

TAXATION

PAYG withholding schedules for 2024-25 released

The ATO registered the Taxation Administration (Withholding Schedules) Instrument 2024, making available 15 withholding schedules for the 2024-25 income year.

Rental property owners in spotlight: ATO warns

The ATO has issued a media release warning rental property owners that their tax returns will be a focus area this tax time.

Queensland 2024-25 Budget: minor tax concessions

The Queensland Budget for 2024-25 was handed down on 11 June 2024 and included a number of tax-related measures.

Registration fee changes for tax practitioners: annual charge implemented

Treasury has registered the Tax Agent Services Amendment (Updating Fees) Regulations 2024 following change to the registration period for tax and BAS agents.

WFH deduction claims: ATO compliance guideline PCG 2023/1 updated

The ATO has issued an update to its practical compliance guideline PCG 2023/1: Claiming a deduction for running expenses incurred while working from home.

Watered down beer, cider and perry - draft ED 2024/D1 and WETD 2024/D1

The ATO has released draft determinations ED 2024/D1 and WETD 2024/D1.

ATO Pre-filling 2024

The Australian Taxation Office (ATO) have advised of changes to the 2024 pre-filling report including: Interest income; Dividend income; Government payments; and Help and other income-contingent loans debts.

ATO Updates

The ATO have provided updates on Top 500 private groups tax performance program; Next 5000 private groups tax performance program; Time for a super health check; and Updates to guidance material.

Tax Practitioners Board Annual Registration

Starting on **1 July 2024**, the registration period for tax practitioners will occur on an annual basis. If you apply to renew your registration before 1 July 2024, you will be registered for 3 years, until 2027. Your next renewal in 2027 will be for a one-year period. If on the other hand you apply to renew your registration from 1 July 2024, you will be registered for one year, until 2025. Your next renewal in 2025 will continue to be for a one-year period.

SUPERANNUATION

CSS productivity contribution rates for 2024-25

The Superannuation (CSS) Productivity Contribution (2024-2025) Declaration 2024 sets out the new productivity contribution rates applicable with effect from 1 July 2024.

2024-25 interest rate for base amount super splits

The Australian Government Actuary has made the Family Law (Superannuation) (Interest Rate for Adjustment Period) Determination 2024 setting out the interest rate for 2024-25.

Super data reported to APRA to be made public

APRA has made the Australian Prudential Regulation Authority (confidentiality) determination No 1 of 2024 allowing APRA to treat data as "non-confidential" and available for publication.

APRA update of Definitions for Superannuation Data Collections

APRA has registered an updated version of Reporting Standard SRS 101.0 Definitions for Superannuation Data Collections (SRS 101.0) commencing 8 June 2024.

FINANCIAL SERVICES

Draft regulations - Delivering Better Financial Outcomes

Treasury has released the Treasury Laws Amendment (Delivering Better Financial Outcomes) Regulations 2024 for consultation.

Guidance relating to disqualified entities released: TPB

The TBP has finalised and released its Information Sheets in relation to Code items 15 and 16 of the Code of Professional Conduct that takes effect from 1 January 2024.

Senate report on consultancy services provided to Government

The Finance and Public Administration References Committee has delivered its Management and assurance of integrity by consulting services report.

REGULATOR NEWS

ASIC News

Updates from ASIC in the past week including media releases, news, articles and speeches.

APRA news

Updates from APRA in the past week including media releases, news, articles and speeches.

TAXATION

PAYG withholding schedules for 2024-25 released

The ATO has registered the [Taxation Administration \(Withholding Schedules\) Instrument 2024](#). The instrument makes available 15 withholding schedules providing information for calculating the withholding amount required by an entity under the pay as you go ("PAYG") system.

All withholding schedules have been updated for the 2024-25 income year, including to:

- give effect to recent amendments to the tax rates and Medicare levy thresholds;
- remove redundant web links, web content, file type and file size references; and
- update and provide Quick Code ("QC code") information - alphanumeric codes used to navigate to a specific webpage on the ATO website (ato.gov.au) by typing the relevant code into the ATO website search bar.

