



Australian Government
Australian Taxation Office

Findings report Top 500 tax performance program – June 2025

Our Top 500 findings report shares insights on the tax affairs of Australia's largest privately owned and wealthy groups.

This publication was current at 27 November 2025

Contents

Top 500 findings report	4
Top 500 program	4
Top 500 key findings and priorities	5
Top 500 key findings	5
Changes to the program in 2024–25	5
Program outcomes	6
Looking ahead to 2026	6
About the Top 500 population	8
Top 500 groups	8
Corporate tax transparency	9
Engaging with Top 500 groups	10
Justified trust and assurance framework	10
Tax assurance and fully tax assured group	10
Effective tax governance	11
Tax risks flagged to market	11
Ongoing and atypical transactions	11
Differences in accounting and tax results	11
Private groups in justified trust and provisional justified trust	12
Significant transactions	12
Commercial deals	12
Developing and implementing effective tax governance	13
Goods and services tax governance	14
Guidance on effective tax governance	14
Top 500 program outcomes	15
Top 500 program results in 2024–25	15
Insights from focus areas for Top 500 groups	16
Top 500 risks and issues	16
Trust taxation issues	16
Private company benefits	17
Capital gains tax	18
Succession planning	18
‘Business as usual’ income and deductions	19
Property and construction	19
Other tax issues	19
Top 500 survey	21
Annual survey of Top 500 groups	21
Key insights	21
Our response to survey feedback	21

Keep up to date22

Top 500 findings report

What our findings report for the Top 500 tax performance program covers for 2024–25.

Top 500 program

The [Top 500 tax performance program](#) (Top 500 program) provides assurance to both government and the community that Australia's wealthiest privately owned groups are paying the right amount of tax and will continue to do so into the future.

The program's engagement model encourages Top 500 groups to proactively demonstrate their commitment to meeting tax and superannuation obligations. These groups are supported through tailored, one-on-one engagements that take a holistic approach to assurance, aligned with the 4 pillars of justified trust. The Top 500 program works with the [Commercial deals program](#) to ensure that all significant transactions undertaken by Top 500 groups are subject to comprehensive review and oversight.

Where groups within the Top 500 population choose not to engage collaboratively, we apply traditional assurance approaches, including reviews and audits, to ensure compliance.

Over the longer term, our ongoing engagement with large private groups that seek to comply is designed to:

- prevent disputes through early engagement on significant transactions
- build mutual trust
- foster willing participation in the tax and superannuation systems.

This report provides our outcomes, observations and insights for the 2024–25 financial year. If you control or represent a Top 500 group, these findings will:

- help you understand our approach to Top 500 engagements, including areas of focus to consider when reviewing your tax affairs and tax governance
- increase your awareness of common tax issues
- highlight practical steps Top 500 groups can take to demonstrate they are paying the right amount of tax, including strengthening tax governance, improving transparency, and proactively addressing known risk areas.

Top 500 key findings and priorities

See key findings from the 2024–25 Top 500 program and future areas of focus.

In this section

[Top 500 key findings](#)

[Changes to the program in 2024–25](#)

[Program outcomes](#)

[Looking ahead to 2026](#)

Top 500 key findings

In the 2024–25 financial year, through the Top 500 program, we continued to gain greater confidence that Top 500 groups are engaged in the tax system, complying with their tax obligations and paying the right amount of tax. The vast majority demonstrate strong compliance and transparency. Most issues identified that lead to additional liabilities relate to basic, preventable errors rather than deliberate non-compliance.

We saw more groups investing in tax governance frameworks and making improvements in tax governance. There was an overall 20% increase in the number of groups achieving justified trust or provisional justified trust, reflecting ongoing progress in Top 500 groups meeting the standards for high assurance and effective tax governance.

We are encouraged by more groups investing in tax governance and recommend that all Top 500 groups focus on their tax governance frameworks. This is the best way to ensure you are adopting the correct tax treatment and preventing errors from being made.

