



Instructions to complete the Supplementary annual GST return 2025

How to complete each section in your Supplementary annual GST return 2025.

Last updated 8 May 2025

Section A: Details of the entity



How to complete Section A: Entity details in your Supplementary annual GST return 2025.

Section B: ATO recommendations, areas of low assurance or red flags



How to complete Section B (Questions 4 to 6) in your Supplementary annual GST return 2025.

Section C: GST governance



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Section A: Details of the entity

How to complete Section A: Entity details in your Supplementary annual GST return 2025.

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Question 1: Name of entity

At Question 1 of the *Supplementary annual GST return 2025*, the name of the entity will be the same as the name shown on the notice we issued you that requires you to complete the return. This will be the entity we previously reviewed under our Top 100 or Top 1,000 assurance program, unless there is a change in GST reporting entity.

Question 2: Australian business number (ABN)

The ABN of the entity will be the same as the ABN shown on the notice we issued you that requires you to complete the *Supplementary annual GST return 2025*.

Question 3: Period this return covers

Enter the period this return covers using the format DD/MM/YYYY. This period is your entity's financial year and will be the same as the period on the notice issued to you.

Continue to Section B: Question 4.

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Section B: ATO recommendations, areas of low assurance or red flags

How to complete Section B (Questions 4 to 6) in your Supplementary annual GST return 2025.

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What are ATO recommendations

Complete your response for ATO recommendations in Section B of your *Supplementary annual GST return 2025*. ATO recommendations include any governance recommendations or suggested enhancements from your earlier review, as well as any recommendations in relation to specific risks or issues.

For example, where in your most recent GST assurance review we advised and recommended you address design gaps in Managerial-level control (MLC) 6, then if you have:

- addressed the design gaps, you should explain the extent of your changes in your answer to [Question 5](#)
- not addressed the design gaps, you should explain why in your answer to [Question 6](#) and outline what actions you will take in

future.

Question 4

At Question 4 of the *Supplementary annual GST return 2025*, you must disclose whether there are any actions that remain outstanding for the entity to take in relation to:

- our recommendations from your most recent GST assurance review (including subsequent interactions with us)
- areas of low assurance or red flags outlined by us in your most recent GST assurance review.

You must answer either **Yes** or **No**. If some actions remain outstanding for some, but not all, recommendations, you should answer 'Yes'.

Question 5

You must provide a detailed response in relation to the actions you have taken to:

- address each of our recommendations
- resolve each of the areas of low assurance or red flags outlined by us.

Question 6

You must provide an explanation of any actions that remain outstanding for the entity to take in relation to our recommendations or areas of low assurance or red flags outlined by us.

If you answered 'No' at Question 4, you do not need to answer this question.

Resources to help you answer these questions

The best resources to help you answer these questions will be:

- the final report you received at the completion of your most recent GST assurance review, which will record any ATO recommendations, areas of low assurance or red flags

- you should consider all focus areas in the report, including GST governance
- you should particularly review the 'Next steps' section of a Top 1,000 report or the 'Future assurance plan' section of a Top 100 report
- if you require a copy of your final report, contact us at **SAGR@ato.gov.au**
- any subsequent interactions with us, including further communications you've had with us in relation to particular issues or recommendations.

In responding, consider the recommendations that were identified in your assurance review that:

- you have resolved or actioned, and how
- you haven't resolved or actioned, and why.

You should also specify how you have addressed any areas of low assurance or red flags provided by us. Ensure you hold objective evidence in support of your responses.

Example 1: 'No' at Question 4

Heather Designs is a Top 1,000 taxpayer. In its most recent combined assurance review, we recommended that Heather Designs:

- review its input tax credit claims in relation to entertainment expenses and lodge a voluntary disclosure (or notify us of the outcome of its review) by 30 September 2024
- evidence the independent testing of its GST control framework.

Heather Designs conducted a self-review and determined that it hadn't made any claims for non-deductible entertainment expenses. It determined that a voluntary disclosure was not required and notified us of the outcome of the self-review by the due date.

Heather Designs has also conducted independent testing of its GST control framework since the review.

When completing Question 4 of the *Supplementary annual GST return*, Heather Designs answers 'No' as it does not have any outstanding action items from its last GST assurance review.

When completing Question 5, Heather Designs responds that:

- It has conducted a self-review in relation to non-deductible entertainment expenses, and it outlines the correspondence it provided to us that fulfilled its client next action on this issue, with the date of that correspondence.
- It can evidence independent testing of its GST control framework. An independent tester has conducted testing of all of its tax controls in September 2024. The report describing the outcomes of that testing confirms that each of the controls are operating effectively. The independent tester made a recommendation about undertaking a review of vendors' ABNs as part of its testing of the master file set-up, which Heather Designs has actioned.

