

TAXATION

ATO's handling of objections: IGTO interim report

IGTO has released its interim report on its investigation into the ATO's administration and management of objections.

Be aware of scams: TPB reminder

TPB has issued a reminder to tax practitioners of Scam Awareness Week, including tips on how to prevent scams.

Productivity Commission interim report on labour market

The Productivity Commission has released an interim report as a part of its inquiry into the labour market.

Director ID awareness campaign

Government has announced the launch of an awareness campaign to help company directors get their director identification numbers in time for the deadline.

Trading stock: standard value of goods taken for private use

ATO has released Taxation Determination TD 2022/15 which sets out the amounts ATO will accept as estimates of the value of goods taken from trading stock for private use.

FINANCIAL SERVICES

ASIC bans director for failing to pay AFCA determinations

ASIC has banned a director from operating a financial services business for three years after finding that he failed to give effect to determinations by AFCA.

SUPERANNUATION

Super guarantee: exclusion of grant payments

Regulations have been registered to exempt employers from super guarantee obligations in relation to payments to employees funded under the Aged Care grant.

Tax agents banned for misuse of SMSF auditor numbers

TPB has advised that two tax agents' registrations were terminated for allegedly preparing the lodging SMSF annual returns and falsely claiming completed audits.

APRA quarterly super publication enhanced

APRA has published the first in a series of new statistical publications which includes new and expanded data collected.

Military invalidity benefits and super payments

ATO has registered a legislative instrument specifying alternative method for calculating benefit payments to certain former ADF members.

APRA super reporting standards: reduction of duplicates

APRA has issued a letter to all registrable super entity licensees as a reminder of the next steps for pre-SDT reporting standards.

SMSF auditor registration fees: sunseting regs

Treasury has released regulations proposing to remake sunseting regulations related to ASIC fees that are payable by SMSF auditors.

REGULATOR NEWS

APRA super data reporting standards: new FAQs

APRA has published three new FAQs to provide further guidance to registrable super entity licensees on the reporting standards for Phase 1 of the SDT project.

Small Business and Franchising Consultative Committee (SBFCC) update – 21 October 2022

The SBFCC 'was established by the ACCC to provide a forum where competition and consumer law concerns related to the small business and franchising sectors could be discussed by industry and government'. The SBFCC have provided their latest update relevant to franchising and small business.

Cyber Wardens

'Cyber Wardens is an education tool designed to build a cyber-smart small business workforce. The Cyber Wardens program is a free, simple and easy to use accredited e-learning platform which will give owners and employees the tools they need to stay safe online'. 'Businesses are encouraged to sign up now to be the first to benefit from the program.'

SUSTAINABILITY

Call out for member perspectives on Modern Slavery Reporting

The IPA is taking part in a study conducted by the Canberra Business School. If you have any views on the adequacy of Modern Slavery Reporting in Australia, please fill out or form.

IFAC Climate Week Event: Finance Leaders Plugging the Net-Zero Information Gap

The journey towards robust climate disclosures is only at its start. One of the key aspects discussed by the panel is the need to improve the quality of sustainability-related data and reporting processes to enhance reporting internally and to external investors and stakeholders.

PwC: ESG Reporting in Australia – change afoot, but are companies ready?

PwC has released its annual survey looking at the maturity of ESG reporting across the ASX200. The analysis shows solid improvements, although that significant gaps remain.

TAXATION

ATO's handling of objections: IGTO interim report

The Inspector-General of Taxation and Taxation Ombudsman (IGTO) has released its interim report titled [Investigation into the Australian Taxation Office's Administration and Management of Objections](#). The interim report aims to provide stakeholders with insight into the breadth and scope of objections work undertaken by the ATO across five financial years.

The report makes clear that the IGTO has not investigated the ATO's data beyond analysing, tabulating, extrapolating and charting the data, ie the IGTO's comments in relation to the data have been focused on explaining the information and highlighting areas of interest and focus, as well as areas that the IGTO may further explore in the next phase of the investigation.

