will seek member feedback on what worked well in 2024 and what could be improved as well as suggested agenda items for 2025 meetings.

Attendees

Attendees list

Organisation	Member
ATO	Hector Thompson (Co-chair), International, Support and Programs
ATO	Andrea Wood, International, Support and Programs
ATO	Darryl McCarthy, International, Support and Programs
Australian Banking Association	Chris Plakias
Australian Bookkeeping Association	Kerrie Jarius
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Corporate Tax Association	Stephanie Caredes
CPA Australia	Ken Fehily
Digital Service Providers Australia New Zealand	Matthew Prouse
Independent Member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
RSM Australia	Sam Mohammad
Small Business Representative	Amanda Gascoigne (Co-chair)

The Tax Institute	Bastian Gasser
University of New South Wales	Professor Michael Walpole
Wesfarmers limited	Caryn Bovell

Guest attendees

Guest list

Organisation	Attendee
ATO	Allan Partington, International, Support and Programs
ATO	Andrew Nutman, Public Groups
ATO	Anita Challen, Frontline Risk and Strategy
ATO	Anna Longley, Frontline Risk and Strategy
ATO	Anthony Siouclis, International, Support and Programs
ATO	Bill Neskovski, Public Groups
ATO	Jenny Lin, Private Wealth
ATO	Michael Morton, Small Business
ATO	Nadia Alfonsi, Public Groups
Department of Treasury and Finance, Victoria	Matthew Yeung
Queensland Treasury	Simon Mahler

Treasury	Juyeon Lee
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Apologies list

Apologies list

Organisation	Member
ATO	Narda Phillips, Enterprise Solutions and Technology
ATO	Sonia Corsini, Individuals and Intermediaries
ATO	Will Day, Small Business
Treasury	Emma Baudinette

QC 103556

GST Stewardship Group key messages 30 July 2024

Key topics discussed at the GST Stewardship Group meeting 30 July 2024.

Published 10 September 2024

Public Groups' justified trust assurance programs

The Australian Taxation Office (ATO) provided an overview of the Top 100 and Top 1,000 GST justified trust assurance programs. The ATO explained how the 2019 introduction of a dispersed delivery

model for GST led to the Public Groups Client Experience area taking responsibility for administering/collecting GST in the large market.

The number one GST risk in the large market was around governance, systems and controls. The ATO observed high error rates accompanied by high rates of voluntary disclosures when businesses were contacted by the ATO.

Following the introduction of justified trust assurance programs, justified trust has driven improvements in tax performance and businesses' assurance ratings have improved. While the ATO acknowledged some aspects of the programs come with increased cost and effort, this is reflective of increased expectations of government and the community. The ATO endeavours to keep these costs and efforts to a reasonable level.

In the **Top 100 GST assurance program**, the ATO said that more than 90% of businesses achieve medium to high level assurance results.

In the **Top 1,000 combined assurance program**, the ATO is starting to see improvements in outcomes for GST governance, with increased numbers of taxpayers achieving stage 2 or 3 ratings. Stage 1 ratings for governance is a key reason taxpayers do not achieve an overall high assurance rating.

The ATO provided an update on recent changes to the Top 100 and Top 1,000 programs as publicised in the Business bulletin.

The ATO also provided an update on recent consultation on how GST disclosures could be enhanced to reduce the likelihood and intensity of justified trust reviews.

Member comments

Members commented that both the GST and income tax justified trust assurance programs are now working more holistically.

It was noted that sometimes the ATO doesn't use a bespoke approach in subsequent reviews that are undertaken. The ATO noted it can be difficult to compare individual taxpayer experiences as all taxpayer situations are different.

A member outlined a situation where a taxpayer received 3 different justified trust letters from the ATO and had to deal separately with each communication.

Members asked whether the ATO is planning to coordinate its justified trust assurance programs with the provision of public guidance in specific areas. The ATO advised that in situations where no public guidance is available, justified trust teams liaise with internal experts to form a view based on the relevant facts and circumstances. This view is then communicated to the individual taxpayer.

The Corporate Tax Association noted it regularly meets with the ATO's justified trust program leads to talk through a range of issues.

GST guidance and compliance products

The ATO explained considerations in determining what public advice and compliance products to develop, including prioritisation and the type of product, such as binding or non-binding.