Heather Designs does not need to complete Question 6.

Continue to **Section C: Question 7**.

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Section C: GST governance

How to complete Section C (Questions 7 to 9) in your *Supplementary annual GST return 2025*.

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Question 7

At Question 7 of the *Supplementary annual GST return 2025*, you must indicate whether you've had material business changes or material systems changes that impact your GST control framework since your most recent GST assurance review.

You must answer either 'Yes' or 'No'.

If you answer 'Yes', you must describe the material business or material systems changes.

If you answer 'No', continue to [Question 8](#).

Question 8

At Question 8, you must assess whether you meet the criteria needed to maintain or increase your GST governance stage rating for the period the return covers, when compared to the previous stage rating given to you by us in your most recent GST assurance review.

You must answer either:

- **Yes** – maintained
- **Yes** – increased, or
- **No**.

Question 9

At Question 9, you must explain your reasoning to support your response to Question 8, including how you have taken into account any:

- governance uplifts, for example where you have

- documented your end-to-end BAS process (Managerial-level control (MLC) 6), or
- developed an internal controls testing program (Board-level control (BLC) 4)
- material changes to your business or systems, for example a new enterprise resource planning (ERP) system (MLC 4) or mergers and acquisitions (M&A) activity (BLC 1).

Self-assessing your tax control framework

Our GST governance, data testing and transaction testing guide sets out the requirements for each GST governance stage rating in section 3.2.

Your answer to Question 8 is to enable us to understand how you self-assess your tax control framework for GST with reference to the criteria contained in our guide.

For example, if you received a Stage 2 GST governance rating in your most recent GST assurance review you would answer:

- **Yes – maintained** – if you consider you meet the criteria to maintain a Stage 2 rating
- **Yes – increased** – if you consider you meet the criteria to increase to Stage 3
- **No** – if you have not met the criteria to maintain a Stage 2 rating.

While Question 8 asks for your self-assessment, please note that an increase in your governance rating can only be issued by the ATO in the context of an assurance review, where we look for objective evidence to assess your framework using the staged rating system outlined in the *GST governance, data testing and transaction testing guide*.

Resources to help you answer these questions

The best resource to assist you with answering these questions will be:

- your GST governance stage rating (as well as, for Top 100 taxpayers, the rating for each individual control), which is recorded in the final report you received at the completion of your most recent GST assurance review
- any further communications you have had with us in relation to particular issues or recommendations
- our *GST governance, data testing and transaction testing guide* which sets out the requirements for each GST governance stage rating in section 3.2.

When considering your response, you should take into account:

- your prior governance ratings received in your GST assurance reviews
- whether you have implemented our recommendations or actioned any commitments made to us
- if you have made any material changes to your business or systems that impact your GST control framework. If so, you should consider whether you have maintained or improved your GST governance rating with regard to the criteria set out in our *GST governance, data testing and transaction testing guide*.

Example 1: 'Yes – maintained' at Question 8

Orbit Kings is a Top 1,000 taxpayer who receives an overall medium assurance rating and a Stage 2 GST governance rating. As part of its previous combined assurance review, Orbit Kings provided a Board endorsed commitment to start periodic internal controls testing. The commitment specifies a timeframe for the testing to commence for GST in 2023–24.

Orbit Kings has started its periodic internal controls testing in accordance with its commitment and has otherwise met the criteria to maintain its Stage 2 rating. However as only some of the controls have been tested at this stage, it doesn't meet the criteria to increase to a Stage 3 rating.

As there have been no material changes to its business or systems, Orbit Kings answers 'No' to Question 7. In providing its response to Question 8 of the *Supplementary annual GST return*,

Orbit Kings answers 'Yes – maintained'. Orbit Kings provides an explanation at Question 9 that it considers it meets the criteria to maintain its Stage 2 GST governance rating because it has started its periodic internal controls testing in accordance with its commitment and has otherwise met the criteria to maintain the rating.

As our assurance report recommended that Orbit Kings evidence the operational effectiveness of its tax control framework in practice with reference to the requirements in the *GST governance, data testing and transaction testing guide*. Orbit Kings also includes the details of the internal controls testing that has been conducted and its plan for completing testing in its answer to Questions 5 and 6 in Section B.

Example 2: 'No' at Question 8

Frankie Wholesale is a Top 1,000 taxpayer who received an overall medium assurance rating and a Stage 2 GST governance rating in its combined assurance review report issued in March 2023.