In the 2024–25 financial year, we saw some Top 500 groups making similar types of errors, such as omitting income, over-claiming deductions and other incorrect reporting, we have seen in past years. In addition, some of the same groups that made errors in earlier financial years made them again in 2024–25. Importantly, over three-quarters of the additional tax liabilities we raised in the 2024–25 financial year from Top 500 groups stemmed from basic errors we have seen and shared with Top 500 groups in earlier iterations of this findings report. This highlights the critical role of effective tax governance in preventing avoidable costs by getting it right in the first place.

Changes to the program in 2024–25

In April 2025, we refined the Top 500 program to focus our resources on groups with significant wealth. Key changes included:

- Groups previously included solely due to high turnover are now eligible to exit (subject to meeting exit requirements) or may remain if they achieve justified trust within 12 months.
- Certain fully tax-assured groups may access a streamlined assurance approach.

- The provisional justified trust pathway, previously limited to groups with predominantly passive income, is now available to all Top 500 groups.

Further details on these changes are covered in our [Private groups – Business bulletin](#) article and at [Top 500 private groups tax performance program](#).

Program outcomes

In the 2024–25 financial year, we continued to gain greater confidence that many Top 500 groups are paying the right amount of tax. We assured income tax paid by Top 500 group entities totalling \$835.11 million. This result encompasses assurance activities relating to the 2018 to 2024 financial years. We have now assured \$15.47 billion in income tax over the life of the Top 500 program.

As of 30 June 2025, 36 private groups were in justified trust and 5 private groups were in provisional justified trust. These groups obtained full tax assurance, demonstrating that they are paying the right amount of tax. With their tax governance framework also in place, we have confidence they will continue to pay the right amount of tax moving forward.

We found that some Top 500 groups had applied incorrect tax treatments, which we corrected. This resulted in the following liabilities raised and payments collected during 2024–25:

- **Raised** income tax liabilities of \$388.5 million (including \$23.3 million from voluntary disclosures)
- **Collected** payments of \$153.9 million from liabilities raised in the 2024–25 financial year and earlier.

Most groups that incurred liabilities and made [voluntary disclosures](#) had little or no tax governance in place. Following the April 2025 changes, the additional capacity created by a reduced number of Top 500 groups will be redirected to those with inadequate tax governance, as they present a higher risk of making errors.

Looking ahead to 2026

In the 2025–26 financial year, the Top 500 program will focus on progressing assurance activities for private groups eligible to exit following the April 2025 changes, with most exits anticipated during the year. Top 500 groups that are undergoing compliance action, such as current reviews or audits, are not eligible to exit until the matters are resolved. Groups that are eligible to exit the population have been given the option to remain in the Top 500 program provided they achieve justified trust within 12 months. Notably, several groups eligible to exit have chosen to remain in the program – many having invested in tax governance and experienced the benefits of justified trust.

Key priorities for the Top 500 program through 2025–26 will be to:

- Review our tax governance guidance and develop new tools for groups to self-assess tax governance. This will support groups in developing and embedding effective tax governance to reduce the risk of errors, improve compliance, and help groups to achieve justified trust.

- Continue identifying and reviewing all significant, atypical transactions through the Top 500 and Commercial deals programs, ensuring these transactions are consistently subject to thorough review and tax assurance.
- Direct additional resources to bring engagements up to date, being the last year lodged. With fewer Top 500 groups in the program after the groups exit, we will allocate more staff to Top 500 engagements and seek to expedite the assurance process. Groups that have not yet invested in governance, or are not fully assured, will be a priority to ensure that compliance issues are identified and addressed promptly.
- Commence engagements with new Top 500 groups. We have identified several groups that have grown significantly in wealth and turnover, leading to their inclusion in the Top 500 population. In 2025–26, we'll engage with these new entrants to make sure they're meeting their tax obligations and continue to do so as they grow.

As the wealthiest private groups in Australia, Top 500 groups have the resources to ensure that they lodge and pay their tax on time. This is our expectation and the expectation of the government and broader Australian community.

In 2025–26, we will focus on ensuring all entities in a Top 500 group have up-to-date lodgments, including information returns such as those for trusts and partnerships. For those that don't lodge on time, we will undertake firmer action such as issuing default assessments, imposing penalties, taking prosecution action and issuing media releases on successful prosecution outcomes. This will ensure that we meet the community's expectation that groups lodge on time.