The ATO takes a consistent approach when developing public advice and guidance (PAG), with governance provided by an ATO Public Advice and Guidance Steering Committee chaired by the ATO's Chief Tax Counsel. Factors considered include:

- a demonstrated community need (that is, prevalence, community interest, independent perspective)
- a demonstrated strategic need (that is, whether the PAG is integral to an ATO strategy and/or government initiative)
- the consequences of not delivering (that is, urgency, financial impact or the availability of mitigation strategies other than PAG).

The ATO explained the specific considerations for developing 3 recent GST guidance products relating to the ATO's GST financial services and insurance strategies, including their purpose and why it was not appropriate for them to be binding ATO Public Rulings. In each case, the guidance:

- reflected the application of existing ATO views in Public Rulings to specific practical circumstances
- was primarily outlining compliance messages
- was for a limited audience
- was preceded by engagement with particular industry participants and/or relevant industry groups.

The ATO is committed to providing purposeful, effective and timely PAG and is keen to hear from members on opportunities to improve its approach in this regard.

Member comments

Members observed circumstances where ATO auditors may not understand the nuance of messages in PAG and queried whether further support needs to be provided to auditors. While support is provided to audit staff when PAG is developed, the ATO will consider what further opportunities there are to support audit staff in the future.

Acknowledging that the ATO does not consult on every guidance product, discussion explored what engagement options the ATO might consider in future with members. This focused on situations where there may be benefit in discussing the ATO's reasons for taking a particular approach to a guidance product, even where the ATO is not seeking feedback on the actual ATO position taken.

Members noted they would appreciate visibility of the ATO's internal forward work program of potential GST PAG issues so they can provide their views on the relative priority of potential issues being considered.

The ATO will consider what options might be available and update members at a future meeting. The ATO noted members are always welcome to provide submissions to the ATO on priority PAG topics. In doing so, it is important for members to address the factors for determining the development of PAG.

Community and industry insights roundtable

Members raised the issue of GST and tax law partnerships, a topic discussed at meetings in the past few years. There was general discussion on where things are up to and examples that have been or might need to be provided. The ATO said it would revisit this topic and would like to receive examples from members that could be included in public guidance on the issue.

Members discussed GST in the digital age, the approach that Malaysia is taking in 2025 regarding GST e-invoicing, and how that could be a model for Australia and our own evolving GST system.

A member raised the visibility of GST group registrations, noting they are unable to see members of their GST group through Online services. The ATO will investigate opportunities for improvements.

The ATO noted the Service Delivery Group has recently restructured and changed its name to Frontline Operations Group. An update will be provided at a future meeting.

Other topics of discussion included:

- slow processing of GST grouping notification forms
- ongoing issues surrounding GST registrations for non-resident entities including proof of identity
- the need for greater levels of ATO guidance for specialist mobility housing being provided through the National Disability Insurance Scheme
- alternative dispute resolution not being pursued on behalf of taxpayers.

Sharing Economy Reporting Regime

The ATO provided an update on the implementation of the Sharing Economy Reporting Regime (SERR).

Engaging with electronic distribution platforms (EDPs) and other key stakeholders, such as professional associations and peak industry bodies, builds a deeper understanding of the business models of affected EDPs. This helps to identify issues early and ensures the ATO has the necessary information and support in place to assist EDPs to collect and report SERR data.

The ATO has done a lot of work in building awareness with people undertaking 'side hustles'.

Member comments

Members noted some sellers do not believe they are in business, rather, they believe they are carrying on an enterprise. Therefore, some sellers may not have Australian business numbers.

More established platforms have a detailed registration process; however, others are less sophisticated. The ATO will review reported

data and work with platforms to increase matching rates with ATO-held information.

Members observed it would be helpful if the visibility of the SERR process could extend to tax agents being able to see if their clients are using sharing platforms, noting accuracy and completeness will be ongoing issues.

As the measure evolves, the ATO will use data and work with the tax profession to help taxpayers lodge correctly and reduce their risk of getting into debt.