In November 2023, Frankie Wholesale acquired Lulu Food Manufacturing who makes taxable and GST-free food supplies. Lulu Food Manufacturing doesn't currently have any documented GST procedures, processes or controls in place for the supplies that it makes.

As there have been material changes to its business and systems, Frankie Wholesale answers 'Yes' to Question 7, and it explains that it has acquired a new food manufacturing entity that doesn't have documented GST procedures, processes or control framework in place for the supplies that it makes.

Frankie Wholesale reviews the *GST governance, data testing and transaction testing guide* and at Question 8, it answers 'No' as it considers it doesn't meet the criteria to maintain its Stage 2 GST governance rating at that point in time. At Question 9, it explains that it hasn't yet implemented updated tax governance controls or documented its GST processes, policies or procedures that relate to the supplies and acquisitions made by Lulu Wholesale.

Example 3: 'Yes – maintained' at Question 8

Wilson Sports is a Top 1,000 taxpayer. It received a GST streamlined assurance review report in 2023, with an overall high GST assurance rating and a Stage 2 GST governance rating.

In 2024, Wilson Sports implemented a new Information Technology (IT) system that resulted in material changes to the business systems it uses to collate and report GST impacted transactions.

Given these changes, Wilson Sports reviewed the design effectiveness of its controls, including Managerial-level control 4 (MLC 4) (Controls in place for data for GST purposes) to consider if it had maintained a Stage 2 GST governance rating. Wilson Sports considered whether, given the changes in its IT systems, it still had effectively designed GST data controls, including documentation which evidences GST controls built into business systems as well as standard rules for assigning tax codes and process for setting up, adding and deleting of customer and vendor master files and tax codes.

It considers that it has objective evidence to maintain its GST governance rating in line with the *GST governance, data testing and transaction testing guide*.

Wilson Sports answers 'Yes' to Question 7 and provides comments describing the material change in its systems. It answers 'Yes – maintained' to Question 8 and at Question 9 explains the process it has undertaken to determine that it has maintained its GST governance rating.

Wilson Sports retains evidence of the steps it took to support its responses to the questions in Section C.

Continue to Section D: Question 10.

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Section D: Reconciliation between audited financial statements and Business Activity Statements

How to complete Section D (Questions 10 to 13) in your Supplementary annual GST return 2025.

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Question 10

At Question 10 of the *Supplementary annual GST return 2025*, you must confirm if you have completed the GST analytical tool (GAT) reconciliation or a similar reconciliation, to understand the variance between your audited financial statements and GST reported on your business activity statements for the period the return covers.

If you answer **Yes**, continue to [Question 11](#).

If you answer **No**, continue to [Question 13](#).

Question 11

If you answered 'Yes' at Question 10, you must provide the following rates for the year under this reconciliation to 2 decimal places:

- effective GST rate on sales
- effective GST rate on expenses
- net effective GST rate.

Continue to [Question 12](#).

Question 12

If you answered 'Yes' at Question 10, you must also provide any comments on the remaining variance between the outcomes of your reconciliation and business activity statements.

Note that we do not expect a full reconciliation and accept there may be some unreconciled differences. This question is asking whether the taxpayer has any comments on the differences that remain after the reconciliation (including a qualitative explanation, such as foreign exchange differences, timing differences, or variances that could only be resolved through transactional-level analysis).

You do not need to explain the adjustments that you made to reach the reconciliation figures (adjusted revenue and expense figures) in this response.

Continue to Section E: Question 14.

Question 13

If you answered 'No' at Question 10, you must provide a response as to why you didn't complete the GAT or a similar reconciliation for the period the return covers (for example, if your business is predominantly input-taxed).

Continue to Section E: Question 14.

Resources to help you answer this question

The best resources to help you answer this question will be:

- the approach used in conducting the reconciliation in your most recent GST assurance review (where relevant)
- our guidance such as the
 - GST analytical tool (GAT) FAQ
 - Top 100 GAT example
 - Top 1,000 GAT example

In responding, note that:

- you should provide your effective GST rate on sales and expenses and your net effective GST rate to 2 decimal places.
- under Managerial-level control (MLC) 7: Procedures to explain significant differences, our existing expectation is that large corporate taxpayers will implement documented procedures for an annual reconciliation process, as per the ATO's GST governance, data testing and transaction testing guide.
- we do not expect a full reconciliation of the activity statements to the accounts, and there is no predetermined set variance for the percentage differences or dollar values (or both) in assessing GAT outcomes that we expect. We do not expect a transaction-level analysis to be undertaken. Taxpayers should apply their judgment and provide a reasonable response that considers their circumstances.
- you should keep objective evidence to support your response, such as the workings for your derived effective GST rate on sales, effective GST rate on expenses and net effective GST rate, including for all adjustments made to arrive at that number.
- it's generally not expected that your net effective GST rate will be precisely 10%, as some level of variance is generally to be expected.

