

# OpenVoiceNews Australia

Transparent. Unbiased. Yours.

## ATO Issues Warning to Businesses on Falsified GST Claims

July 24, 2025

— Categories: *Economics*



The Australian Taxation Office (ATO) has sounded a stern warning to businesses engaging in fraudulent Goods and Services Tax (GST) claims, targeting schemes that inflate refunds through fake invoices. This crackdown, led by the Serious Financial Crime Taskforce (SFCT), aims to protect Australia's economy but exposes gaps in oversight that critics argue burden honest taxpayers.

The ATO has detected a surge in GST fraud, particularly in the property and construction sectors, with some businesses attempting to claim tens of millions in unearned refunds. Assistant Commissioner Adam Grant stated, "These schemes, often cloaked in technical jargon, are blatant fraud, siphoning funds meant for public services" (Mirage News, 2025). Tactics include issuing inflated invoices between related entities or claiming GST credits

for nonexistent transactions, undermining the \$81 billion GST revenue stream critical for healthcare and infrastructure (ATO, 2023). The SFCT, leveraging advanced data analytics, is pursuing offenders, with Deputy Commissioner John Ford warning, “Those defrauding the system will face prosecution” (ATO, 2024).

This fraud not only harms the economy but disadvantages compliant businesses, especially small enterprises struggling with compliance costs. The ATO’s 2024 audit revealed 57% of fraudsters were government benefit recipients, with 30% attempting multiple fraudulent claims (ABC News, 2024). Critics argue the Labor government’s lax enforcement has allowed such schemes to proliferate, pointing to the \$2 billion Operation Protego scandal involving fake businesses (The Guardian, 2024). Shadow Treasurer Angus Taylor called for stronger penalties, stating, “Honest businesses shouldn’t suffer because of government inaction” (Sky News, 2025).

The ATO urges businesses to report suspicious activity anonymously via its Tax Integrity Centre at 1800 060 062 or [ato.gov.au/tipoff](https://ato.gov.au/tipoff), offering penalty reductions for voluntary disclosures. Operation Protego has recovered \$123 million, with convictions like Tiarn Nutley’s nine-month sentence for false Business Activity Statements (BAS) serving as a deterrent (ATO, 2025). As GST fraud threatens economic stability, the ATO’s push for transparency and accountability is crucial, though critics demand more robust policies to protect taxpayers and ensure fair competition.