Some interesting observations:

- self-initiated objections represented more than half the objections received by the ATO in FY19 - FY21 (excluding COVID-19 objections) - why are so many objections lodged by taxpayers against their own self assessment?; and
- in FY19 - FY21, 53%-80% of the objection decisions issued for Superfunds and Not-for-profits (NFPs) were determined to be invalid - what is the ATO doing to assist taxpayers if an objection is determined to be an invalid objection?

The interim report will also inform Phase two of the IGTO investigation where it aims to provide stakeholders with assurance, findings and recommendations on how to improve the ATO's administration and management of objections.

Be aware of scams: TPB reminder

The TPB has issued a [news article](#) reminding tax practitioners of Scam Awareness Week which runs from 7 to 11 November. With this year's theme is "How to spot a scam", the article includes tips on how to prevent scams.

Productivity Commission interim report on labour market

The Productivity Commission has released an interim report as part of its inquiry into the labour market. The interim report, [five-year Productivity Inquiry: A more productive labour market](#), notes that the Government has relied on key policies to manage workforce productivity, and considers whether reforms could bring about substantial gains.

The report also considers the emergence of the gig economy and skilled migration intake as key determinants of productivity growth. A number of submissions also highlighted how high effective marginal tax rates (EMTRs) from the tax and welfare system affect work decisions, particularly for parents who receive childcare subsidies and means-tested support.

Submissions are due by 21 October 2022.

Director ID awareness campaign

The Assistant Treasurer has [announced](#) the launch of an awareness campaign to help company directors get their director identification number ("Director ID") in time for the 30 November deadline.

A Director ID is a unique 15-digit identifier that a company director will apply for once – and keep for life. The campaign will target those people who may not realise that they are subject to the Director ID requirements – eg small businesses, SMSFs, charities, Not-for-profits, some sporting clubs etc.

Applications can be made through the Australian Business Registry Services [website](#).

Trading stock: standard value of goods taken for private use

[Taxation Determination TD 2022/15](#) sets out the amounts the ATO will accept as estimates of the value of goods taken from trading stock for private use in 2022-23 by taxpayers in specified industries involving food.

FINANCIAL SERVICES

ASIC bans director for failing to pay AFCA determinations

ASIC has [banned](#) a director from operating a financial services business for three years after finding that two companies of which he was a director refused or failed to give effect to determinations by the Australian Financial Complaints Authority (AFCA).

In 2020, AFCA made a total of seven determinations against the two companies in response to complaints relating to unauthorised trading and disclosure failures, as well as inappropriate financial advice and other misrepresentations provided by credit representatives. The AFCA determinations directed those entities to pay consumers a total of \$2.5 million. ASIC alleged that the director approached AFCA determinations as if they were "open to negotiation".

SUPERANNUATION

Super guarantee: exclusion of grant payments

The [Superannuation Guarantee \(Administration\) Amendment \(Aged Care Registered Nurses' Payment\) Regulations 2022](#) has been registered to exempt employers from super guarantee (SG) obligations in relation to payments to employees that are funded under the Commonwealth grant known as the Aged Care Registered Nurses' Payment to reward clinical skills and leadership. The amending Regs ensure that an employer is not required to make additional super contributions, or pay a super guarantee charge, in respect of a payment made to an employee under the Grant.

Date of effect: The SG exclusion applies to payments made on or after 1 November 2022. Eligible employers may apply for the Grant on behalf of their eligible employees from 1 November 2022.

Tax agents banned for misuse of SMSF auditor numbers

The TPB has issued a [release](#) in relation to two tax agents whose registrations were terminated for allegedly preparing and lodging SMSF annual returns and falsely claiming audits had been completed.

The cases were referrals from the ATO and the agents were banned from practice as they no longer meet the tax practitioner registration requirement of being a fit and proper person.

The TPB reminds tax practitioners that in October, the ATO will be sending client lists for the 2021-22 financial year to all SMSF auditors where they can report to the ATO the details of any funds where their SAN has been reported, but no audit activity has been undertaken. Where SMSF auditor number (SAN) misuse may have deliberately occurred, the ATO will continue to make referrals to the TPB for further actions.

APRA quarterly super publication enhanced

APRA has published the first in a series of new statistical publications, the [Quarterly Superannuation Industry Publication](#), which includes new and expanded data collected as part of APRA's reporting standards for the June 2022 quarter. For the first time, the APRA data includes information on the number and types of products and investment options available in the super industry.