Example 1: 'Yes' at Question 10

Siu Metals is a Top 1,000 taxpayer. The GAT was conducted in Siu Metals' first combined assurance review.

Siu Metals uses its documented procedures to undertake the GAT for the 2024–25 financial year to understand variances between its financial statements and GST reporting. There have been no substantial changes to Siu Metals' business, and the same assumptions can be used in undertaking the GAT as during the combined assurance review.

Siu Metals:

- answers 'Yes' at Question 10, as it has conducted the GAT to understand the variance between its financial statements and activity statements for the period the return covers

- includes at Question 11 that under the reconciliation for the year its
 - effective GST rate on sales was 9.43%
 - effective GST rate on expenses was 9.79%
 - net effective GST rate was 9.87%
- At Question 12, it provides comments that the remaining variance can likely be explained by foreign exchange differences as a result of different functional currencies being used, which would represent the majority of the sales and expenses variance.

Siu Metals retains evidence of the methodology (including the assumptions) and calculation, and evidence to support the conclusion that unreconciled amounts can be explained, to support its responses in Section D.

Example 2: 'No' at Question 10

Spurge Bank is a Top 100 taxpayer. In its GST assurance report, the GAT was not undertaken because it is a business with predominantly input-taxed supplies.

In providing its response to Question 10, Spurge Bank disclosed that it hasn't conducted a reconciliation between its audited financial statements and activity statements for the period the return covers. At Question 13, it provides brief comments that this is because it is a predominantly input-taxed business.

Spurge Bank does not need to complete Question 11 or Question 12.

Continue to Section E: Question 14.

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Section E: Material uncertain GST positions

How to complete Section E (Question 14) in your Supplementary annual GST return 2025.

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Question 14

At Question 14 of the *Supplementary annual GST return 2025*, you must disclose whether you have taken any material uncertain GST positions in a business activity statement during the period the return covers.

You must answer either 'Yes' or 'No'.

If you answer 'Yes', you must provide an explanation of each position you have taken.

What is an uncertain GST position?

An 'uncertain GST position' is either:

- about as likely to be correct as incorrect, even if it is reasonably arguable

- is less likely to be correct than incorrect.

An 'uncertain GST position' specifically includes a position:

- that is contrary to an ATO public ruling or other ATO public advice and guidance
- that is contrary to a private ruling issued to you
- to which an ATO Taxpayer Alert applies
- that is moderate or high risk under an ATO Practical Compliance Guideline, such as *PCG 2019/8 ATO compliance approach to GST apportionment of acquisitions that relate to certain financial supplies*.

A 'GST position' would include a decision about the classification of supplies or acquisitions, for example:

- whether supplies are taxable, input-taxed or GST-free
- eligibility for input tax credits or reduced input tax credits on acquisitions.

Similar arrangements or transactions are treated as a single position when the facts used to determine the GST treatment are the same or similar and a common conclusion is reached on the GST treatment.

What is a material uncertain GST position for these purposes?

A material uncertain GST position for these purposes is one which, if the position is incorrect, would result in a shortfall for the period the return covers that exceeds your materiality threshold.

Your materiality threshold is:

- \$500,000 for Top 100 taxpayers
- \$250,000 for Top 1,000 taxpayers.

Resources to help you answer this question

You should consider the materiality of any uncertain GST positions that impact the activity statements in the period the return covers.

In responding, you should consider whether the entity has taken any material uncertain GST positions by:

- considering whether the entity is aware of any material uncertain positions taken through your interactions with us, through actions undertaken to implement our recommendations, or in relation to your compliance with new and existing GST public advice and guidance relevant to your business
- reviewing information escalated through your reporting chain for identification and escalation of significant transactions and material GST risks that arise in your business to your tax team
- relevant findings of any assurance and verification procedures that you undertake to ensure the correct reporting of your GST obligations
- outcomes of periodic GST controls testing undertaken to confirm the operational effectiveness of your GST control framework.

Example 1: 'No' at Question 14

Sasha Insurance is a Top 100 taxpayer. Sasha Insurance has a robust GST control framework which aligns to the expectations in our **GST governance, data testing and transaction testing guide**.

Sasha Insurance documents the steps it has undertaken to consider whether it has a material uncertain GST position to disclose for the period the return covers.