Legislation and ATO updates

Members were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Attendees

Attendees list

Organisation	Attendee
ATO	Andrea Wood, International Support and Programs
ATO	Andrew Watson (Co-chair), Private Wealth
ATO	Darryl McCarthy, International Support and Programs
ATO	Jenny Lin, Private Wealth

ATO	Rajitha Srikhanta, Office of the Chief Tax Counsel
ATO	Will Day, Small Business
Australian Banking Association	Chris Plakias
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Community representative	Michael Walpole
Corporate Tax Association	Stephanie Caredes
CPA Australia	Ken Fehily
Digital Service Providers Australia and New Zealand	Matthew Prouse
Independent member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
RSM Australia	Sam Mohammad
Small business representative	Amanda Gascoigne (Co-Chair)
The Tax Institute	Bastian Gasser
Wesfarmers Limited	Caryn Bovell

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Emma Tobias, Small Business

ATO	Megan Croaker, Public Groups
ATO	Michelle Sams, Public Groups
ATO	Rebecca Saint, Public Groups
ATO	Vanessa Kelly, Small Business
ATO	Virginia Gogan, Public Groups
Department of Treasury and Finance Victoria	Andrew O'Keefe
Northern Territory Treasury	Shaun Pearson
Treasury	Victoria Henry

Apologies

Apologies list

Organisation	Member
ATO	Narda Phillips, Enterprise Solutions and Technology
ATO	Sonia Corsini, Individuals and Intermediaries
Australian Bookkeepers Association	Kerrie Jarius
Treasury	Emma Baudinette

QC 102998

GST Stewardship Group key messages 13 March 2024

Key topics discussed at the GST Stewardship Group meeting 13 March 2024.

Published 22 April 2024

Improve small business tax performance

The Australian Taxation Office (ATO) spoke about insights it had gained from the Improve small business tax performance pilots, including specific GST pilots, run in late 2023 and early 2024.

The pilots included:

- Right time GST payments – testing whether more frequent GST payments will assist small business operators to better manage cashflow and prevent new debt through using digital services to facilitate more regular GST payments.
- Monthly GST and pay as you go withholding (PAYGW) reporting – testing whether monthly GST and/or PAYGW reporting, rather than quarterly will assist some small businesses better provision for their GST and PAYGW obligations, improving their cashflow management and preventing new debt.
- Building confidence and certainty into natural systems – testing whether integrating ATO public advice and guidance into digital systems will support early detection of potential issues and errors. The pilot focuses on simple loans to private company shareholders and associates (Division 7A)
- Pay as you go instalments (PAYGI) – testing whether the use of natural systems to calculate PAYGI assists small businesses to better manage cash flow and prevent new debt.

Insights from the pilots included:

- Participants in the right time GST pilots using digital solutions focused less on their tax obligations and had more time to focus on running their businesses.
- There was a move to better payment behaviours and better on-time lodgment performance.
- Of the businesses in the monthly reporting pilot, 75% said they would continue lodging monthly after the pilot ended. The ATO said that more work needs to be undertaken to determine the overall benefits versus the costs.
- ATO systems are not yet fully enabled to accept tax prepayments with some inconsistencies detected during the pilots.
- There were good levels of cooperation from digital service providers, with the ATO recognising that a clear commercial value is required for them to be involved.
- There is a lot of diversity in the small business population and a one-size-fits-all approach will not work.
- The digital first 2030 vision for small business will require significant change and ongoing investment, with further exploration work required to build a strong evidence case for change which considers the system, policy and process changes required.
- There are broad similarities between making tax just happen, and what the smart economy and GST digital strategy are trying to achieve.

Member comments

- Members said it is commendable for the ATO to reward good behaviour, but it needs to continually ask, 'what's in this for businesses?'
- The involvement of digital service providers at the early stages of this initiative is very good for the project's future.
- Members said this project provided an opportunity to think beyond the normal framework about options that might improve both small business tax performance and their client experience.


University of NSW tax and business advisory clinic

Information about tax issues faced by micro and small business clients of the University of NSW tax and business advisory clinic was presented.

A few case studies were presented where clients had faced significant and often longstanding tax compliance challenges due to issues, like business problems and family breakdown. Tax issues involved included large tax debts and non-lodgment of business activity statements, as well as poor record-keeping, tax knowledge and understanding of their tax obligations, including the GST-free threshold.