Military invalidity benefits and super payments

The ATO has registered a [legislative instrument](#) specifying an alternative method under s 307-125 of the ITAA 1997 for calculating the tax free component and taxable component of a superannuation benefit paid to certain former ADF members during the 2022-23 financial year. The Instrument applies to lump sums paid as a pension in accordance with: (i) the Defence Force Retirement and Death Benefits Act 1973; and (ii) the Trust Deed referred to in s 4 of the Military Superannuation and Benefits Act 1991. It follows the decision in *FCT v Douglas* [2020] FCAFC 220.

Date of effect: The Instrument commenced on 15 October 2022, ie the day after it was registered. It also repeals the earlier instruments for the 2021-22 year and pre-1 July 2021.

APRA super reporting standards: reduction of duplicates

APRA has [issued a letter](#) to all registrable superannuation entity (RSE) licensees as a reminder of the next steps for pre-SDT reporting standards that overlap with Phase one reporting standards to reduce duplicate reporting. This is in accordance with APRA's Response Paper to consultation on Superannuation Data Transformation (SDT) Phase two which was released on 29 August 2022.

SMSF auditor registration fees: sunseting regs

Treasury has released [Exposure Draft - Superannuation Auditor Registration Imposition Regulations 2022](#) proposing to remake the Superannuation Auditor Registration Imposition Regulations 2012 which are due to sunset on 1 April 2023.

The Draft Regulations will prescribe the ASIC fees that are payable by self-managed super fund (SMSF) auditors for regulatory services provided by ASIC. For example, the fee for registering as an approved SMSF auditor is proposed to increase to \$2,191 from 1 July 2023 (up from \$1,927). The Draft Regs also provide for the fee to be indexed to CPI (but not exceeding \$3,000) from the 2024-25 financial year. Otherwise, the Draft Regs broadly follow the structure of the existing 2012 Regs.

Date of effect: The Regulations will commence the day after registration.

Comments are due by 10 November 2022.

REGULATOR NEWS

APRA super data reporting standards: new FAQs

APRA has [published](#) three new FAQs to provide further guidance to registrable superannuation entity licensees on the reporting standards for Phase one of the SDT project.

Small Business and Franchising Consultative Committee (SBFCC) update – 21 October 2022

Recent updates relevant to franchising and small business

Farm businesses warned as scams targeting agricultural sector grow

- Farmers and small businesses in rural and regional areas are urged to be cautious, particularly when buying tractors and heavy machinery, following a spike in scams targeting the agricultural sector this year. Reports to the ACCC's Scamwatch show Australian farm businesses lost more than \$1.2 million to scammers between 1 January and 31 August 2022, an increase of more than 20 per cent compared to the same period last year.
- "Scammers are ruthlessly luring farmers and rural businesses with seemingly good online deals on tractors and other farm machinery through fake websites or bogus classifieds on legitimate platforms and publications," ACCC Deputy Chair Mick Keogh said.
- "Legitimate sellers will only ever ask for enough information to deliver what you've ordered, so it is important not to give too much personal information over the phone or online as you may fall victim to identity theft," Mr Keogh said. "If you have provided personal information and you are concerned you have been scammed, contact [IDCARE \(link is external\)](#) immediately." Mr Keogh said.
- Businesses, regardless of whether they have lost money, are encouraged to [report scams](#) and learn more about how to get help on the Scamwatch website scamwatch.gov.au.

ACCC warns funeral providers on pricing practices following Youpla collapse

- The ACCC is warning funeral services providers not to mislead consumers about prices and to act honestly and transparently in their dealings with Indigenous Australians affected by the March 2022 collapse of the Youpla Group (formerly the Aboriginal Community Benefit Fund).
- The Australian Government has commenced a program to pay a grant in place of a funeral benefit that would have been paid by Youpla Group to eligible beneficiaries of people who held an active Youpla Group policy on or after 1 April 2020. The ACCC is warning funeral service providers to not seek to take advantage of the Youpla Group Funeral Benefits Program by raising prices for funerals of grant recipients and their families, leaving these families out of pocket.

