



Australian Government



Tax time tips

Presented by

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Welcome

'In the spirit of reconciliation, we respectfully acknowledge the Traditional Owners and Custodians of country throughout Australia and their connections to land, water and community. We pay our respect to their cultures, and Elders past, present and emerging.'

Access the presentation slides: tpb.gov.au/webinar-hub

What we will cover today

- ✓ What's new this tax time
- ✓ The ATO App
- ✓ Common mistakes
- ✓ Tax practitioner support
- ✓ TPB compliance focus
- ✓ Client verification
- ✓ Taking reasonable care
- ✓ Receiving client money
- ✓ Engagement letters
- ✓ Enhancing consumer confidence
- ✓ Q&A



Australian Government
Australian Taxation Office

Tax time 2025

Sarah Vawser

Assistant Commissioner, Engagement and Support
Individuals & Intermediaries, ATO



What's new – Tax time 2025

Work from home expenses

- Fixed rate - 70 cents per work hour
- No change to eligibility and record keeping requirements for fixed rate method.

Work-related car expenses

- Cents per km rate - 88 cents per km

Foreign resident capital gains withholding

- From 1 January 2025, the rate increased to 15%
- Rate applies to the market value of all property contracts signed on or after this date.
- Previously, 12.5% of the market value of properties valued at \$750,000 and above was withheld.



Key Focus Areas

Back to basics

- Record keeping
- Nexus - expense and income connection
- Apportionment of deductions

Compliance focus

- Work-related expenses
- Working from home
- Omitted Income

ATO app



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ato.gov.au/app



New security features

- Real-time notifications
- Users can lock their ATO account
- Agent access maintained via OSFA
- Clients must call ATO to unlock record



myDeductions tool

- Record work-related expenses during the year
- Directly email records to tax agents
- Upload records to pre-fill in myTax or view in PLS



More information visit: ato.gov.au/app

Scams and ID protection

Scams

- Scammers take advantage at tax time
- Email is the main scam channel
- Consequences of identity theft are significant
- Verify all interactions claiming to be from the ATO
- We never send links asking for personal information
- We don't private message on social media

Client risks

Scammers target tax time when people are:

- Focusing on lodging their tax return
- Anticipating refunds
- Updating personal information
- Expecting to hear from us



ID protection

- Use a Digital ID, such as myID
- myID requires ID client verification
- Online access strength determined by strength of their myID



Online access strengths

- **Not set** – alternative sign in method
- **Standard** – myID with Standard identity strength
- **Strong** – myID with Strong identity strength

Common mistakes

Most mistakes relate to:

- Poor record keeping
- Lack of nexus
- Apportionment

Deduction mistakes:

Claiming private expenses, such as:

- Everyday clothing
- Meals and drinks
- Childcare
- Rent

Clients can only claim work-related expenses they incur that directly relate to their employment income.



Use our **occupation and industry specific guides** to identify work-related expenses

3 Golden rules for work-related expenses



1

You spent the money yourself and weren't reimbursed.



2

The expense directly relates to earning your income.



3

You have a record to prove it.

Tax practitioner support

LODGE

Improving lodgment performance

To **improve lodgment performance** we're increasing monitoring and analysis of lodgment deferrals.

Help is available via the ATO:

- Supported lodgment program
- Self-help videos and tools
- Outreach to those we've identified that may need help



Supported lodgment program

- Available when a whole practice is affected by unforeseen events
- Provides tailored solutions to help get lodgments back on track
- Engage early if you need help
- Available to ALL practices



Search '**Supported lodgment program**' on ato.gov.au

Tips to prepare

- Check due dates
- Check your client list is up to date
- Check graduate staff are up to speed
- Contact us if you're experiencing issues



Timely lodgment is essential to your annual lodgment performance



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Where to get help?

www.ato.gov.au/tax-and-super-professionals

www.ato.gov.au/about-ato/contact-us



TPB compliance focus

TPB Compliance focus



We'll focus on the greatest risks to the tax system, including:

- tax practitioners who fail to comply with their personal tax obligations
- multinational compliance
- tax avoidance schemes
- shadow economy deception
- phoenix schemes
- individual compliance
- schemes impacting vulnerable Australians.

