# client alert | explanatory memorandum

September 2026

**CURRENCY:**

This issue of **Client Alert** takes into account developments up to and including 24 August 2026.

## Think you can spot a scam? What about misinformation?

Recent scam-awareness campaigns have highlighted the continuing risks posed by scams and online fraud. However, regulators are increasingly drawing attention to a related problem that may be less obvious: misinformation about tax and superannuation circulating online.

While many clients know to be cautious of fake refund offers, suspicious links and messages impersonating government agencies, misinformation can be just as costly. Incorrect information may not be part of a scam at all, but it can still lead people to make poor decisions based on inaccurate or incomplete information.

### Misinformation is becoming harder to recognise

According to the ATO, misleading tax and super information can appear in a range of places, including:

- AI-generated summaries and responses;
- search engine results;
- websites and blogs;
- social media posts; and
- online discussions and messages.

One challenge is that incorrect information is often presented with the same confidence and professional appearance as accurate information. Clients may assume information is trustworthy because it appears prominently in search results, has been shared widely online or seems detailed and authoritative.

The consequences of misinformation can extend beyond simple confusion. Clients who rely on incorrect tax or super information may:

- ask to claim deductions they are not entitled to;
- overlook income that should be disclosed;
- misunderstand ATO requirements;
- make inappropriate superannuation decisions; or
- delay seeking advice because they believe they already have the answer.

In some circumstances, this may result in amended assessments, repayment obligations, interest charges or penalties.

### Questions clients should ask

When reviewing tax or super information found online, clients should be encouraged to ask:

- Can this information be verified against an official government source?
- Is the content current and relevant?
- Does it apply to my circumstances?
- Is anyone pressuring me to act urgently?
- Does the claim sound unusually favourable or too good to be true?

This topic provides a useful reminder that not every online risk involves fraud. Sometimes the greater risk is acting on information that is incorrect, incomplete or taken out of context.

For advisers, the practical message is straightforward: encourage clients to check before they act. Having a short discussion before implementing a tax strategy, lodging a return or making a superannuation decision is often far easier than correcting the consequences later.

*Source: www.scamwatch.gov.au/research-and-resources/scams-awareness-week*
*www.ato.gov.au/online-services/scams-cyber-safety-and-identity-protection/scam-alerts*

## Already lodged your tax return? Don’t forget the review step

Many individual taxpayers are keen to lodge their tax return as early as possible. However, lodgment doesn’t necessarily mean the process is over. Clients may receive additional information after lodging, discover records they thought were lost or realise something was omitted from the original return.

The ATO notes that individuals and sole traders can request an amendment where they have made a mistake, forgotten to include information or experienced a change in circumstances after lodging their return. Amendments can generally be requested online, by paper, through a registered tax agent or by letter.

### Common post-lodgment issues

The types of issues clients may identify after lodging include:

- income statements, dividend statements or interest summaries that were not available at the time of lodgment;
- receipts, records or substantiation documents that are located later;
- omitted income or deductions;
- discrepancies between the lodged return and the client’s own records.

Many of these situations arise because information becomes available after a return has already been lodged, particularly where clients have lodged early in the tax season.

### Advisers may be the first point of contact

Clients often discover additional information and then delay acting because they are uncertain whether the issue is significant enough to matter. In many cases, the immediate question isn’t how to amend the return, but whether an amendment is actually required.

Where a client’s return was lodged through a tax professional, timely communication is important. Advisers may wish to encourage clients to pass on any new information as soon as it becomes available so that the issue can be reviewed before assumptions are made about whether it is relevant.

### Practical considerations

If a client identifies a possible error or omission after lodgment, a sensible approach is to:

- obtain all relevant information relating to the issue;
- retain supporting records and documents;
- review whether the information affects the lodged return; and
- seek advice before deciding whether to request an amendment.

The ATO indicates that taxpayers should generally wait until their original tax return has been processed before lodging an amendment request.

### A useful reminder at tax time

The key message for clients is that lodging a return does not necessarily prevent later corrections. Tax returns can generally be amended where mistakes are identified or additional information needs to be included after lodgment. For advisers, this is a useful opportunity to remind clients that early communication is often the most important step. In many cases, a short discussion is enough to determine whether new information is likely to affect the return or whether no further action is required.

*Source: www.ato.gov.au/individuals-and-families/your-tax-return/amend-your-tax-return*
*https://my.gov.au/en/services/work/currently-employed/tax-when-you-work/tax-time/after-you-lodge-your-tax-return*

## When set-and-forget convenience starts costing you

ASIC has recently raised concerns that many consumers do not understand why their car insurance premiums are increasing and often accept renewal pricing without actively reviewing the reasons for the change.