Top 500 groups will need to review their group structures, take prompt corrective action if necessary, and ensure all their lodgment obligations remain up to date. There will also be an expectation that any outstanding payments due are made or payment plans are put in place.

About the Top 500 population

Characteristics of Top 500 groups.

In this section

[Top 500 groups](#)

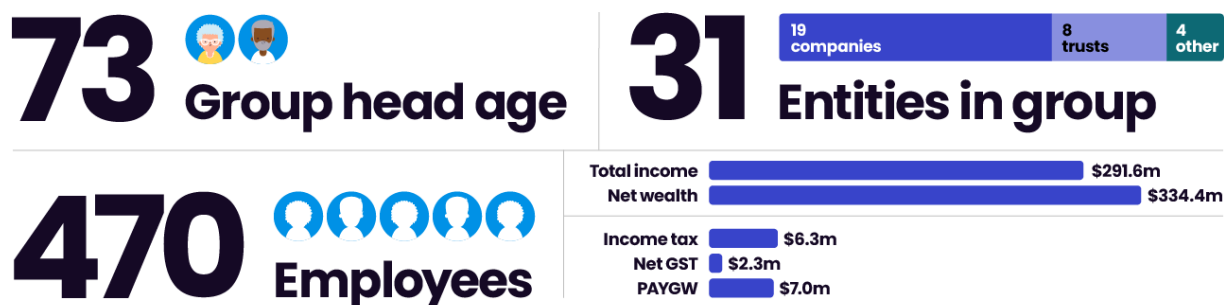
[Corporate tax transparency](#)

Top 500 groups

Privately owned and wealthy groups operate some of Australia's largest and most successful businesses and have complex financial and legal arrangements. Top 500 private groups are those with over \$500 million in net assets (regardless of turnover) or over \$200 million turnover with over \$250 million in net assets. It also includes private groups that are market leaders or groups of specific interest, irrespective of their turnover and net assets.

As at 30 June 2025, **425 private groups** formed part of the Top 500 population, down from 435 in the previous year. Following changes made to the Top 500 criteria, the number of private groups in the Top 500 program will decrease further in the 2025–26 financial year.

Figure 1: Average Top 500 group



Based on tax returns lodged for the 2022–23 financial year and corresponding third-party data, the Top 500 population:

- controls over \$297 billion in net assets
- employs more than 680,000 people
- contributes over \$11.5 billion in income tax and GST each year.

On average, a Top 500 group has:

- a group head aged 73 years old
- 31 entities, comprising
 - 19 companies
 - 8 trusts
 - 4 other types of entities
- 470 employees

- total income of \$291.6 million
- net wealth of \$334.4 million
- income tax of \$6.3 million
- net GST of \$2.3 million
- PAYG withholding of \$7.0 million.

Some figures have changed since last financial year as they are impacted by the number of groups in the population. This can vary due to changes in group wealth or turnover from economic and business conditions as well as group succession from one to several individuals leading to a distribution of wealth.

Given the economic size of these groups, even small errors can have a big tax impact. Their high profile means that their level of participation can influence community confidence, and perceptions of fairness, in the tax system.

Corporate tax transparency

Some companies in the Top 500 population are also included within the [Corporate tax transparency reports](#), detailing income and tax payable data for large businesses for each year. From the 2022–23 financial year, this includes companies whose total income is equal to or greater than \$100 million. These companies, together with all other entities in a Top 500 group, are reviewed as part of our ongoing assurance engagements.

Engaging with Top 500 groups

How we engage with Top 500 groups and apply the justified trust methodology.

In this section

[Justified trust and assurance framework](#)

[Tax assurance and fully tax assured group](#)

[Effective tax governance](#)

[Tax risks flagged to market](#)

[Ongoing and atypical transactions](#)

[Differences in accounting and tax results](#)

[Private groups in justified trust and provisional justified trust](#)

[Significant transactions](#)

[Commercial deals](#)

[Developing and implementing effective tax governance](#)

[Goods and services tax governance](#)

[Guidance on effective tax governance](#)

Justified trust and assurance framework

We use an assurance-based approach to determine whether a Top 500 group is paying the correct amount of tax by applying the justified trust methodology. The process of assurance requires that we have a thorough understanding of a Top 500 group's income producing and wealth extraction activities.