Complying with taxation laws

- Under the Code you must comply with your personal tax affairs.
- This includes timely lodgement of personal income tax returns and activity statements, payment of super guarantee contributions and Pay as you go withholding and instalment payments.
- It also includes the affairs of all your associated entities and any entity that you have direct or indirect control over.



Client verification

Client verification

- We've developed POI guidelines to help you verify your clients' identities and thereby reduce the risk of identity theft and tax fraud.
- Maintaining best practices for client verification is especially pertinent as cybercrime is becoming increasingly prevalent.
- Our POI guidelines will help you to meet your obligations to secure the personal and financial details of your clients.
- Our POI requirements are aimed at making your processes more contemporary, consistent, and streamlined.

Evidence to validate a client's identity

- For individual clients and representatives, one primary photo ID will be sufficient.
- If there is no photo ID, both a primary non-photographic ID and a secondary ID will need to be sighted.
- For non-individual clients, documents or data confirming the existence of the client are required.
- In all cases where there is a representative, you also need to sight a legal document that shows the authority of the representative to engage you on the client's behalf.

Clients without conventional identity documents



- Take a flexible approach if a client doesn't have the standard identification documents, for example if they:
 - come from remote areas
 - have documents that have been destroyed
 - came to Australia as refugees; or
 - have identity documents that have recently expired.
- Maintain records outlining the client's circumstances and details of the steps you have taken.

Electronic and remote verification



- We strongly recommend you don't use email for communicating sensitive information, unless you use an encrypted or password protected attachment.
- Use secure websites, secure online mailboxes or secure messaging.
- When engaging remotely using webcam or videoconferencing to sight documents – record a note of the checks done.
- In circumstances where you engage with clients online and without a visual medium, refer to the ATO's requirements.

Reasonable care



Code item 9

“

You must take reasonable care in ascertaining a client's state of affairs, to the extent that ascertaining the state of those affairs is relevant to a statement you are making or a thing you are doing on behalf of a client.

”

Code item 10

“ You must take reasonable care to ensure that taxation laws are applied correctly to the circumstances in relation to which you are providing advice to a client. ”

Reasonable care



- The standard of care of a competent and reasonable person, possessing the knowledge, skills, qualifications and experience a registered tax practitioner is expected to have.
- Factors in considering reasonable care include the:
 - nature and scope of the tax agent services being provided
 - terms of engagement
 - skills, experience, qualifications and abilities of the provider
 - degree of supervision and oversight
 - client's circumstances; and
 - nature of any pre-existing relationship.

To what extent is reasonable care required?

- The requirement to take reasonable care relates to the services you have been engaged to provide.
- Further enquiries would not be required if the agreed scope of the services either:
 - excludes the examination of information provided by the client, or
 - requires you to rely on the information or advice of another expert.



Receiving client money or property



Receiving client money or property

- If you receive client money or property on trust you must account for it.
- Money or property on trust includes:
 - client tax refunds received from the ATO
 - any other payments received from the ATO or another entity on behalf of the client
 - money received from the client to be applied to a specific purpose.
- You must keep money or other property held on trust separate.

Engagement letters

How can engagement letters help?



Engagement letters are not compulsory, but they can assist you to:

- establish a clear understanding
- comply with your obligations under the Code
- maintain an ethical practice
- ensure you provide professional services
- avoid disputes about fees and the scope of work.

Enhancing consumer confidence



Registered tax practitioner symbol

- We're encouraging taxpayers to ensure their tax practitioner is registered by looking for the Symbol.
- The Symbol reassures clients you have the right qualifications and experience.
- The Symbol can be used to promote your registered status in a range of business materials.
- It's free and contains your personal registered tax practitioner number and is unique to you.



Tax agent
12345678



BAS agent
12345678



Questions

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Our enquiry lines are open
Monday to Friday 9 am to 5 pm
(Sydney time)



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