ATO shifts non-compliant small businesses to monthly GST

The ATO will notify non-compliant small businesses when they are moved from quarterly to monthly GST reporting.

Last updated 5 March 2025

The Australian Taxation Office (ATO) has announced that from 1 April 2025, it will be moving around 3,500 small businesses with a history of non-payment, late or non lodgment, or incorrect reporting from quarterly to monthly GST reporting to improve their compliance.

Moving to a monthly reporting and payment cycle can help small businesses to keep on top of their obligations and remain viable. Small businesses that report monthly will be better able to address their past unmet tax obligations in a structured way, rather than falling further behind.

The ATO will contact small businesses and their tax professionals when their GST reporting cycle is changed from quarterly to monthly.

The move is designed to improve compliance with GST obligations and build good business habits. Changes to reporting cycles will remain in place for a minimum of 12 months as part of the ATO's 'Getting it right' campaign.

Small businesses that voluntarily moved their GST reporting and payment cycle to monthly have found it easier to manage their cash flow and meet their obligations with smaller, more manageable payments. For many, reporting and paying GST monthly aligns better with their reconciliation process, which is more efficient and saves time.

Small businesses struggling to meet their tax obligations need to not ignore the problem but act early, whether that's seeking assistance

from their registered tax professional, a business adviser or the ATO.

Quotes attributable to ATO Deputy Commissioner Will Day:

‘Running a small business is serious business – so it pays to keep on top of your tax obligations, and we know that when GST is reported monthly rather than quarterly, this reduces the risk of falling behind’.

‘We recognise most small businesses try to do the right thing. Our goal is to help small business owners get their tax and super obligations right by providing transparency on the areas we are focused on.’

‘The ATO has a responsibility to level the playing field, as small business owners rightfully expect us to ensure fair competition and compliance.’

‘We take our role seriously and are committed to supporting viable small businesses to comply with their ATO obligations, while also taking firmer action on those who are deliberately not complying to ensure they aren’t getting an unfair advantage.’

‘If you’re a small business who continues to deliberately disregard your obligations, you can expect the ATO to move you to more frequent GST reporting’.

As part of our ‘Getting it right’ campaign, this quarter the ATO is also focused on:

- contractors in the building and construction, cleaning, courier and road freight, information technology (IT), or security, investigation or surveillance industries omitting income
- compliance in relation to small business boost measures (the small business skills and training boost and the small business technology investment boost).

A review process is available for small businesses who don't believe they have a history of poor compliance and should be able to remain on their current GST reporting cycle.

The ATO will continue to publish new focus areas quarterly to ensure all small businesses have an equal chance at success.

Notes to journalists

- Information about the review process including objection rights will be provided by the ATO to small businesses and their tax

professionals when their GST reporting cycle is changed from quarterly to monthly.

- Small businesses or their registered tax professional can request to change their reporting and payment cycle through Online services for business or Online services for agents. Sole traders or their registered tax professional can do the same through Online services for agents, by contacting us or applying in writing.
- The ATO's website has more information on how we support small businesses including our flexible and free online learning platform Essentials to strengthen your small business and the good business habits we recommend setting up.
- Deputy Commissioner Will Day's speech to the Institute of Public Accountants (IPA) National Congress 2024 launched 'getting it right', an ongoing quarterly campaign which aims to support small businesses by sharing the ATO's areas of focus.
- Deputy Commissioner Will Day is available for interviews on request.
- A high-resolution headshot of Deputy Commissioner Will Day is available for download from our media centre.
- ATO stock footage and images are available for use in news bulletins from our media centre.

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