When engaging with a Top 500 group, we apply a principled approach to assurance and review the 4 key areas that underpin the [justified trust methodology](#). These are summarised below.

Tax assurance and fully tax assured group

In the Top 500 program, assurance is determined through an objective evidence-based assessment of whether a taxpayer has paid the right amount of tax. This process involves verifying specific income tax return labels through reviewing source documents, examining working papers, applying relevant legislation and determining an assurance rating (high, medium, or low).

High ratings reflect our assurance of the tax issue, having obtained evidence that the issue is being managed and disclosed correctly. Medium and low ratings indicate that information or investigation of an issue is required before we can provide a high assurance rating or escalate to a risk review.

Assurance is provided at the taxpayer level, meaning all material tax issues relevant to a taxpayer must achieve a high rating for the entity to achieve assurance.

Full tax assurance is achieved when all taxpayers within a Top 500 group have achieved assurance, ensuring we have a high degree of confidence that the group as a whole has paid the right amount of tax. To support this, we apply a sampling approach when evaluating assurance across multiple taxpayers within a group.

For many large and complex Top 500 groups, achieving high ratings for all tax issues and full tax assurance of entities in a Top 500 group can take several years.

Effective tax governance

Tax governance means having clear processes and procedures in place within a corporate governance framework to support decision-making, and to ensure that the group is meeting its taxation and superannuation obligations.

Tax governance is effective when the Top 500 group can demonstrate that the framework, processes and procedures that they have in place will result in ongoing compliance with their lodgment, reporting and payment obligations.

Tax risks flagged to market

We flag compliance risks to the market through communications, including:

- public rulings
- taxpayer alerts
- practical compliance guidelines.

As part of our Top 500 engagements, we need to:

- be satisfied that these risks are not present within the group
- ensure that the likelihood of them arising in the future is appropriately mitigated through a group's tax governance framework.

Ongoing and atypical transactions

To provide tax assurance, we must have a high degree of confidence that the tax treatment of ongoing income producing activities and any atypical transactions (for example, capital gains tax consequences of asset disposals, restructures, acquisitions) of a Top 500 group is correct.

Differences in accounting and tax results

We must understand the adjustments that are included in the Top 500 group's tax reconciliations. We need to be satisfied that the material book-to-tax adjustments are complete and correct in the context of the activities that are being carried on.

Assurance over book-to-tax requires transparency so we can verify that the adjustments to the group's accounting treatments appropriately reflect the correct tax principles.

See more information on our approach to justified trust and the 4 key areas at [Top 500 groups tax performance program](#).

Private groups in justified trust and provisional justified trust

On 30 June 2025, 36 private groups were in justified trust and 5 private groups were in [provisional justified trust](#). Provisional justified trust provides groups that are fully tax assured with a break in assurance so they can focus on developing and implementing a tax governance framework to achieve justified trust within 12 months.

The industries that private groups in justified trust operate in include entertainment, food retailing, fuel retailing, hospitality, labour hire, mining services, motor vehicle retailing, passive investments, property and construction, retirement and aged care, and trade products retailing or wholesaling.

Of the remaining groups:

- 322 are engaged and making progress towards justified trust, of which 12 groups are fully tax assured and will have the option to enter into provisional trust after the April 2025 program changes.
- 32 groups are engaged but unwilling to progress towards justified trust. While some of these groups are eligible to exit when they meet the exit requirements after the April 2025 program changes, the remaining groups that are unwilling to work towards justified trust will be subject to intensive assurance engagements to ensure they are paying the right amount of tax.
- 30 groups that are still being assessed to determine their justified trust status.

Significant transactions

We continue to observe that most Top 500 groups proactively engage with us in real time, raising awareness of significant transactions before they occur or shortly after.

We encourage early engagement, which allows us to work collaboratively with groups to resolve tax issues through a tailored and transparent process to provide certainty. For the minority of groups that do not engage with us in real time, we identify and address their significant transactions through our pre-lodgment commercial deals engagements or our Top 500 assurance engagements.