General observations were:

- managing cash flow, meeting lodgment deadlines and working through ATO systems to lodge business activity statements quarterly can be a real problem for small businesses
- several of the clinics' clients have poor knowledge around
 - claiming GST and input tax credits
 - separating business and personal use
 - what businesses can claim and how to do it
- some employers require people to have Australian business numbers (ABNs), otherwise they won't deal with them.

Members praised the ATO for launching [Essentials to strengthen your small business](#)  in February 2024; an online learning platform that helps small business owners master their tax and super obligations.

The ATO advised that it is currently working on additional modules covering GST that are expected to be available soon.

We constantly look at how and when to provide educational messaging for small business, including consideration of the appropriate communication channels, and whether to use influencers for messaging.

Member comments

- The ATO could humanise the audit experience by releasing videos to help people understand what the ATO does through its

investigation/audit work and recovery process.

- The ATO could provide practical advice for small businesses, setting out timeframes and taking them through the process. They could also provide advice on what to do if they are thinking of closing their business.
- There was general discussion about the \$75,000 GST-free threshold and choices that businesses may make in relation to that.

GST insights into the NFP and government sectors

The ATO provided insights about the not-for-profit (NFP) and government sectors, including:

- The significant contributions they make to the GST system.
- Around 26% of Australia's workforce are employed in the NFP and government sectors.
- Around 66,000 NFPs and 9,700 government entities are registered for GST
- The ATO's NFP centre is focused on gaining a better understanding of NFP interactions with the GST system, their preferences and priorities, as well as known areas of GST risk, both domestically and internationally, to better position and tailor the ATO's services and guidance to help these clients meet their GST obligations.
- The ATO took members through some of the outcomes of recent research commissioned into the GST preferences and priorities of NFP and government entities. The findings verified key characteristics, behaviours and challenges faced by these sectors and identified recommendations for improvement.
- These findings will be incorporated into the NFP centre's GST risk focus to better equip NFP and government entities to meet their GST obligations.

The ATO will use the research to update and improve public advice and guidance.

Members were advised that there are plans to resurrect the Government Entities Working Group.

Member comments

- More guidance and examples would be helpful, with the ATO noting that it will use information provided by the community to ascertain what else needs to be updated.
- Risk models that are being developed by the ATO may overlook some of the limitations of off-the-shelf accounting software products used by many smaller NFPs.
- The ATO provides limited tax-related information to help volunteers running clubs, many of which receive state government grants.

Forward work plan; Legislation and ATO updates

Members said they would like to undertake further discussion on fraud, noting that it is a big issue for the GST system. They would like to focus on risk, systems, analysis, triaging and consequences, including the sharing of information with the community and other commercial entities. Compromised identities can also be used to defraud the ATO.


Another broad topic area raised for future discussion focused on:

- GST in the digital age
- the sharing economy reporting regime
- how European countries' experience using invoicing mandates can feed into future operational designs of our tax systems.

Members were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Australian National Audit Office

The recommendations of the [Australian Taxation Office's Management and Oversight of Fraud Control Arrangements for the Good and Service Tax report](#)  released on 12 February 2024, was discussed. The ATO agreed to all 5 ANAO recommendations, which aim to strengthen assurance and improve responses to fraud events.

The Australian National Audit Office (ANAO) recommendations and ATO status:

- Prioritising the finalisation of existing work on the roles and responsibilities for fraud prevention, detection and treatment, including redesigning the external fraud conformance process and making necessary changes to relevant Chief Executive Instructions.

The ATO advised that this is being done.

- Documenting assessments of GST fraud risks regularly.

The ATO advised it is well-progressed on this.

- Ensuring the ATO's fraud and corruption control plans are based on identified fraud risks that are documented in risk assessments.

The ATO confirmed it is well-advanced on this recommendation.

- Developing a response for large-scale fraud events encompassing relevant elements as identified in the ANAO report.

The ATO has already implemented a response for large-scale fraud events.

- The consideration of benchmarks for ATO fraud indicators, and the removal of the 'Attorney-General's Department fraud benchmark'.

The ATO is consulting with other tax administrations on their measurement and benchmarks for fraudulent activity.