The steps include:

- considering whether the entity is aware of any material uncertain GST positions from its interactions with us, from actions it has undertaken to implement our recommendations, or in relation to its compliance with new and existing GST public advice and guidance relevant to its business.
- reviewing information escalated in accordance with the documented reporting chain it uses for identification and escalation of significant transactions and material GST risks that arise in its business to the tax team
- reviewing any relevant findings of its periodic GST controls testing undertaken to confirm the operational effectiveness of

its GST control framework, plus the findings of any other assurance and verification procedures it undertakes to ensure the correct reporting of its GST obligations when preparing, reviewing and lodging its activity statement every month.

These steps, which are aligned to its GST control framework, give Sasha Insurance confidence that if there were material uncertain GST positions in its activity statements for the period the return covers, these would have been identified.

Sasha Insurance is not aware of any material uncertain GST positions impacting its activity statements for the period the return covers. At Question 14 in its *Supplementary annual GST return 2025*, it responds that it has no material uncertain GST positions.

If a GST shortfall is later identified which does relate to a material uncertain GST position taken in the year, which the entity was not aware of at the time of lodgment, we will not penalise Sasha Insurance for its disclosures on the *Supplementary annual GST return*. This is because it has answered in good faith and has objective evidence of the steps undertaken to support its response. Usual considerations around interest and penalties apply in relation to the shortfall.

Example 2: 'Yes' at Question 14

Yim-Finnigan Couriers is a Top 1,000 taxpayer that had a combined assurance review finalised in 2023.

During 2024, Yim-Finnigan Couriers started paying an allowance for its drivers' meals. There is no requirement for its drivers to provide receipts for their meals and they are not expected to repay any of the amount if it isn't spent. For the 2024–25 financial year, Yim-Finnigan Couriers claims input tax credits of \$362,000 in its activity statements.

This is a material uncertain GST position because it is contrary to our guidance on GST and employee reimbursements, and the materiality of the amounts claimed exceeds the relevant threshold.

When completing its *Supplementary annual GST return 2025* for 2024–25, Yim-Finnigan Couriers discloses at Question 14 that it paid its truck drivers a meal allowance on which it had claimed input tax credits of \$362,000 in the period the return covers.

Yim-Finnigan Couriers is required to disclose this as it is a material GST position that is contrary to ATO public advice and guidance. This is the case even if Yim-Finnigan Couriers intends to maintain the claim in its activity statements as it does not agree with our view of the application of the GST law to its circumstances.

Continue to Section F: Question 15.

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Section F: Material GST reporting errors or credits claimed in a later Business Activity Statement

How to complete Section F (Question 15) in your Supplementary annual GST return 2025.

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Question 15

At Question 15 of the *Supplementary annual GST return 2025*, you must disclose whether, during the period the return covers:

- you have identified any material GST reporting errors (impacting periods within the 4-year period of review)
- you have claimed material amounts of input tax credits in a business activity statement (BAS) referable to earlier periods.

If you select 'Yes', you must provide for:

- material GST reporting errors, a description of the error, the amount, how it has been rectified and addressed going forward
- input tax credits referable to earlier periods, the amount, a description of what gave rise to the entitlement and any methodology used to determine the amount.

What is a GST reporting error?

A GST reporting error is a mistake you made in working out your GST net amount on your BAS impacting periods within the 4-year period of review that would, if it was the only mistake that you made, result in you:

- reporting or paying too much GST (credit error)
- reporting or paying too little GST (debit error).

The GST reporting error is material where the gross amount of the error exceeds your entity's materiality threshold in GST.

Your materiality threshold is:

- \$500,000 for Top 100 taxpayers
- \$250,000 for Top 1,000 taxpayers.

When do credits claimed in a later BAS need to be disclosed?

You also need to disclose material amounts of input tax credits referable to earlier periods, where both of the following apply:

- the credits are claimed in a BAS in the period the return covers, where the credits were originally attributable to periods prior to that period
- the credits arise due to a change in the GST treatment of your supplies or acquisitions. This includes changes to the extent of creditable purpose of acquisitions under Division 11 or Division 70 of the GST Act.

Amounts will be material where the input tax credits claimed in the period the return covers exceeds your entity's materiality threshold.

Your materiality threshold is:

- \$500,000 for Top 100 taxpayers
- \$250,000 for Top 1,000 taxpayers.

Resources to help you answer this question

In answering this question, you should consider the materiality of any GST errors you have identified during the period the return covers.

- You should disclose material GST errors identified in the period that the return covers, regardless of which periods within the 4-year period of review that the error impacts.
- Errors identified in the period that the return covers should be disclosed whether they have been corrected or not, however you should not wait to lodge your Supplementary annual GST return to correct an error.
- For more information on correcting GST errors, see **Correcting GST errors** or *LI 2023/32 A New Tax System (Goods and Services Tax) (Correcting GST Errors) Determination 2023*.