Through these engagements, we are able to maintain a high level of confidence in the tax outcomes of all significant transactions within the Top 500 population.

Commercial deals

Commercial deals are significant, atypical transactions such as a sale of a business or property. In most cases when a commercial deal is identified, we will engage with the Top 500 group before lodgment to confirm the correct tax treatment.

During the 2024–25 financial year, we finalised 17 commercial deal engagements with Top 500 groups that collectively had a value of \$3.71 billion. We also commenced a further 11 commercial deal engagements worth an estimated \$16.76 billion.

The finalised engagements provided tax certainty for transactions representing \$2.36 billion in correctly reported economic activity. This was based on assurance of income tax return labels including income, capital gains, and the utilisation of available losses.

Approximately 87% of finalised commercial deal engagements with Top 500 groups resulted in agreed positions and correct lodgments, demonstrating the effectiveness of our engagement approach and reducing the likelihood of future audits or disputes. Where our commercial deal engagements have not resulted in an agreed position, we continue to engage with the groups through reviews and audits until the matter is resolved.

Developing and implementing effective tax governance

Tax governance means the procedures and processes a group has put in place to support them meeting their tax and superannuation obligations, including paying and lodging on time. We review the existence, design effectiveness and operational effectiveness of a Top 500 group's tax governance framework with a focus on the [7 principles of effective governance](#), with an emphasis on the first 4 principles.

In the 2024–25 financial year, our data showed that 79% of the errors made by Top 500 groups could have been avoided with effective tax governance.

To avoid costly errors and provide confidence that the correct amount of tax is being paid, it is important that tax governance is documented, operationally effective and regularly reviewed.

Over one-third of Top 500 groups have some level of documented tax governance in place, and the number of groups with tax governance across trading, non-trading and wealth extraction activities has increased when compared to last year.

During the 2024–25 financial year:

- The number of groups with documented tax governance over their trading activities has grown by 26%, with approximately 42% of these groups having achieved a high or very high effectiveness rating.
- The number of groups with documented tax governance over their non-trading activities (that is, passive income sources) has increased by 24% with over 45% having achieved a high or very high effectiveness rating.
- The number of groups with documented tax governance over wealth extraction activities has increased by 17%, with almost 47% of these groups achieving a high or very high effectiveness rating.

Our priorities in 2025–26 include reviewing and updating our guidance on effective tax governance to support groups in developing and implementing the policies and procedures needed to ensure they get things right and avoid basic errors. Making our guidance clearer and easier to understand, together with our expansion of the provisional justified trust approach, which is now available to all Top 500 groups, will give Top 500 groups greater opportunity to achieve justified trust in the future.

Goods and services tax governance

During our GST-integrated assurance engagements undertaken in the 2024–25 financial year, we observed and highlighted the following areas for improvement in respect of GST governance:

- Documenting business activity statement (BAS) procedures
- Including regular processes to verify the GST registration of suppliers following initial setup
- Periodic testing of internal controls and data
- Reconciliation of data between the BAS, income tax return and financial statements.

Guidance on effective tax governance

To help Top 500 groups understand and implement effective tax governance, we have published the following guidance:

- [Effective tax governance criteria for Top 500 private groups](#)
- [The importance of effective tax governance and our approach](#)
- [Required items for an effective tax governance framework](#)
- [Additional items for an effective tax governance framework](#)
- [Further guidance and examples for effective tax governance](#)

Top 500 program outcomes

See tax assured, audit and voluntary disclosure results for Top 500 groups.

Top 500 program results in 2024–25

In the 2024–25 financial year, our collaboration with Top 500 groups and compliance action enabled us to:

- **Assure** income tax paid by Top 500 group entities totalling \$835.11 million. This result encompasses assurance activities relating to the 2018 to 2024 financial years. \$15.47 billion in income tax has been assured over the life of the Top 500 program
- **Finalise** 7 audits and 23 reviews. As of 30 June 2025, 36 audits and 27 reviews were in progress. We escalate to review or audit when we identify an issue where we have a different view on its tax treatment, or where a Top 500 group doesn't engage with us and demonstrate they want to comply with their tax obligations
- **Raise** income tax liabilities of \$388.5 million, resulting in cash collections of \$153.9 million from our assessments, with a total of \$945.4 million collected since 2020. Prevention and sustained compliance revenue effects (representing future tax impacts of amended assessments) realised were \$1.57 million, with a total of \$144.9 million realised since 2020
- **Raise** income tax liabilities of \$23.3 million from 39 voluntary disclosures, most of which were prompted by inquiries during our assurance engagements. Over three-quarters of voluntary disclosures related to errors that could have been avoided with effective tax governance. Examples of these errors include
 - omitted rental, dividend or trust income
 - overclaiming deductions due to poor record keeping
 - understated interest income from related party loans
 - not lodging fringe benefits tax (FBT) returns when providing employee benefits (especially motor vehicle-related benefits)
 - claiming input tax credits for private expenses
 - incorrect reporting of capital works and capital allowance deductions, including using incorrect depreciation rates
 - failing to withhold and remit tax from interest and royalty payments to foreign residents.

To mitigate their higher potential risk of compliance issues and errors, groups with little or no tax governance will be subject to intensive engagements in the future. Additional tax officers will be involved in these engagements, with a focus on assuring that the correct amount of tax has been paid.

Finally, while the majority of the Top 500 groups are highly compliant, there are a small number of Top 500 groups that enter into arrangements to avoid tax. We address avoidance in our compliance reviews and audits. In the 2024–25 year, we made a finding of evasion in relation to one Top 500 group that led to significant assessments being raised.

Insights from focus areas for Top 500 groups

Insights from focus areas for Top 500 groups and how effective tax governance can help groups get it right.

In this section

[Top 500 risks and issues](#)

[Trust taxation issues](#)

[Private company benefits](#)

[Capital gains tax](#)

[Succession planning](#)

[‘Business as usual’ income and deductions](#)

[Property and construction](#)

[Other tax issues](#)

Top 500 risks and issues

Our completed and ongoing audits and reviews of Top 500 groups reflect the complexity of group structures and transactions which can give rise to tax risks and potential non-compliance within segments of the Top 500 population. Where groups are unable to adequately substantiate their tax positions and are not transparent in engaging with us, this can result in protracted compliance action and may expose the group to significant tax liabilities, penalties and interest.

We outline some of the specific tax issues and risks observed in the Top 500 population, and areas for improvement to assist Top 500 groups and advisors in getting their affairs right, on this page.

Top 500 groups and their representatives should take note of what attracts our attention, to enhance their awareness and understanding of compliance expectations. We encourage groups, particularly those that are new to the Top 500 program, to review their affairs to determine whether these issues apply to their group and engage with us early to resolve them.

Trust taxation issues

We’ve seen instances where family trust distribution tax (FTDT) has been unintentionally triggered, leading to significant liabilities for some groups. This commonly occurs when the group controller or advisers take a 'set and forget' approach to family trust and interposed entity elections.

To reduce this risk, it's essential to identify which entities have made elections and who the test individual is for each election. This ensures that, when making annual trust resolutions or adding new entities to the group, distributions are only directed to members of the test individual's family group. Implementing these measures will help many Top 500 groups mitigate FTDT exposure.

Up to 31 December 2026, we will consider up to 80% remission of general interest charge (GIC) on FTDT liabilities for entities that self-review and pay before an ATO review begins. Partial remission of GIC, at a lower rate, may be considered for voluntary disclosures during a review. Groups and their advisors are strongly encouraged to come forward now to take advantage of this opportunity. Further information is available in our [Business bulletin FTDT spotlight article](#).

We continue to observe other tax issues involving trusts, including:

- complex wealth extraction arrangements that breach integrity rules, such as the [reimbursement agreements](#), as contained in section 100A of the *Income Tax Assessment Act 1936*
- distributions to ineligible beneficiaries
- omitted trust income.

Having appropriate tax governance in place to review trust deeds regularly and ensure financial records are accurate will assist groups to avoid these errors.

Private company benefits

An ongoing area of focus for Top 500 engagements is compliance with [Division 7A](#), to ensure that benefits obtained from private companies by the controllers of private groups, and their associates, are correctly reported for tax purposes.

Approximately 13% of our engagements that considered Division 7A issues raised red flags that required escalation to a review or audit.

