

## November 2025 Octopus Accounting & Tax Newsletter



### ATO's focus on small business

The ATO is 'detecting and addressing' recurring errors in specific industries when businesses have a turnover between \$1 million and \$10 million.

These industries include property and construction (including builders, contractors and tradies), and professional, scientific and technical services (including engineering, design, IT and consulting professionals).

In these industries, the ATO continues to see recurring issues, including:

- omitted sales and income in BAS and tax returns, including income from related entities;

- overclaimed expenses and GST credits;

- private expenses incorrectly reported as business-related, or not properly apportioned between business and personal use;

- failure to register for GST when required;

- incorrect claims for the research and development (R&D) tax incentive offset, especially for activities that do not meet the eligibility criteria; and

- not seeking independent advice from a registered tax agent, particularly in head contractor/subcontractor arrangements.

By sharing the issues that it is seeing, the ATO hopes to help taxpayers running a small business in one of these (or other) industries to avoid common errors and get it right from the start.

If you need assistance with any of the above, please contact our office at 02

9660 2222 or use the below link to book time with Alvin Zhang directly.

<https://outlook.office365.com/book/OctopusAccountingTax@NETORGFT13705307.onmicrosoft.com/saljsauthenabled=true>



## New ATO Data-Matching Programs

The ATO acquires and uses data for pre-filling, detecting dishonest or fraudulent behaviour, and identifying areas where it can educate taxpayers to help them understand their tax obligations.

When data does not match, the ATO may contact tax agents and their clients to find out why.

### Rental Income Data-Matching

Over the coming months, the ATO will be sending letters where its data indicates:

tax returns including rental income may need to be lodged for specific years; or  
rental income should be included in previously lodged tax returns.

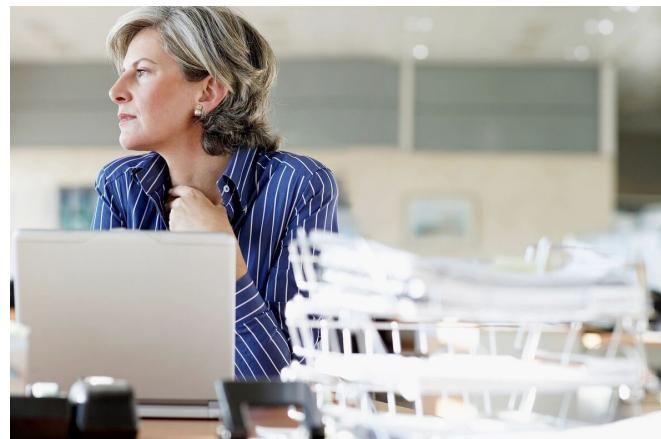
Octopus Accounting: Please contact us if you receive such a letter.

### Offshore Merchant Data-Matching Program

The ATO will acquire merchant data from the big four Australian banks (ANZ, Commonwealth Bank, National Australia Bank and Westpac) for the 2025 to 2027 income years.

The ATO estimates that records relating to approximately 9,000 offshore merchants will be obtained each financial year.

## **SMSF non-compliance with release authorities**



Release authorities are documents issued by the ATO to super funds, authorising the release of money from a member's super account to pay specific liabilities, including in relation to excess concessional

non-concessional contributions, and Division 293 tax assessments.

The ATO is seeing a rise in SMSFs that receive a release authority and are either:

not responding within 10 business days as required; or

responding incorrectly (i.e., either not releasing the requested amount, or failing to submit a release authority statement back to the ATO, or both).

Failure to meet these obligations may result in significant penalties for the fund. SMSF trustees should make sure they have effective processes in place to respond to release authorities promptly and accurately.



### **GST held to apply to sales of subdivided lots**

The Administrative Review Tribunal ('ART') recently held that some sales of subdivided farmland were subject to GST as they were made by the taxpayer in the course of carrying on an enterprise.

The taxpayer owned farmland near Adelaide. He entered into an agreement with a developer, under which the developer sought rezoning and development approvals, carried out development works, and marketed the subdivided lots.

The taxpayer progressively gave the developer access to the property as required and signed documents where necessary, including contracts for the sale of the subdivided lots. The taxpayer received 20% of the proceeds of sale progressively as sales of the subdivided lots were completed, with the developer receiving the remaining 80%.

The taxpayer argued that his role was passive, and that such rights as he had, and actions he took under the agreement with the developer, were of an administrative nature not amounting to a series of activities in the form of a business.

The ART disagreed, finding that the sales of the subdivided land were subject to GST as they were made in the course of carrying on an enterprise.

The ART noted that the taxpayer's activities "exhibited some of the well-known indicia of a business."

Amongst other factors, the taxpayer's activities in facilitating the implementation of the development agreement "had a degree of regularity and repetition", including allowing access to the land progressively as required, an ongoing obligation not to encumber or sell the land during the project, and the continuous signing of sales contracts and monitoring of sales returns.



## Why Choose Octopus Accounting & Tax

At Octopus Accounting & Tax, we combine technical expertise, proactive service, and a genuine commitment to helping our clients

succeed.

### **Broad and Diverse Client Base**

From individuals and small businesses to SMSFs, trusts, and complex corporate groups, we have advised on virtually every tax and accounting scenario. Whatever your circumstances, you can feel confident that we've handled similar situations before—and delivered results.

### **Specialist Advice and Complex Solutions**

We go far beyond routine compliance. Our team regularly assists with advanced tax planning, structuring strategies, and private rulings, ensuring your affairs are managed efficiently and effectively.

### **Personalised, Consultative Service**

We take the time to walk you through the pros and cons of your options, so you fully understand the implications before making decisions. Whether over the phone, in person, or by email, we tailor our advice to your needs and support your business every step of the way.

### **Experienced Team You Can Trust**

Your work will be handled by a dedicated team that includes:

Partners (CPA, CA)

Tax Manager (CPA)

Senior Accountants (CPA, CA)

Junior Accountants and Bookkeepers

Administration Support

**All senior staff and above have at least 15 years of practical experience in accounting and taxation.**

### **Commitment to Knowledge and Quality**

We invest heavily in professional development and continuous learning, so you receive advice based on current legislation and best practice. Our team is committed to improving efficiency and raising the quality of our work year after year.

### **Registered and Qualified**

We are fully accredited as a Registered Tax Agent with the Tax Practitioners

Board (TPB) and an ASIC Registered Agent, giving you peace of mind that your compliance obligations are in expert hands.

When you choose Octopus Accounting & Tax, you choose a **knowledgeable**, **responsive**, and **forward-thinking** team focused on adding value and making your life easier.

#### Our Team

<https://octopusaccounting.com.au/our-team>

If you need assistance with any of the above, please contact our office at 02 9660 2222 or use the below link to book time with Alvin Zhang directly.

<https://outlook.office365.com/book/OctopusAccountingTax@NETORGFT13705307.onmicrosoft.com/saljsauthenabled=true>



Kind regards,

Alvin Zhang

**CPA, CGMA, ACMA, MPACC (Macquarie Uni), Registered Tax Agent**

*Partner*

Octopus Accounting & Tax Advisory | O. Pang & Co

[Click here to learn more about Octopus Accounting & Tax Advisory](#)

[Click here to download our tax return checklist](#)



©2025 Octopus Accounting & Tax Advisory | Suite 1003, 46 Market Street, Sydney, NSW, 2000

[Like](#) [Tweet](#) [Pin](#) [+1](#) [in](#)

[Web Version](#) [Forward](#) [Unsubscribe](#)

Powered by  
**GoDaddy Email Marketing** ®