

# Tax & Government Audit Protection

## What are random Tax and Government audits?

Audits, reviews and investigations are conducted by the Australian Tax Office (ATO) and other state and federal government agencies to ensure business and tax payer compliance with various tax and legislative requirements such as Income, Land and Payroll Tax, GST, Workers Compensation, Superannuation Guarantee and Compliance Research and Development Grants

## How likely am I to get a random audit, review or investigation?

The ATO along with other federal and state agencies continue to announce significant increases in their audit activity. Now more than ever, Individuals, Businesses and Self Managed Superannuation Funds are at risk of being selected for a random audit or review.

## What is the Audit Protection Service?

Audit Protection Service provides for the payment of professional fees incurred as a result of you being selected for an audit, review or investigation by the ATO or other Government body.

The cost of being properly represented in these matters can be quite considerable depending on the length of time involved. Audit Protection Service provides a fixed, cost effective solution to guard against these unbudgeted costs.

## Who provides the service?

The Audit Protection Service cover is provided by Vero Insurance Limited. Vero is a wholly owned subsidiary of Suncorp Ltd.

## What audits, reviews and investigations are covered?

- Income Tax
- GST & BAS
- Superannuation Guarantee
- PAYG Withholding
- Fringe Benefits Tax
- Payroll Tax
- Land Tax
- Stamp Duty
- Work Cover
- Self Managed Superannuation Funds
- And many other lodged returns

## What are the costs to businesses and tax payers in the event of a random audit, review or investigation?

If your business or individual return is subjected to a random audit, review or investigation, you are responsible for the costs involved in providing the required information. Even the simplest enquiry can require hours of work. In multiple years or multiple companies and trusts, thousands of dollars in accounting and legal fees can be incurred.

### What Costs are covered?

The service covers all professional fees up to the prescribed limit (with no excess) when responding to or representing you in a review, audit or investigation. These include not only our fees, but also legal fees, bookkeeping fees and specialist professional advisor fees (e.g. quantity surveyors, valuers, and actuaries).

### Who is covered?

All of our clients can take advantage of the Audit Protection Service. Different levels of cover are available for:

- salary and wage earners;
- businesses or business groups with turnover under \$100 million;
- Self Managed superannuation funds;

In most cases, individuals and family entities can be covered by the same policy that covers the business entity – for no extra cost.

### How much does it cost?

Cover Type	Limit	Cost
Salary & Wage with/out Share Portfolio & Rental	\$10,000	\$90
Salary & Wage (inc Spouse) with/out Share Portfolio & Rental	\$10,000	\$150
Private Super Fund	\$10,000	\$295
Sole Trader & Partnership & Non-Trading Company/Trust < \$500k turnover	\$10,000	\$210
Business < \$500K turnover	\$10,000	\$295
Business \$500K - \$1M turnover	\$10,000	\$395
Business \$1M - \$3M turnover	\$20,000	\$615
Business \$3M - \$6M turnover	\$20,000	\$790
Business \$6M - \$10M turnover	\$20,000	\$950
Business \$10M - \$25M turnover	\$30,000	\$1,330
Business \$25M - \$50M turnover	\$35,000	\$1,650
Business \$50M - \$75M turnover	\$35,000	\$2,750
Business \$75M - \$100M turnover	\$50,000	\$4,250

### **Is the cost tax deductible?**

Yes, a tax deduction can be claimed.

### **What is not included?**

The following are not covered by the Audit Protection Service:

- Audits, reviews or investigations where notification was given prior to the inception of cover or your confirmation of participation;
- Punitive costs such as penalty tax, costs, interests or any fines;
- If the ATO auditor imposes final culpability penalties of 75% or more;
- Failure to produce documentation or furnish information to the Taxation Office or government agency;
- Costs for work incurred which should have been done prior to the audit, review or investigation taking place;
- Mass Marketed Schemes without a product ruling.

### **What do I need to do to take up audit protection?**

Please contact your Client Service Advisor on 07 5591 1661 and an invoice to be sent to you, once you pay the invoice, your cover automatically commences.