You should also disclose material amounts of input tax credits you have claimed in the period that the return covers which were originally attributable to earlier periods outside the financial year.

You only need to disclose input tax credits arising due to a change in the GST treatment of your supplies or acquisitions. For example:

- You should disclose instances that are material where you retrospectively change your input tax credit claim under Division 11

(such as, applying a different apportionment method or rate to determine intended use) or Division 70 (such as, where you identify that an acquisition does qualify for reduced input tax credits).

- You do not need to disclose input tax credit amounts attributable to June 2024 that were processed and claimed in your July 2024 BAS due to a processing delay, where there is no change in GST treatment.
- You do not need to disclose Division 129 adjustments as these are not GST reporting errors or additional input tax credits referable to earlier periods.

Example 1: 'Yes' at Question 15

Lanyon Industries is a Top 1,000 taxpayer who had a combined assurance review completed in 2022. Lanyon Industries supplies a mix of GST-free and taxable food and health products.

In line with its governance processes, in August 2024 Lanyon Industries undertakes a periodic self-review of the GST classification of its products and identified a product that was incorrectly classified as GST-free, instead of taxable. This error resulted in a shortfall of \$300,000 over the tax periods since it started selling the product in late 2023. Lanyon Industries submits a voluntary disclosure of the amounts in September 2024.

In completing the Supplementary annual GST return 2024–25, Lanyon Industries answers 'Yes' at Question 15 and discloses that it had an error of \$300,000 due to the incorrect GST classification of prepared meals. Lanyon Industries explains that it has rectified the error by making a voluntary disclosure (including the date of the correspondence) and by updating the relevant system with the correct GST codes going forward.

Lanyon Industries retains evidence to support its response at Question 15.

Example 2: 'Yes' at Question 15

Callaway Finance is a Top 100 taxpayer. As part of its periodic GST controls testing plan, Callaway Finance tests the operating effectiveness of its procedures to apply the reverse charge to acquisitions from offshore.

In April 2025, this testing identifies that certain subsystems were inadvertently not set up with built-in controls to apply the reverse charge, resulting in an additional GST liability of \$1,250,000 within the 4-year period of review.

When completing its *Supplementary annual GST return 2025* for 2024–25, Callaway Finance answers 'Yes' at Question 15, and discloses the error, stating it has made a voluntary disclosure of the shortfall (giving the date of the correspondence) and briefly advising how it has updated its systems and processes going forward.

In June 2025, while monitoring and reviewing its reduced input tax credit claims, Callaway Finance identified a separate issue where it was entitled to additional credits of \$260,000 in relation to reduced input tax credits on brokerage services. These refer to earlier periods outside the 2024–25 financial year.

When completing its *Supplementary annual GST return 2025*, it does not include this at Question 15, as it is under the materiality threshold for a Top 100 taxpayer.

However, Callaway Finance discloses both issues in real-time to our engagement team in line with our disclosure expectations for Top 100 taxpayers in the **Top 100 pre-lodgment disclosures framework**.

Callaway Finance retains evidence to support its response at Question 15.

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Section G: Declaration and signature

How to complete Section G: Declaration and signature in your Supplementary annual GST return 2025.

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When the *Supplementary annual GST return 2025* is complete, the declaration must be made by someone who is authorised by the entity to do so. This declares the information in the return is true and correct.

To make the declaration, check the 'I declare I am authorised by the entity to complete and lodge this return; and the information is true and correct' box.

In the declaration, include the following details of the person making the declaration:

- full name and position
- daytime phone number
- a signature (either written or a digital copy of a written signature)
- tax agent number (if applicable)
- declaration date – on the PDF version, select the date in the drop-down box next to **Date**.

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Section H: How to lodge your Supplementary annual GST return

How and when to lodge your Supplementary annual GST return 2025.

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How to lodge the Supplementary annual GST return 2025

Email your completed and signed *Supplementary annual GST return 2025* to SAGR@ato.gov.au.

If additional lodgment methods are available, we'll let you know when we issue your notice to lodge.

You should have objective evidence to support your responses in the return. However, you do not need to attach evidence or supporting documentation when lodging your return.

If you have concerns about providing the lodgment via email, contact us at SAGR@ato.gov.au to discuss alternative options.

When considering any deferral requests (for example, in exceptional or unforeseen circumstances) we'll apply the criteria in **PS LA 2011/15 Lodgment obligations, due dates and deferrals**. Any deferral requests should also be sent to SAGR@ato.gov.au.