The ATO said it is continuing to improve its management and oversight of fraud control arrangements, including those areas that are the subject of ANAO recommendations.

Members were taken through the ongoing development of GST analytical risk models which are a key lever in our ability to defend the GST system from fraud.

The ATO is now implementing phase 2 of the Contemporising GST Risk Models project, which is increasing its capability to effectively manage GST compliance risks across multiple client experiences.

Member comments

- A suggestion was raised that an area in which improvements could be made would be to make it mandatory to use pre-lodge messaging in all channels, including the wholesale channel. The ATO will explore that possibility.
- Would it be possible for the ATO to delay the payment of a refund while verification checks are conducted, noting that digitalisation has made it easier for people to commit fraud.

Community and industry insights round table

Members spoke about difficulties that some tax agents are experiencing in contacting the ATO on behalf of clients seeking payment arrangements. This included that clients who contact the ATO directly are receiving better outcomes than they are when they seek an arrangement on a client's behalf.

Members also raised the continuing issue faced by large law firms by which they are unable to submit GST requests online and need to send the request to the ATO via a fax machine or mail.

Attendees

Attendees list

Organisation	Member
ATO	Hector Thompson (Co-chair), International, Support and Programs
ATO	Andrea Wood, International, Support and Programs
ATO	Rajitha Srikhanta, Office of the Chief Tax Counsel
ATO	Rowan Fox, International, Support and Programs

Australian Banking Association	Chris Plakias
Australian Bookkeepers Association	Kerrie Jarius
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Corporate Tax Association	Stephanie Caredes
CPA Australia	Ken Fehily
Digital Service Providers Australia New Zealand	Matthew Prouse
Independent member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
RSM Australia	Sam Mohammad
Small Business Representative	Amanda Gascoigne (Co-chair)
The Tax Institute	Bastian Gasser
University of New South Wales	Prof. Michael Walpole
Wesfarmers Limited	Caryn Bovell

Guest attendees

Guest attendees list

Organisation	Attendee
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ATO	Carl Mitchell, International, Support and Programs
ATO	Dora Jain, Small Business
ATO	Emma Tobias, Small Business
ATO	Jennifer Moltisanti, Small Business
ATO	Jenny Lin, Private Wealth
ATO	Kelly Norwood, Individuals and Intermediaries
ATO	Melissa Spurge, Office of the Chief Tax Counsel
ATO	Michael Morton, Small Business
ATO	Rob Heferen, Commissioner of Taxation
Department of Treasury and Finance, Northern Territory	Shaun Pearson
Treasury	Jane Cheung
Treasury	Victoria Henry

Apologies

Apologies list

Organisation	Member
ATO	Kath Anderson, Individuals and Intermediaries
ATO	Will Day, Small Business

Treasury	Emma Baudinette
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QC 101679

GST Stewardship Group key messages 14 November 2023

Key topics discussed at the GST Stewardship Group meeting 14 November 2023.

Published 11 January 2024

Community and industry insights roundtable

Members noted the Australian Taxation Office (ATO)'s decision impact statement in response to the Federal Court's decision in *Simplot Australia v Commissioner of Taxation* [2023] FCA 1115, will be a great help to the food industry. Members appreciate the ATO consulting on a range of food classification issues. The ATO advised that a range of draft public advice and guidance, including determinations, are being progressed.

Members gave negative feedback on several ATO processes, including the GST grouping notification process. The ATO advised that a range of strategies have been employed to reduce backlog and improve processing times.

The group discussed the issue of tax adjustment notes in the retail and energy sectors.

Members questioned the status of consultation on changes to the 4-year rule. The ATO intends to provide information on its advice under development page on ato.gov.au in early 2024.

Members noted they are seeing increased activity around carbon trading and other clean energy activity.

The group noted the complexity of GST issues around retirement villages. Discussion covered the evolution of traditional models into hybrid systems and build-to-rent models, and the guidance that may be required as this area evolves and changes.

Members discussed how to improve processes for GST property settlement, specifically issues around Form 2 and whether it can be incorporated into the Property Exchange Australia (PEXA) system or made obsolete.