Issues identified included the failure to document loans, make minimum yearly repayments, and report interest income. We also observed uncommercial arrangements such as the provision of assets below market rate and payments made to discharge personal obligations. These issues resulted in the benefits provided being treated as deemed dividends for income tax purposes.

While there are some circumstances where the Commissioner's discretion to disregard a deemed dividend is appropriate, our general view is that Top 500 groups have access to the expertise to help them prevent honest mistakes or inadvertent errors. Top 500 groups are encouraged to maintain a documented Division 7A register to track shareholder loans, repayments, and asset usage, and to seek advice when dealing with complex or material matters to help ensure compliance and manage risk in respect of Division 7A.

Capital gains tax

Top 500 groups frequently undertake transactions that trigger the application of the [capital gains tax \(CGT\) provisions](#), including the disposal of assets such as real property, shares, trust units and rights.

Based on engagements finalised during the 2025 financial year, 79% of Top 500 groups attained a high level of assurance regarding their application of CGT provisions to relevant transactions. For the remaining groups, several issues were identified, including:

- not recognising CGT events when disposing of assets, restructuring, or changing residency
- incorrectly classifying income as capital rather than revenue, particularly in relation to property sales by groups in the property and construction sector
- inadequate documentation to substantiate the cost base of assets or support eligibility for the 50% discount and small business concessions.

Top 500 groups are encouraged to maintain accurate and complete records for all CGT assets, including documentation detailing the acquisition of assets, any improvements, and their disposal.

Many Top 500 groups engage with our [Commercial deals program](#) to obtain pre-lodgment certainty when they have significant asset disposals.

Succession planning

Succession planning can include preparing to sell a business or passing control or wealth to family members. For Top 500 groups undertaking succession planning, we focus on groups that incorrectly recognise the tax consequences of transactions or structuring to minimise or avoid tax. The types of issues identified include:

- failing to recognise a CGT event has occurred where they have restructured or transferred an asset. This issue can arise when groups incorrectly claim an asset is pre-CGT
- transferring wealth through loans, payments or forgiveness of debt and failing to recognise the application of Division 7A
- trusts that have made family trust elections or interposed entity elections and are distributing outside the family group.

We encourage groups to put a succession plan in place as part of your tax governance, and to ensure you have the documentation to support transactions. Seeking and obtaining advice is also critical to ensure groups avoid these issues.

For more information on our approach, refer to [Succession planning tax risks](#).

'Business as usual' income and deductions

In the 2024–25 financial year, engagements that considered business-as-usual activities found that approximately 69% of Top 500 groups achieved high assurance, supporting confidence in their ongoing tax compliance.

Common issues requiring further investigation encompassed:

- omitted income (including offshore income and foreign exchange capital gains)
- timing of income recognition
- treatment of related party transactions
- claiming expenses lacking connection to assessable income
- interest deductions involving loans for private use or on non-arm's length terms.

To mitigate these risks, Top 500 groups should strengthen internal controls and procedures to ensure accurate reporting of income, substantiation for deductions, reconciliation of accounting and tax records, and commercial terms for related-party transactions. Embedding these practices within the group's tax governance framework and seeking timely advisor input for complex matters is recommended.

Property and construction

Approximately 30% of Top 500 groups have operations in the property and construction sector. For these groups, our focus is to ensure they correctly report their property development activities, including:

- whether the development was undertaken for a profit-making purpose or part of a business of property development. The types of issues identified include the misclassification of capital versus revenue
- the manipulation of income and expense recognition between related parties, including through the use of long-term construction contracts.

For more information, refer to [Property and construction](#).

Other tax issues

We also continue to observe issues for Top 500 groups in respect of goods and services tax (GST), fringe benefits tax (FBT), international arrangements and not-for-profit (NFP) entities, as follows.

GST

Common GST issues included the misclassification of supplies, failure to make adjustments for a creditable purpose (specifically in relation to property development activities), and errors in the preparation of activity statements.

These issues highlight the importance of specific GST controls within a Top 500 group's tax governance framework.

FBT

FBT compliance issues were observed for some Top 500 groups, particularly around the identification, valuation, and reporting of fringe benefits.

