Practice Update

Please read this update and contact this office if you have any queries

JANUARY/FEBRUARY 2026

Mandating cash acceptance

The Government recently announced that it was delivering on its commitment *"to mandate cash acceptance for essential purchases by finalising regulations that require fuel and grocery retailers to accept cash from 1 January 2026."*

The changes mean that, from **1 January 2026**, most food and grocery retailers must accept cash for in-person transactions of $500 or less between 7am and 9pm.

Small businesses with aggregate annual turnover under $10 million are generally exempted from this mandate. However, this mandate still applies to small businesses that choose to share a trademark with a large retailer.

The Government noted that, in addition to the cash mandate for fuel and groceries, consumers also already have the option to pay their bills, including utilities, phone bills and council rates, in cash at their local Australia Post outlet through Post Billpay.

The Government will review this mandate after three years, to ensure it is functioning as intended.

ATO child support data-matching program

The ATO has advised that it will acquire child support data from Services Australia for the 2025 to 2027 income years, including the following:

- client identification details (names, addresses, phone numbers, and dates of birth); and
- child support details (child support identification reference number, child support role type, and child support category).

The ATO estimates that records relating to up to 300,000 individuals will be obtained each financial year, which will be matched against ATO records.

The objectives of this program are to (among other things):

- allow Services Australia to more accurately assess child support obligations, and maximise opportunities to collect child support debts; and
- identify and educate individuals who may be failing to meet their lodgment obligations and help them to finalise their lodgment obligations, or notify the ATO that an income tax return is not required.

Time limits on GST and fuel tax credit claims

Taxpayers should note that GST credits and fuel tax credits will expire if not claimed within the 4-year credit time limit (i.e., generally four years from the due date of the original BAS in which the taxpayer could have claimed them).

Once credits expire, the ATO has **no** discretion or ability to amend the assessment to include those credits.

The 4-year credit time limit is different to the period of review and applies more strictly.

There may be situations where the ATO is able to amend for overpaid or underpaid GST or overclaimed credits, but additional credits cannot be included in an amendment assessment.

If credits are near expiry, instead of writing to request an amendment, taxpayers should consider:

- ❑ claiming the credits in their next BAS that is still within the 4-year credit time limit;
- ❑ requesting the amendment by lodging a revised BAS for the tax period to which the credits are attributable (these are generally processed faster than amendment requests in other forms); or
- ❑ lodging a valid objection against their assessment for the period to which the GST credits are attributable before the end of the 4-year credit time limit.

Editor: If you identify any unclaimed input tax credits, we can assist with actioning the above options to try and ensure the credits are not lost.

Taxpayer's dog breeding activities held to be an enterprise

The Administrative Review Tribunal ('ART') recently held that a taxpayer had carried on an enterprise of dog breeding for GST purposes.

He had lodged activity statements for the quarters ended 30 September 2018 to 31 December 2021 inclusive, claiming input tax credits ('ITCs') for the dog breeding activities he carried on from his home (among other activities).

The ATO disallowed the taxpayer's claims for the above periods, arguing that enterprises were not carried on, and that there was a lack of appropriate substantiation (among other reasons).

The ART however held that the taxpayer's dog breeding operation **was** an enterprise for GST purposes, noting that his activities had *"the necessary commercial character."* Therefore, the taxpayer was entitled to ITCs for that enterprise.

However, the ART affirmed the ATO's decision to reduce the taxpayer's other ITC claims, such as in relation to stamp duty on the acquisition of a property and for café and grocery expenses.

The ART also admonished the taxpayer for apparently using artificial intelligence in the presentation of his case, as he appeared to rely on cases and principles that did not exist.

Paying super guarantee

The ATO is reminding employers that they must pay super guarantee ('SG') contributions for eligible employees.

Employers need to pay a minimum of 12% (the current SG rate as from 1 July 2025) of each employee's ordinary time earnings into a complying super fund on a quarterly basis (the due date for the March 2026 quarter is 28 April 2026).

In most cases, employees can choose the super fund.

Employers who do not pay in full, on time or to the correct super fund will have to pay the SG charge, which is made up of the super they owe, nominal interest on those amounts (currently 10%), and an administration fee of $20 per employee, per quarter.

These payments must be made through SuperStream (where super payments and information move through the system electronically).

Employers who use the Small Business Superannuation Clearing House to make super contributions should note that this service will be permanently closed from **1 July 2026**. Existing users should switch to an alternative method to pay their employees' super guarantee.

Also, when new employees start, employers may have an extra step to take to comply with the 'choice of fund rules' if the new employee does not choose a super fund. Employers may now need to request the new employee's **'stapled super fund'** details from the ATO.

Tax dodgers banned from leaving the country

The ATO is actively using departure prohibition orders ('DPOs') as part of a broader shift towards strengthening payment performance and debt collection. A DPO is an enforcement action available to the ATO to prevent certain persons with tax liabilities from leaving Australia without paying their outstanding tax.

Since July 2025, the ATO has issued 21 DPOs, more than the total number issued in the entire financial year ended 30 June 2025.

The ATO notes that a taxpayer was recently prevented from boarding a flight in the early hours of the morning due to a DPO imposed because of deliberate non-payment of a significant debt.

Please note: Many of the comments in this publication are general in nature. Anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.