Administrative penalties

If we notify you of a requirement to lodge a *Supplementary annual GST return*, you must lodge by the **specified due date**.

You must complete the return correctly and with reasonable care. This means taking the same care that could be expected of a reasonable person in your position.

Administrative penalties will apply if you:

- fail to lodge on time, including for significant global entities
- make a false or misleading statement, including omissions regardless of whether there is a shortfall.

If you lodge on time, respond to each of the questions in good faith and have objective evidence to support your responses, we wouldn't expect to apply penalties in relation to the statement in the return. Usual considerations around interest and penalties apply in relation to any shortfalls.

For more information about compliance and penalties, see:

- Significant global entities – penalties
- PS LA 2011/19 *Administration of the penalty for failure to lodge*
- PS LA 2012/4 *Administration of the false or misleading statements penalty – where there is no shortfall amount.*

More information

If you have any questions about the *Supplementary annual GST return*, you can email us at SAGR@ato.gov.au.

Return to Instructions to complete the Supplementary annual GST return 2025.

QC 103046

Example Supplementary annual GST return 2025

An example of how to complete and answer the Supplementary annual GST return 2025.

Last updated 8 May 2025

Completing the Supplementary annual GST return 2025

The following example shows the level of detail to provide when answering the questions on the *Supplementary annual GST return 2025*. You should answer the return questions based on your own facts and circumstances. As the instructions explain, you may not need to answer every question of the return. In this example, we answer every question for illustrative purposes.

Klume Luxe Pty Ltd (KL) is a Top 1,000 taxpayer who received a GST assurance rating in March 2023 in a Combined Assurance Review, in which it received an overall high assurance rating and a Stage 2 GST governance rating.

Completed example of Supplementary annual GST return 2025

Section A: Details of entity

1. Name of entity	Klume Luxe Pty Ltd
2. ABN	12 345 678 912
3. Period this return covers	01/01/2024 to 31/12/2024

Section B: Action in relation to ATO recommendations, areas of low assurance or red flags

4. Are there any actions that remain outstanding for the entity to take in relation to: <ul style="list-style-type: none">ATO recommendations in the entity's most	Yes.
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<p>recent GST assurance review (including subsequent ATO interactions), or</p> <ul style="list-style-type: none"> • areas of low assurance or red flags outlined by the ATO in the entity's most recent GST assurance review? 	
<p>5. Provide an explanation of how you have:</p> <ul style="list-style-type: none"> • actioned each of the ATO recommendations, and/or • resolved each of the areas of low assurance or red flags outlined by the ATO. 	<p>The ATO had 5 recommendations for KL in its earlier GST assurance review. There were no areas of low assurance or red flags.</p> <p>1. BLC 4: Periodic internal controls testing</p> <p>The ATO recommended that KL evidence independent testing of its GST control framework. KL has a board-endorsed testing plan with testing occurring over a 3 to 5-year rolling audit period. In November 2024, an independent tester conducted testing of MLC 4 and issued a report with the outcome that KL's GST data controls were operating effectively. The remaining controls will be tested in 2025–26.</p> <p>2. MLC 6: Documented control frameworks</p> <p>KL was recommended by the ATO to consider the following enhancements to improve the design effectiveness of its BAS Manual:</p> <ul style="list-style-type: none"> • embed the relevant checklists used in preparing the BAS in the 'BAS preparation' process

- include checkboxes in its checklists to verify that the BAS has been prepared in accordance with the steps outlined in the BAS manual.

KL has updated the BAS manual to include the ATO recommendations listed above. Additionally, KL has also increased the segregation of duties between the preparer, reviewer and approver of its BAS lodgments which has been updated and documented in its processes.

3. MLC 7: Procedures to explain significant differences

To obtain Stage 2 for MLC 7, the ATO recommended that KL adopt the GST Analytical Tool (GAT) methodology or implement a process to identify, explain and review variances in its GST position in comparison to annual financial statements and to document this process in its policies or procedures. KL has prepared the GAT for the period this return covers and is in the process of documenting the procedure.

4. Recipient created tax invoices

The ATO recommended that KL include suggested wording as a part of its written agreements with its customers in regard to recipient created tax invoices (RCTIs) and undertake periodic checks to ensure the suppliers remained GST-registered.