While the regulator's review focused on motor vehicle insurance, the underlying behavioural issue has broader relevance for advisers: many clients operate a "set and forget" approach to recurring financial commitments and may not regularly review whether those commitments still represent value or meet their current needs.

ASIC's review found that many consumers:

- remain with the same insurer year after year;
- do not actively compare alternatives;
- focus primarily on the final premium amount; and
- often receive limited explanations for premium increases.

As a result, consumers may not fully understand why costs have changed or whether their existing arrangements continue to be appropriate.

### A broader set-and-forget issue

Although the ASIC review relates to car insurance, similar patterns can arise with a range of recurring household expenses, including:

- utilities;
- internet and mobile phone plans;
- streaming services;
- memberships and subscriptions; and
- other automatically renewing arrangements.

Because price increases are often incremental rather than dramatic, they can go unnoticed for extended periods.

### Useful questions for clients

The article presents an opportunity to encourage clients to review recurring financial commitments periodically, rather than focusing solely on the renewal price.

Questions clients may wish to consider include:

- Is this product or service still needed?
- Does it still suit current circumstances?
- Have the features or benefits changed?
- Do I understand why the price has increased?
- Is the arrangement still providing value?

Importantly, the objective is not necessarily to switch providers. In many cases, the review may simply confirm that the existing arrangement remains appropriate.

### More than a cost-saving exercise

A recurring-expense review can also support broader financial awareness.

Many clients have multiple direct debits and annual renewals operating in the background. Reviewing these arrangements can help identify changing spending patterns, improve understanding of household cash flow and provide a clearer picture of overall financial commitments.

For advisers, this may be a useful conversation starter when discussing budgeting, cash-flow management or broader financial goals with clients.

### A useful annual habit

Rather than reviewing commitments only when a problem arises, clients may benefit from incorporating a simple annual check into their routine.

This might include:

- reading renewal notices carefully;
- reviewing recurring direct debits;
- checking whether major commitments still align with current circumstances; and
- keeping records that allow year-to-year comparisons.

For many clients, the value of the exercise lies not only in identifying possible savings, but in maintaining a clearer understanding of their financial position and spending commitments.

*Source: https://download.asic.gov.au/media/ntqd1uth/rep838-published-11-august-2026.pdf www.asic.gov.au/about-asic/news-centre/find-a-media-release/2026-releases/26-189mr-consumers-left-in-the-dark-about-rising-car-insurance-premiums-asic-warns/*

## $20,000 instant asset write-off now permanent for small business

Following the 2026–2027 Federal Budget announcement, legislation has now passed making the $20,000 instant asset write-off a permanent feature of the tax system for eligible small businesses. This brings an end to the series of temporary extensions that have applied in recent years and provides greater certainty for businesses planning future capital expenditure.

The most significant aspect of the change is not how the concession operates, but that it is now permanent. Without the legislation, the threshold was scheduled to revert to $1,000 from 1 July 2026.

### Who can access the concession?

The write-off remains available to small businesses with aggregated turnover below $10 million that choose to use the simplified depreciation rules. Eligible businesses can immediately deduct the taxable-purpose portion of eligible depreciating assets costing less than $20,000. Both new and second-hand assets may qualify.

The threshold applies on a per-asset basis rather than as an annual spending limit. As a result, multiple qualifying assets can be immediately deducted, provided each individual asset costs less than $20,000 and the relevant eligibility requirements are satisfied.

### Timing remains critical

Although the concession is now permanent, the timing rules remain unchanged.

To qualify, an asset must be first used, or installed ready for use, for a taxable purpose on or after 1 July 2026. Purchasing an asset alone is not sufficient. Advisers may wish to remind clients that delivery delays, installation timing and commissioning dates can all affect when a deduction becomes available.

### What happens if an asset costs $20,000 or more?

Assets costing $20,000 or more are not eligible for the immediate deduction under the simplified depreciation rules. Instead, the taxable-purpose portion of the asset is generally allocated to the small business depreciation pool. Pool assets are generally depreciated at 15% in the first year and 30% in later years.

Importantly, where the balance of the small business pool falls below $20,000 after the relevant year-end adjustments, the remaining balance may still be deducted immediately.

### Practical implications for advisers

The permanent extension may reduce the need for clients to make purchasing decisions around annual Budget announcements or pending legislation. It also allows businesses to incorporate the concession into longer-term replacement and investment plans with greater confidence.

However, advisers should continue to remind clients that the concession should not drive investment decisions on its own. Business need, expected commercial benefit, cash flow and financing arrangements remain equally important considerations.

For many clients, the most common questions are likely to be:

- whether their turnover is below the eligibility threshold;
- whether a particular asset qualifies;
- whether the $20,000 threshold applies per asset or in total; and
- whether the asset will be first used or installed ready for use in time to claim the deduction.

