Tax News & Insights

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OmniTax Professionals

Justified Trust & ATO Assurance Programs – where do you sit?

With the increase in ATO review and audit activity over the years, where does your business / organisation sit in terms of ATO engagement? This broadly depends on whether the taxpayer falls within the Public and Multinational Businesses ("PMBs") category or the Privately Owned and Wealthy Groups category, as summarised below.

Public and Multinational Businesses

Population Groups	Definition	Level of Engagement
Large Corporate Groups (greater than $350m total business income)		
Top 100	Largest corporate groups by total business income, plus those of strategic significance	Ongoing one-to-one tailored engagement Top 100 Justified Trust Program Top 100 GST Assurance Program Other bespoke compliance engagements, as appropriate
Top 1,000	Largest corporate entities outside the Top 100	Periodic one-to-one tailored engagement Top 1,000 Combined Assurance Program Top 1,000 Next Actions Program Other bespoke compliance engagements, as appropriate
Large risk strategy	Large market entities which are not covered by the Top 100 or Top 1,000 programs	Depending on risk factors, periodic one-to-one engagement or compliance engagement through the Medium PMB Engagement Program Other bespoke compliance engagements, as appropriate
Medium and Emerging Groups (less than $350m total business income)		
Medium and emerging risk strategy	All other PMB groups	Medium PMB Engagement Program Other bespoke compliance engagements, as appropriate

At present, entities with a turnover of over $350 million would generally be included in the Top 1,000 (or are likely to be included in the near future). Other factors will be relevant, such as (i) the taxpayer's industry; (ii) the complexity of a business; (iii) choices and behaviours evidenced in your historical affairs and investments; (iv) the level of tax risk you exhibit; and (v) whether any significant transactions or risks have come to the ATO's attention that are best reviewed in a particular assurance program.

Privately Owned and Wealthy Groups

The ATO defines Privately Owned and Wealthy Groups as:

- Companies and their associated subsidiaries (often referred to as economic groups) with an annual turnover of more than $10 million and that are not public groups or foreign owned.
- Australian resident individuals who, together with their business associates, control net wealth over $5 million.

Within Privately Owned and Wealthy Groups, there are 3 key segments with the following levels of engagement with the ATO:

Population Groups	Definition	Level of Engagement
Top 500	Private groups that are not public groups or foreign owned that have > $250 million turnover (regardless of asset value); > $500 million in net assets (regardless of turnover); have over $100 million in turnover and over $250 million in net assets; are market leaders in their industry and/or are of specific interest.	Top 500 Private Groups Tax Performance Program
Next 5,000	Includes entities that are linked to Australian resident individuals who, together with their associates, control wealth of more than $50 million and are not included in the Top 500 population	Next 5,000 Tax Performance Program
Medium and emerging private groups	Includes: • Private groups linked to an Australian resident individual who, together with their associates, control wealth between $5 million and $50 million • Australian businesses with annual turnover of more than $10 million that are not public or foreign-owned and not linked to a high wealth private group	Medium and emerging private groups tax performance program

Source: *Action Differentiation Framework | Australian Taxation Office*, *Tax performance programs for privately owned and wealthy groups | Australian Taxation Office*, *Top 1,000 combined assurance program | Australian Taxation Office* (accessed 14 April 2025)

Build-to-Rent Developments – additional affordable dwelling requirements

A legislative instrument was made on 28 March 2025 which specifies the following additional requirements for a dwelling in a BTR development to be an affordable dwelling:

- The dwelling must be either a moderate-income dwelling or a lower-income dwelling
- The number of lower-income dwellings in a BTR development must be equal to or greater than 2% of the number of dwellings in the BTR development (rounded down to the nearest whole number)
- Unless special circumstances exist in relation to the dwelling, the owner of the BTR development (the BTR owner) must have engaged an eligible community housing provider (CHP) to assist the owner in:
    - Identifying prospective tenants for each affordable dwelling in the BTR development, and
    - Ascertaining whether the dwelling satisfies the tenant income criteria for a lower-income dwelling or a moderate-income dwelling (whichever criteria is applicable) for each assessing event for each affordable dwelling in the development, and
- Each tenant of the dwelling was identified by an eligible CHP as a prospective tenant for the dwelling (where the dwelling is tenanted) with the CHP's identification having regard only to the requirements for dwellings in the instrument and any matter expressly advised to the CHP by the BTR owner.

The amendments made by the instrument will apply 12 months after the amendments commence (being 28 March 2026). This ensures that BTR owners have sufficient time to make changes to satisfy the new requirements.

2025 Federal Election

A summary of the key tax positions of the two major parties, as at the date of this publication, is summarised below:

ITEM	LABOR	LIBERAL-NATIONAL COALITION
Tax Cuts	1. Cuts equivalent to $268 per year from 1 July 2026, and $526 per year from 1 July 2027. 2. Standard $1,000 tax deduction for work-related expenses from 1 July 2026 against employment income (as an alternative to claiming individual work related expenses)	1. New one-off tax offset in FY26 of $1,200 to those with annual taxable income between $48,000 and $104,000, with a reduced offset to those with annual taxable income of less than $48,000 or between $104,000 and $144,000. 2. Tax deduction for interest on a loan used by first-home buyers to build a new house for the first five years on the first $650,000.
Fuel Excise Cuts	No fuel excise cuts.	Halve the fuel excise for the next 12 months, resulting in a saving of $14 per full fuel tank for an average car. The future position (after the 12 month period) will be reviewed at a later time.
Small Business	Small business instant asset write-off of $20,000 extended to 30 June 2026. Thereafter, an asset threshold of $1,000 will apply.	1. Small business instant asset write-off permanently available for assets with a cost of up to $30,000. 2. Tax deduction of up to $20,000 for business related meal expenses (excluding alcohol).
Superannuation	Additional 15% tax on superannuation earnings attributable to total superannuation balances greater than $3 million. This position was included in a Bill before Parliament but has now lapsed.	1. No additional tax on superannuation proposed. 2. First-home buyers will be able to use up to $50,000 of their superannuation to fund a home deposit.

Contact

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