The instrument repeals and replaces the previous legislative instrument Taxation Administration Withholding Schedules 2023 (F2023L00743), registered on 08 June 2023.

Rental property owners in spotlight: ATO warns

The ATO has issued a [media release](#) warning rental property owners that their tax returns will be a focus area this tax time. According to the ATO, the "majority" of rental property owners are making errors in their tax returns, despite 86% using a registered tax agent.

The common mistakes highlighted included:

- not understanding what expenses can be claimed and when, especially the difference between repairs and maintenance versus capital expenditure;
- overclaimed deductions and a lack of documentation to substantiate the expenses claimed;
- interest deductions that include interest for loans (from redrawing or refinance) used for private expenses;
- costs relating to borrowing expenses, including loan establishment fees, lender's

mortgage insurance and title search fees are claimed incorrectly, ie they are generally claimed over a 5-year period or the life of the loan, whichever is less;

- State or Territory stamp duty being claimed as a deduction, ie this can't be claimed as a deduction if it relates to a rental property (except in the ACT). It can however, be added to the cost base to reduce capital gains upon sale.

Queensland 2024-25 Budget: minor tax concessions

The [Queensland Budget](#) for 2024-25 was handed down on by the Treasurer Mr Cameron Dick on 11 June 2024. It included the following tax-related measures

Transfer duty concessions for first home owners

- *First home concession* – eligibility will be extended to properties valued up to \$800,000 (up from \$550,000).
- *First home vacant land concession* – eligibility will be extended to land valued up to \$500,000 (up from \$400,000).

Land tax: increased surcharge for foreign entities

The Government will increase the surcharge rate of land tax applied in addition to land tax rates for foreign companies (and trustees for foreign trusts) and absentees from 2% to 3%.

Foreign Acquirer Duty to increase

The rate of additional foreign acquirer duty ("AFAD") will increase from 7% to 8% from 1 July 2024 (the AFAD is levied on foreign buyers of residential property in Queensland).

Payroll tax changes

- *Regional Payroll Tax Discount: reduced scope* – businesses with Queensland taxable wages of more than \$350 million on an annual basis will no longer be eligible for the regional payroll tax discount.
- *Apprentices and trainees: rebate extended* – the Government will extend the 50% payroll tax rebate on the exempt wages of apprentices and trainees until 30 June 2025.

Registration fee changes for tax practitioners: annual charge implemented

Treasury has registered the [Tax Agent Services Amendment \(Updating Fees\) Regulations 2024](#). The Regulations follow the change introduced by the Treasury Laws Amendment (2023 Measures No 1) Act 2023, where the registration period for tax and BAS agents was reduced from 3 years to one year (ie renewals to occur annually). That change applied to any new and renewal registration applications received on or after 1 July 2024.

To reflect the reduction in the registration period, the base registration application fees are thus reduced to one-third of what the previous fees would have increased to under the indexation provisions from 1 July 2024. Therefore, effective 1 July 2024, the base registration application fee for:

- tax agents is reduced from \$704 to \$273; and
- BAS agents is reduced from \$141 to \$54.

The fee amounts of \$273 and \$54 will first be indexed on 1 July 2025.

WFH deduction claims: ATO compliance guideline PCG 2023/1 updated

The ATO has issued an [update](#) to its practical compliance guideline PCG 2023/1: Claiming a deduction for additional running expenses incurred while working from home - ATO compliance approach. The update is mostly revision of terminology and grammatical changes that does not substantively change the document, eg the insertion of "usage" after references to "mobile and home phone" to make it clear that this doesn't include the decline in value of a mobile phone handset.

Watered down beer, cider and perry - draft ED 2024/D1 and WETD 2024/D1

The ATO has issued the following two draft determinations:

- [Draft WETD 2024/D1](#) (Wine equalisation tax: the addition of water to cider or perry); and
- [Draft ED 2024/D1](#) (Alcohol excise: the addition of water to beer).

Draft WETD 2024/D1 considers how much water can be added to cider or perry before the final beverage no longer satisfies the WET definition of "cider or perry", while Draft ED 2024/D1 considers how much water can be added to beer before the final beverage no longer meets the definition of "beer" in the Excise Tariff Act 1921. Each definition permits the addition of water and other unfermented substances to the beverage at any time.