- “Funeral service providers should not take advantage of the grant payments that may be available to families of fund members by increasing the price of funeral services,” ACCC Deputy Chair Delia Rickard said. “Businesses should know that we will take action if misconduct is identified as this grant program commences, and that excessive pricing may, in certain circumstances, raise concerns under the Australian Consumer Law.” Ms Rickard said.
- The ACCC published a [report](#) highlighting its concerns about the funeral sector in December 2021, pointing to several issues, including a lack of clarity and transparency in pricing information provided by some funeral businesses.

Former Bingo CEO Daniel Tartak pleads guilty to aiding and abetting demolition waste price fixing

- On 20 October 2022, former Managing Director and CEO of Bingo Industries, Daniel Tartak, entered pleas of guilty to criminal cartel offences, after charges were laid by the Commonwealth Director of Public Prosecutions (CDPP) following an ACCC investigation and referral.
- [On 16 August 2022](#), Mr Tartak was charged with two cartel offences relating to a price fixing arrangement for demolition waste services in Sydney. Bingo Industries was also charged and entered guilty pleas in respect of price fixing charges relating to the same conduct. While Mr Tartak was its Managing Director and CEO, Bingo agreed with its competitor Aussie Skip Bin Services to fix and increase prices for supplying skip bins for building and demolition waste. Mr Tartak was charged with aiding and abetting this cartel conduct.
- The matter will now proceed to a sentencing hearing in the Federal Court on 9 and 10 March 2023.

Optus data breach information for APRA regulated entities applying for access under the Telecommunications Regulations 2021

- The ACCC is working with the Federal Government, regulators and other relevant organisations to facilitate closer coordination of data sharing between Optus and Australian Prudential Regulation Authority (APRA)-regulated entities. This work facilitates data sharing pursuant to the *Telecommunications Regulations 2021*, which is intended to provide greater protection to Australians following the recent Optus data breach.
- Further information on privacy considerations for financial services entities receiving data from a carrier or carriage service provider under the Telecommunications Regulations is available on the [OAIC website](#).

ACCC to consult further on proposed extension of Virgin Australia and Alliance Airlines charter alliance agreement

- The ACCC is seeking submissions on a draft determination issued today proposing to deny authorisation to an extension of a Charter Alliance Agreement between Virgin Australia Airlines, Virgin Australia Regional Airlines (VARA) (together Virgin Australia) and Alliance Aviation Services (ASX:AQZ) and Alliance Airlines Pty Ltd (together, Alliance Airlines).
- “At this stage, the ACCC is not satisfied that the public benefits likely to result from the Charter Alliance Agreement in the next five years will outweigh the public detriment that is likely to result from VARA and Alliance Airlines coordinating their fly-in fly-out (FIFO) services,” ACCC Deputy Chair Mick Keogh said.
- The Charter Alliance Agreement enables Virgin Australia and Alliance Airlines to cooperate, coordinate and jointly bid for, and provide, FIFO and value-added services to corporate customers. “The proposed extension of the Charter Alliance Agreement would continue to eliminate competition between VARA and Alliance Airlines in providing FIFO services to corporate customers,” Mr Keogh said.
- The ACCC will make its final decision after considering submissions from interested parties on the draft determination. The draft determination and more information on how to make a submission are available on the ACCC public register at [Virgin Australia and Alliance Airlines](#).
- The ACCC is seeking submissions on the draft determination by 4 November. Further information is available at [Virgin Australia and Alliance Airlines](#).

Address at the 32nd Annual Credit Law Conference

- ACCC Commissioner, Mr Peter Crone, spoke at the 32nd Annual Credit Law Conference on 13 October 2022 about the Consumer Data Right (CDR).
- “This conference is being held at a most interesting time for the sector and the economy more generally. We are contending with a number of deep-seated changes and challenges. This includes broad economic challenges of high inflation, low productivity and rising interest rates. We are also seeing the digital transformation of our society continue, with the impacts of covid-19 accelerating this trend. Data provided by and collected from consumers remains fundamental in the delivery and development of many everyday products and services... The CDR is a pioneering reform and will form an integral part of Australia’s competition policy in a digital world.” Mr Crone said. The full transcript of Mr Crone’s speech is available online, see: [Address at the 32nd Annual Credit Law Conference](#)

