



# ATO warns businesses against falsifying their GST claims

The ATO is cracking down on GST fraud in the property and construction industry.

**Published** 24 July 2025

The Australian Taxation Office (ATO) is sending a clear message to businesses considering committing GST fraud, making dishonest claims and falsifying invoices.

Assistant Commissioner Adam O'Grady said the fraud is currently predominantly within the property and construction industry. We've also identified early signs of it proliferating in other industries, particularly by privately owned and wealthy groups.

'Despite warnings from the Serious Financial Crime Taskforce late last year, recent observations show dishonest claims involving false invoicing are growing.'

This is not related to a GST fraud scheme that was promoted through social media where individuals created fake businesses and lodged BAS statements to obtain GST refunds. These are real businesses creating disingenuous invoices to gain overinflated GST refunds.

'While the numbers of businesses involved are relatively small, some are attempting to claim tens of millions of dollars in GST refunds they're not entitled to,' Mr O'Grady said.

We've released **Taxpayer Alert TA 2025/2: Arrangements designed to improperly obtain GST refunds** to put businesses engaging in these concerning arrangements on notice and to warn businesses not to engage in these types of arrangements.

'Most businesses do the right thing. What these others are doing is simply not fair. We're dealing with dishonest and deliberate attempts to

cheat the tax system.'

'We will not tolerate this fraudulent behaviour deliberately undermining the system or providing an unfair advantage over honest businesses.'

'Those involved will face consequences, including interest charges, penalties, fines, and where appropriate, prosecution, or referral to the Commonwealth Director of Public Prosecution,' Mr O'Grady said.

We see arrangements where a business colludes with another related business to create a false invoice, in an attempt to justify an overly inflated GST refund. These may be:

- entities claiming GST credits for the development and construction costs of industrial buildings that never occurred
- entities claiming GST credits for intangible services such as 'management fees' that were never provided
- entities claiming GST credits for property acquisitions before they occurred
- multiple entities claiming GST credits for the same invoice
- in the worst cases, invoices that are completely fictitious.

'Often these schemes are dressed up and sold as clever schemes with a figleaf of technical analysis – but any scheme which generates GST refunds through paper shuffling is likely to be ineffective at best, and civilly and criminally actionable fraud at worst. If it's too good to be true, it probably is.'

'We're encouraging employees, businesses, industry groups and the community to demonstrate their lack of tolerance for those doing the wrong thing, by helping us stamp out this behaviour.'


'GST revenue is vital to Australia's economy, funding essential services delivered by states and territories.'

'Those involved are abusing the system, tarnishing the reputation of the property and construction industry and making it harder for compliant businesses to operate.'

If you suspect another business of being involved in these arrangements, you can confidentially report to us by making a tip-off online or by calling 1800 060 062.

If you're involved, you should come forward and make a **voluntary disclosure** rather than wait for the ATO to contact you. Early cooperation and making a voluntary disclosure may reduce the penalties imposed.

## Notes to journalists

- ATO stock footage and images are available for use in news bulletins from our media centre.
- A [headshot](#)  of ATO Assistant Commissioner Adam O'Grady is available from the ATO media centre.

QC 105254

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