Members noted an increase in clients experiencing vulnerability and queried the ATO's approach to these taxpayers. Some clients who are struggling to meet their tax commitments are also managing issues such as debt, domestic violence and homelessness. The ATO's Small Business area will discuss the development of an overarching ATO framework for supporting vulnerable taxpayers to meet their tax and superannuation obligations with stewardship group members, impacted stakeholders and senior ATO representatives and come back to the group in 2024.

ATO Second Commissioner Jeremy Hirschhorn joined the meeting to acknowledge the contributions of member George Nikolaou who is leaving the group after more than 10 years of service. Jeremy spoke of stewardship groups' important, ongoing role in improving the health of the tax system.

Fraud and the GST system

The ATO advised that the unprecedented increase in GST-related refund fraud that led to the establishment of Operation Protego is contained.

Lessons from Operation Protego are being used to strengthen the ATO's systems against future attacks. The ATO is conscious of implementing security improvements that do not act as a handbrake on new business start-ups.

The ATO is focused on external fraud and financial crime efforts leveraged across ATO business lines, other government departments and agencies, and international organisations. The ATO works with external partners, seeks intelligence to understand, and continually calibrates and designs new, innovative controls to counter, emerging fraud threats.

The ATO is developing even better working-level relationships with a range of financial institutions to improve knowledge and intelligence on future possible GST-related fraud.

Public Groups GST focus 2023–24

The group was advised of key GST focus areas for public and multinational businesses in 2023–24 and member feedback was sought.

The ATO gains assurance for public and multinational businesses through the Top 100 GST assurance program and Top 1,000 combined assurance program. The ATO also has risk-based programs of work focused on reviewing specific higher priority or emerging GST risks.

From a risk perspective, key GST focus areas include product classification, real property, accommodation and retirement villages, international GST, financial services and insurance, and correct reporting, systems and governance.

The ATO spoke about the GST hub within its Public Groups client experience area, which has an internal and external focus.

Members discussed the level of resources required for justified trust reviews. The ATO advised that as the programs mature, more taxpayers are experiencing less intensive activity as justified trust has been reached. The ATO incorporates feedback from taxpayers into its programs.

The ATO has engaged with several public and multinational businesses undertaking build-to-rent developments. Overall, compliance has been good with only a few issues identified. ATO guidance for build-to-rent developments was raised by members, with several noting a lack of guidance on when a partly completed build-to-sell project transitions to build-to-rent.

Lodge and Pay debt reset program

The ATO updated members on the ATO debt book, with a focus on activity statement and GST debt. Small businesses continue to represent the majority of GST collectable debt.

The ATO's debt collection approach has changed to rebalance tax payment priorities. The aim is to shift taxpayer payment behaviours. It

is expected to lead to noticeable changes for taxpayers and intermediaries.

The ATO advised members of the small business lodgment penalty amnesty program, running from 1 June to 31 December 2023. The program provides an incentive for small businesses to lodge certain overdue obligations through the remission of failure to lodge penalties.

The ATO is working with businesses that continue to struggle with existing debts to understand whether there's a genuine likelihood of recovery or whether exiting is the right approach.

Members discussed the ATO's approach to dealing with vulnerable taxpayers.

Developing a forward work program for 2024

Topics raised for agenda items in 2024 included:

- microbusiness' low levels of GST and tax knowledge and information the ATO provides to new, GST-registered businesses
- Public Groups 2023–24 GST focus areas including product classification; international GST; financial services and insurance; real property, accommodation and retirement villages; and incorrect reporting (systems and governance)
- the ongoing digitalisation of the GST system, with a focus on e-invoicing and the OECD's Tax Administration 3.0, incorporated in the work of the Improve small business tax performance initiative
- the greater use of e-technology in audits (particularly for large businesses)
- issues arising when the ATO's technical provisions don't interact well and how to make these provisions work better together
- the Sharing Economy Reporting Regime and how it interacts with GST
- closer engagement with other industries, such as drugs and medical devices, health and beauty, on GST classification issues, following what the ATO has done with food.

2023 reflections

Members praised the volume and quality of communications the ATO is providing to the group, particularly the transparency and level of detail on sensitive topics.

Members commented on the quality of the meeting pack, noting its professional, well-designed look.

Members like the abridged meeting pack to share with their networks and gather feedback ahead of the meeting but would like to receive it earlier to have more time to receive feedback.