	<p>KL has adopted the suggested wording into its written agreements and ensured that the RCTIs issued by its customers satisfy the requirements prescribed. KL has also added additional procedures to its routine monthly GST checks to ensure that ABN and GST registrations are checked against the ABR database to ensure the RCTIs it issues are valid.</p> <p>5. Financial acquisitions threshold</p> <p>It was recommended that KL document procedures for a monthly review of the application of the financial acquisition threshold and undertake a review to ensure it has not exceeded the threshold.</p> <p>KL has documented these procedures and undertook an internal review in July 2024. During the internal review, KL determined that the threshold had been exceeded and input tax credits had been incorrectly claimed in relation to financial supplies. We have made a voluntary disclosure as outlined in the response to Question 11.</p>
6. Provide an explanation of any actions that remain outstanding for the entity to take in relation to ATO recommendations or areas of low assurance or red flags outlined by the ATO?	<p>As above, KL is in the process of documenting the procedure for the GAT, and completing the internal controls testing in 2025–26 in accordance with the board-endorsed testing plan.</p>

Section C: GST governance

<p>7. Have you had material business changes or material systems changes that impact the entity's GST control framework since your most recent GST assurance review? If no, go to Question 8. If yes, explain the changes.</p>	<p>Yes.</p> <p>100% of shares in Brinkley Pty Ltd and Macpherson Pty Ltd were acquired on 1 July 2023 by KL and a GST group was created as at that date with KL as the representative member. Since 1 September 2023, Brinkley Pty Ltd and Macpherson Pty Ltd have migrated to the KL ERP system effective and operate under the KL tax control framework. A post-migration review was conducted in December 2023, revealing no material concerns.</p>
<p>8. During the period this return covers, do you consider you meet the criteria needed to maintain or increase the GST governance stage rating given in the entity's most recent GST assurance review?</p>	<p>Yes – maintained.</p>
<p>9. Provide your reasoning to support your response to Question 8, including how you took into account any:</p> <ul style="list-style-type: none">• governance uplifts, or• material changes to your business or systems.	<p>KL has implemented almost all recommendations made by the ATO in the prior assurance review – those that are not yet fully implemented are underway. While the acquisition of 2 entities and the formation of a GST group represents a material change to the KL business, all entities now use the same ERP system and tax control framework, both of which were previously reviewed by the ATO. Therefore, KL considers the rating is maintained.</p>

KL has not completed internal periodic control testing and therefore does not consider it meets the criteria for an increased rating.

Section D: Reconciliation between audited financial statements and business activity statements

10. For the period this return covers, have you completed the GST analytical tool (GAT) reconciliation, or similar reconciliation, to understand the variance between audited financial statements and GST reported on the entity's business activity statements?
If no, go to Question 13.

Yes.

11. If the GAT or similar reconciliation was conducted for the year, provide the following to 2 decimal places:

- effective GST rate on sales
- effective GST rate on expenses
- net effective GST rate.

- Effective GST rate on sales of 10.01%
- Effective GST rate on expenses of 10.19%
- Net effective GST rate of 10.04%

12. If the GAT or similar reconciliation was conducted, please provide any comments on the remaining variance between the outcomes of the reconciliation and the

The remaining variance has not been linked to a particular adjustment and is likely related to timing differences between accounting and GST recognition that could only be quantified at the

business activity statements.	transactional level. It is \$0.4m and not considered material by KL in its circumstances.
13. If you did not conduct the GAT or similar reconciliation, provide an explanation of the reasons for this (e.g. you are a predominantly input-taxed business).	n/a

Section E: Material uncertain GST positions

14. During the period this return covers, have you taken a material uncertain GST position in your business activity statement? If yes, provide a description of each position.	<p>Yes.</p> <p>Our acquisition due diligence of Macpherson Pty Ltd revealed that Macpherson had maintained an uncertain GST position in relation to allowances (i.e. input tax credits have been claimed in respect of various allowance payments on the basis that they are creditable acquisitions under Division 111 of the GST Act). We acknowledge that this is not in accordance with the published ATO position. Input tax credits totalling \$260,000 were claimed in the period covered by this return.</p>
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Section F: Material GST reporting errors or credits claimed in a later business activity statement

15. During the period this return covers, have you	Yes.
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identified any material GST reporting errors or claimed any material amounts of input tax credits referable to earlier periods?

If yes, for GST reporting errors, provide a description of the error, the amount, how it has been rectified and addressed going forward. For input tax credits referable to earlier periods, provide the amount, a description of what gave rise to the entitlement and any methodology used to determine the amount.

In August 2024, in line with ATO recommendations, KL undertook an internal review in relation to the financial acquisitions threshold. It identified an error of \$310,409 of overclaimed input tax credits for the periods between July and September 2023.

KL submitted BAS revisions for the periods via Online Services on 19 October 2024.

Going forward, this has been rectified as KL has documented a procedure to check whether the financial acquisitions threshold is exceeded on a monthly basis, and appropriately quarantine and treat costs related to financial supplies.

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Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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