The permanent nature of the concession may simplify those conversations, but the existing eligibility and timing requirements will continue to be important when determining whether a deduction is available.

*Source: www.ato.gov.au/about-ato/new-legislation/in-detail/businesses/20000-dollars-instant-asset-write-off www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/depreciation-and-capital-expenses-and-allowances/simpler-depreciation-for-small-business/instant-asset-write-off*

## Has your business outgrown its structure?

Many business owners choose a structure when they first commence trading and then continue operating under that structure for many years without revisiting whether it remains appropriate. However, business growth and changing circumstances can sometimes mean that the original structure no longer aligns with the way the business operates. A business structure affects matters such as taxation, registrations, reporting obligations, control of the business, administration and, depending on the structure, personal liability. While no single structure is universally best, circumstances can change sufficiently over time to justify a review.

### Common triggers for a review

A structure review may be worthwhile where a business has experienced changes such as:

- increasing revenue or turnover;
- employing staff for the first time;
- bringing family members or additional owners into the business;
- expanding into new products, services or markets; or
- more complex compliance, reporting or administration requirements.

These developments don't necessarily mean a restructure is required. However, they may indicate that the assumptions that supported the original structure should be revisited.

### More than a tax discussion

Clients often associate structure reviews with tax outcomes. While tax considerations are important, you may wish to remind clients that business structures also influence:

- ownership and control arrangements;
- personal exposure to business risks and liabilities;
- succession planning;
- administration and compliance obligations; and
- future growth opportunities.

A structure that appears attractive from a tax perspective may not always be the most appropriate choice once broader commercial and legal considerations are taken into account.

### A timely business health check

This topic may provide a useful opportunity to discuss whether a client's current structure still reflects the way the business operates today.

Questions that may help guide the conversation include:

- Has the business grown significantly since it was established?
- Have ownership or management arrangements changed?
- Are compliance obligations becoming more difficult to manage?

- Have business goals changed since the original structure was selected?
- Are there changes planned for the business over the coming years?

For many clients, the outcome of a review may simply be confirmation that their current structure remains suitable. However, others may benefit from exploring specialist tax, legal or financial advice to better understand the implications of their existing arrangements.

Restructures can involve taxation, legal and administrative consequences and must be considered in light of the client's specific circumstances. Nevertheless, periodic reviews can be valuable. Business owners regularly review pricing, staffing and operations as their businesses evolve. Reviewing the structure that underpins the business can be just as important in ensuring it continues to support long-term objectives.

*Source: www.ato.gov.au/aboriginal-and-torres-strait-islander-peoples/tax-for-businesses/your-business-structure*
*https://business.gov.au/planning/business-structures-and-types/business-structures/choose-your-business-structure*

# Government funding doesn't always mean tax-free income

The ATO has recently reminded businesses that payments received for delivering services under participating Commonwealth programs will generally be assessable income, regardless of the fact that the funding originates from a government source.

The ATO's message appears aimed at addressing a common misunderstanding among service providers who may incorrectly assume that government-funded payments are exempt from income tax simply because they are connected with a government initiative.

## Who may be affected?

The ATO specifically notes that the issue can affect businesses providing services through Commonwealth-funded programs, including:

- disability support services;
- aged care services;
- childcare services;
- hearing services;
- NDIS-related services; and
- veteran health services.

While these sectors are specifically mentioned by the ATO, the underlying principle is broader. Where a business is being paid to provide services, the source of the funding does not generally change the character of the income.

## The key tax issue

For many businesses, the important point is that payments received for delivering services under a government program are generally treated in the same way as other business income. The fact that the funds may have originated from a government program does not automatically make them exempt income. As a result, businesses should generally include the payments in their assessable income and ensure they are reported correctly in their tax returns.

The ATO highlights three areas that businesses should keep in mind:

- maintain accurate records of payments received and the services provided;
- ensure government-funded payments are correctly reported as business income; and
- lodge returns and make payments on time to avoid penalties and interest charges.

These reminders may be particularly useful for smaller service providers that receive funding from multiple sources and may not always separate government-funded income from other business receipts.

## Why this matters

The ATO receives detailed information through its data-matching arrangements about payments made under government programs, and this area is clearly on its radar. This means mismatches between information reported to the ATO and income reported in a tax return may be more readily identified. Where income is omitted, businesses may face amended assessments, interest charges and, potentially, penalties.

This topic provides a good opportunity to remind clients that the tax treatment of a payment depends on its nature, not simply where the money came from. Clients who receive payments connected with government-funded programs may benefit from a review of how those amounts are being recorded and reported, particularly if they have assumed that government-sourced funding receives special tax treatment.

*Source: https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/not-for-profit-newsroom/receiving-payments-under-the-government-payments-program*

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