Legislation and ATO updates

Members were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance
- GST litigation.

Attendees

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Australian Banking Association	Chris Plakias
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Coles	George Nikolaou
Corporate Tax Association	Stephanie Caredes
Digital Service Providers Australia New Zealand	Matthew Prouse
Independent member	Jennee Chan
Law Council of Australia	Rhys Guild
Property Council of Australia	Elke Bremner
RSM Australia	Sam Mohammad
The Tax Institute	Bastian Gasser
University of NSW	Professor Michael Walpole
Wesfarmers Limited	Caryn Bovell

Guest attendees

Guest attendees list

Organisation	Attendee
ATO	Anna Longley, Lodge and Pay

ATO	Brett Martin, Fraud and Criminal Behaviours
ATO	Jenny Lin, Private Wealth
ATO	Jeremy Hirschhorn, ATO Executive
ATO	Melissa Spurge, Public Groups
ATO	Virginia Gogan, Public Groups
ACT Treasury	Nicole Wong
NSW Treasury	Jane Cheung
Treasury	Victoria Henry

Apologies

Apologies list

Organisation	Member
ATO	Kath Anderson, Individuals and Intermediaries
CPA Australia	Ken Fehily
Small business representative	Amanda Gascoigne (Co-chair)
Treasury	Emma Baudinette

GST Stewardship Group key messages 18 July 2023

Key topics discussed at the GST Stewardship Group meeting 18 July 2023.

Last updated 25 August 2023

Welcome and introductions

The new ATO co-chair, Deputy Commissioner Hector Thompson, introduced himself to members and with external co-chair Andrew Howe welcomed members and guests, including state and territory representatives from South Australia and the ACT. Conflicts of interests were canvassed, none declared.

Members raised the need for clarity when it comes to confidentiality of meeting packs and other communications from the ATO, namely which topics and papers can be shared and with whom. The ATO committed to clearly communicating what can be shared publicly, as well as what members can share with their association members.

Budget – GST funding, revenue and Compliance Program

The ATO took members through the GST-related measures and collection figures announced in the May 2023 Federal Budget. In particular, the ATO outlined the aims of the 2023–27 GST Compliance Program, which is expected to deliver an additional \$3.8 billion in GST revenue to states and territories over this period, at a cost of \$588.8 million. The GST Compliance Program has been ongoing since 2010.

The Contemporising GST Risk Models Project was also discussed. This project focused on developing new GST risk models as part of the 2019–23 GST Compliance Program. It exposed many of the fraudulent practices highlighted through Operation Protego.

The ATO said it was working through a range of logistical issues surrounding the increased Budget funding for additional work

programs and has increased its graduate intake to bring extra people on board.

There was general discussion on the issues of GST registrations and grouping, particularly surrounding the lodging and processing of grouping forms. The ATO said it would examine these issues to see what could be done to improve things.

Private Wealth's GST focus 2023–24

The ATO took members through its targeted industry approach, focusing on retail, construction and retirement village industries.

The retail and construction industries are the 2 most significant industries for GST activity and were both impacted by the COVID-19 pandemic. Retail experienced rapid growth and an increased reliance on online sales while construction contracted.

The ATO is continuing with a broader review of issues impacting retirement villages with a focus on developing a greater understanding of industry operating models including new business models that are emerging.

The ATO will continue to invest in GST correct reporting, Top 500 engagements and refund integrity work.

Member comments

Members asked if not-for-profit retirement village operators are also being looked at and, if so, are their information needs any different. The ATO said it is looking across the board and taking a group approach.

Members noted that the movement of data to the cloud and a focus on cost-cutting by digital service providers, with many based offshore, might lead to a reduction in the length of data retention. This means that data may only be available to third-party agencies like the ATO for 12 months or so. The ATO noted that this topic will be discussed at the next Tax Practitioner Stewardship Group meeting.

Improve small business tax performance

The ATO updated members on progress with the corporate initiative 'Improve small business tax performance.' The current focus is on

pilots with the aim to place greater confidence and certainty in the system, increase digitisation to reduce errors and mistakes, and decrease new debt as payments move closer to events.

The pilots underway are:

- right time GST payments
- monthly GST reporting
- building confidence and certainty into natural systems.