Top 500 groups are encouraged to maintain a documented FBT governance framework.

International

International issues, including cross-border transactions, withholding obligations, transfer pricing and related party financing (including concerns with the use of non-commercial terms to push up financing costs in the property and construction industry), are relevant to approximately 40% of Top 500 groups.

Tax issues associated with cross-border financing undertaken on non-commercial terms is a focus area for the Top 500 program in 2026.

To help mitigate compliance risk, a documented process for regularly reviewing international tax issues, as well as ensuring arm's length arrangements between related parties should be implemented.

Groups should also be aware of new thin capitalisation and debt deduction creation rules effective from 1 July 2023 and 1 July 2024, respectively. Refer to the following guidance on our website:

- [Thin capitalisation](#)
- [Understanding the debt deduction creation rules \(DDCR\)](#)
- [Debt deduction creation rules and Division 7A](#)

NFPs

Approximately 25% of Top 500 groups include one or more not-for-profit (NFP) entity, such as a private ancillary fund. NFP entities enjoy tax concessions but eligibility for those concessions is subject to specific integrity rules which can operate, for example, to make an NFP ineligible for a refund of franking credits.

As with all NFPs, private ancillary funds and other not-for-profit entities that are members of a Top 500 group need to ensure they are aware of, and comply with, their obligations to qualify for tax concessions.

Top 500 survey

The feedback received and lessons learned from our annual Top 500 survey.

In this section

[Annual survey of Top 500 groups](#)

[Key insights](#)

[Our response to survey feedback](#)

Annual survey of Top 500 groups

The annual Top 500 survey is designed to capture feedback from private groups and their advisors regarding their experience with the program. In May 2025, surveys were distributed to either in-house representatives or nominated advisors for each group.

The survey response rate was 22%, representing approximately 28% of Top 500 groups. The response rate was 17% lower than in 2024, but consistent with 2023 (response rate of 21%).

Key insights

Key insights from this year's Top 500 survey are:

- 60% of respondents were satisfied with the Top 500 program (a decrease of 6% from 2024, but consistent with 2023 at 59%), while 11% were neutral and 29% were dissatisfied.
- 91% of respondents are satisfied that our staff interact with them in a professional, courteous and respectful manner.
- There were high levels of satisfaction with our understanding of group structures and business activities (77% and 75% of respondents respectively).
- The level of satisfaction with the time provided to respond to information requests has dropped by 12 percentage points to 61%, with respondents requesting teams to be more reasonable with due dates, factoring in their circumstances.
- Respondents level of satisfaction about the regularity of communication provided about the progress of the engagement has decreased by 9 percentage points to 56%. Respondents emphasised the need for timely and regular updates from engagement teams, particularly after responding to information requests.

Our response to survey feedback

We are pleased that respondents to the survey continue to find that our staff act in a professional and courteous manner and have a good understanding of their group's business affairs.

In most circumstances, reasonable extensions to the timeframes for responding to information requests during an engagement can be negotiated, and there is often the option

to provide information in tranches to ensure the ongoing progress of the engagement. For reviews and audits, our timeframes may be more rigid due to period of review constraints.

We acknowledge the importance of timely communication from our engagement teams, and this is an area we are targeting for improvement, particularly in providing updates upon receiving, and while reviewing, responses to our requests for information. Where possible, we also encourage groups to arrange a meeting to 'walk through' their responses to requests for information with the case team, as this provides an efficient means to clarify or confirm any areas of uncertainty and ask follow-up questions.

We will share more best practice tips to groups throughout 2025–26 to improve the efficiency of our Top 500 engagements.

Keep up to date

How to keep up to date with changes for privately owned wealthy groups.

We have tailored communication channels for medium, large and multinational businesses, to keep you up to date with information and changes you need to know.

To keep up to date, you can:

- read articles in our online [Business bulletins newsroom](#)
- subscribe to our
 - [Business bulletins email newsletter](#) – issued fortnightly
 - [email notifications](#) about new and updated information on our website – you can choose to receive updates relevant to your situation
 - choose the 'Business and organisations' category to ensure your subscription includes notifications for more *Business bulletins newsroom* articles.