ACCC pays tribute to Delia Rickard welcomes Catriona Lowe as Deputy Chair

- ACCC Chair Gina Cass-Gottlieb has welcomed the Governor General's recent appointment of Catriona Lowe as ACCC Deputy Chair and applauded the contribution of departing Deputy Chair Delia Rickard.
- Ms Lowe has been appointed for a five-year term from 27 January 2023 when Ms Rickard will finish her term after more than a decade with the ACCC. "I am delighted with Catriona's appointment. In her varied roles as a regulator, litigator and consumer advocate, Catriona has demonstrated a strong commitment to consumer issues and protection of consumer rights over many years," Ms Cass-Gottlieb said.
- Ms Cass-Gottlieb also paid tribute to departing Deputy Chair Delia Rickard. "Delia has demonstrated a tireless focus on the welfare of consumers, especially vulnerable consumers. Her advocacy on scam prevention and product safety at the ACCC has been particularly important," Ms Cass-Gottlieb said. "We will miss Delia's formidable experience, wisdom and passion. There is probably no other person who has made as long-standing and significant contribution to the consumer protection work of the ACCC."

Cyber Wardens

'An initiative of the Council of Small Business Organisations Australia, supported by an industry alliance led by Telstra, Commonwealth Bank and the Australian Cyber Security Centre and delivered by Eighty Nine Degrees East, the Cyber Wardens pilot program will be rolled out in coming months. Businesses are encouraged to sign up now to be the first to benefit from the program.'

'Cyber Wardens will make cyber security simple for Australian small business'.

'It is a simple education tool designed to build a cyber-smart small business workforce. Educating your team about cyber threats will help to protect your small business.'

Similar to health and safety representatives who help to keep small business safe from physical and psychosocial hazards, Cyber Wardens will use the same skills to prevent and protect against digital threats.'

SUSTAINABILITY

Call out for member perspectives on Modern Slavery Reporting

The IPA is taking part in a study conducted by the Canberra Business School.

The research questions are as below:

- RQ-1: To what extent, does the modern slavery disclosure information by Australian firms meet the criteria of readability and sentiments?
- RQ-2: What is the impact of modern slavery on different stakeholders, investors, creditors, and practitioners?
- RQ-3: How do managers trade-off cost reduction versus employing modern slavery in global supply chains?

If you have any views on the adequacy of Modern Slavery Reporting in Australia, please fill out our form [here](#).

IFAC Climate Week Event: Finance Leaders Plugging the Net-Zero Information Gap

The journey towards robust climate disclosure is only at its start. One of the key aspects discussed by the panel is the need to improve the quality of sustainability-related data and reporting processes to enhance reporting internally and to external investors and stakeholders.

Some of the key takeaways from the session are listed below:

Patti Humble, IMA Board Member and Chief Accounting Officer, UPS.

- Sustainability is a process, not an outcome, and starts with engaging stakeholders to determine what is important for them to get right.
- Accountants are uniquely positioned to take meaningful action, particularly to deliver the same rigour to sustainability information as is applied to financial information.

Shamsul Bahar, VP and Group Financial Controller, PETRONAS.

- The biggest challenge is collecting and processing sustainability data which is sourced from upstream and downstream business activities across international boundaries.

Click [here](#) for a deeper recap of the event.

PwC: ESG Reporting in Australia – change afoot, but are companies ready?

PwC has released its annual survey looking at the maturity of ESG reporting across the ASX200. The analysis shows solid improvements, although that significant gaps remain. Some key findings include:

- 13% increase in net zero commitments, meaning 49% of the ASX200 now has a commitment.
 - However, only 55% these companies have incorporated a discussion of their transition plan.
- Only 25% of ASX200 disclose the climate change competencies of at least one board member.
- 43% of ASX200 have some level of external assurance, up from 34% in the previous year.
- 33% of ASX200 have a Reconciliation Action Plan endorsed by Reconciliation Australia, up from 24% in 2021.

Read more of PwC's findings [here](#).