Another pilot, planned to start in October 2023, is on monthly PAYGW reporting.

The ATO explained that the building confidence and certainty into natural systems pilot involved working with digital service providers on developing tips and nudges that can help taxpayers and advisers proactively fix errors and mistakes.

The pilot is looking to establish a framework for how we treat risks upfront in the digital tools that a small business uses. The ATO welcomes members of the GST Stewardship Group in helping to identify parts of the GST administration that could be suitable for this.

Member comments

Members asked whether people were likely to stay with monthly reporting after the pilots had finished or go back to quarterly reporting. The ATO said some people had told them that more regular GST payments had improved their mental health and improved their fiscal discipline.

There was general discussion about how a move to monthly lodgment could be a good way to reduce new debt. The ATO said it is testing whether any increase in business costs from monthly reporting and payment is offset by benefits from better record-keeping and business management.

Members asked whether any clients in the pilots were still doing paper business activity statements (BAS) and whether the pilot proposals were dependent on businesses completing digital BAS.

The ATO said it will come back to the stewardship group in 2024 to talk about the outcomes and learnings from the pilots.

Community and industry insights round table

Members provided feedback and insights on a range of topics. These included the ATO's incorporation of ChatGPT and other artificial intelligence (AI) tools. The ATO said it is looking into opportunities that may exist to use AI as well as how these tools can be used for fraud.

Members discussed justified trust and its focus on areas where companies may be underpaying tax. The ATO confirmed it looks at areas where it thinks a higher level of assurance is needed.

There was general discussion regarding the upcoming industry engagement and feedback on food classification matters. Similar engagement on medical and health supplies is being considered.

Members discussed microbusinesses' low level of understanding of their tax obligations and the help provided by tax clinics such as the one at the University of New South Wales. There will be further, dedicated discussion on microbusinesses at a future stewardship group meeting.

Members asked about the ATO's changing approach post-COVID-19 to debt collection and payment plans. The ATO said that its approach is tailored and differentiated for each client, with payment plans available. A Lodge and Pay representative will come to a future meeting to talk about the ATO's approach.

Members asked for clarity on the ATO's service offerings for large businesses, noting that client relationship managers used to provide a more comprehensive service. The ATO will provide a response at the November 2023 meeting.

Legislation and ATO updates

Members were provided with an opportunity to ask questions on updates which included:

- legislation and consultation
- news and program updates
- GST discussions at other ATO stewardship groups
- GST public advice and guidance

- GST litigation.

Other business and meeting close

Several departing members were provided with letters of appreciation as this was their last meeting with the GST Stewardship Group.

Attendees

Attendees list

Organisation	Attendee
ATO	Hector Thompson (Co-chair), International, Support and Programs
ATO	Alex Affleck, Office of the Chief Tax Counsel
ATO	Andrea Wood, International, Support and Programs
ATO	Kath Anderson, Individuals and Intermediaries
ATO	Rowan Fox, International, Support and Programs
ATO	Will Day, Small Business
Australian Banking Association	Chris Plakias
Chartered Accountants Australia and New Zealand	Kevin O'Rourke
Coles Finance	George Nikolaou
Corporate Tax Association	Paul Suppree
CPA Australia	Ken Fehily

Digital Service Providers Australia New Zealand	Matthew Prouse
Independent member	Jennee Chan
Property Council of Australia	Andrew Howe (Co-chair)
Small business representative	Amanda Gascoigne
The Tax Institute	Bastian Gasser
University of New South Wales	Prof. Michael Walpole

Guest attendees

Guest attendees

Organisation	Attendee
ATO	Adrian Preston-Loh, Public Groups
ATO	Andrew Watson, Individuals and Intermediaries
ATO	Ashleigh Larner, Private Wealth
ATO	Brian Lu, Public Groups
ATO	Jenny Lin, Private Wealth
ATO	Matthew Bambrick, Policy, Analysis and Legislation
ATO	Melissa Spurge, Public Groups
ACT Treasury	Nicole Wong

Department of Treasury and Finance, South Australia	Eka Baker
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Apologies

Apologies list

Organisation	Member
Law Council of Australia	Andrew Sommer
Treasury	Geoff Francis

QC 73186

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