In both cases, the ATO's preliminary view is that the final beverage will not satisfy the relevant definition if over 50% of its total volume consists of water and/or other unfermented substances that have been added to the fermented substance.

Proposed date of effect: 1 July 2024 for both determinations. A retrospective start date is not proposed as inconsistent private rulings were previously issued regarding the classification of these beverages, and industry participants may have adopted an inconsistent position in light of these rulings and the ATO's previous compliance approach.

Comments on the drafts are due by 12 July 2024.

ATO Pre-filling 2024

The ATO website provides more details on the changes

Interest income

- Bank interest data for joint account holders will now appear with a 'certainty indicator'. This is because the ATO has high confidence in the data that has been supplied by your client's financial institution.

- A message with pre-fill availability page will be added to OSfA pre-filling report at the interest section.

Dividend income

- A message with pre-fill availability page will be added to OSfA pre-filling report at the dividend section.

Government payments

- Australian Government allowance and pension data that is reported in your client's tax return at item 5 or 6, will now appear in pre-fill with a 'certainty indicator'. This is because the ATO has high confidence in the data that has been supplied by the government agency that paid the benefit to your client.

Help and other income-contingent loans debts

- Trade Support Loan is being renamed to Australian Apprenticeship Support Loan (AASL) on 1 January 2024. The change will be fully implemented by 1 January 2025.

The pre-filling report is available through:

- Online services for agents
- practitioner lodgment service (PLS) – the PLS pre-filling report will return the same data as the Online services for agents pre-filling report in 2024, with some exceptions. MyDeductions is included in PLS'.

ATO Updates

'Top 500 private groups tax performance program

Agents with clients in the ATO's Top 500 private groups tax performance program play a critical role in helping them with correct governance and reporting before 30 June.

The latest ATO *Business bulletins newsroom* [article](#) provides tips to help agents and their clients avoid common errors that can lead to audits and unexpected tax liabilities.

Next 5000 private groups tax performance program

Clients who are Australian residents and together with associates control more than \$50million may be in the ATO's Next 5,000 tax performance program. These clients must report significant events accurately in their tax returns.

The latest ATO *Business bulletins newsroom* [article](#) provides tips to help agents and their clients avoid common errors that can lead to audits and unexpected tax liabilities.

Time for a super health check

This tax time agents should encourage clients to complete a [super health check](#). It's 5 simple yet important steps to review and stay in control of their super.

The super health check is available as a [pdf](#) that can be emailed, printed or provided as a QR code to clients.

Updates to guidance material

Practitioners are encouraged to [subscribe](#) to *Tax professionals newsletters* for the latest [Tax professionals newsroom](#) articles and other key updates from the ATO.

Overview of key changes for Tax Time 2024

The ATO have updated web content to provide a [summary of key changes](#) and new measures for Tax Time 2024. Agents should be aware of these when completing their clients' 2024 tax returns.

Decision impact statements concerning the definition of 'employee'

Read the ATO's Decision impact statements outlining responses to the Full Federal Court decisions in [Jamsek v ZG Operations Australia](#) and [JMC Pty Ltd v Commissioner of Taxation](#). These cases concern whether workers were correctly engaged as employees under the extended meaning of the word 'employee' contained in subsection 12(3) of the *Superannuation Guarantee (Administration) Act 1992*.

The *JMC Pty Ltd v Commissioner of Taxation* decision also considered whether the worker was an employee or independent contractor under the common law meaning of employment. Both decisions may have implications for our status of the worker advice and guidance products.

Petroleum resource rent tax deductions cap

On 7 May 2023, the government [announced](#) changes to the Petroleum Resource Rent Tax (PRRT). The changes respond to the [Treasury Gas Transfer Pricing \(GTP\) Review](#). The PRRT deductions cap change is the first of these measures and is now law.

The deductions cap applies from 1 July 2023 to petroleum projects that produce liquefied natural gas (LNG) and meet specific conditions.

The deductions cap will bring forward PRRT receipts from LNG projects which are yet to pay PRRT.

If the deductions cap applies, certain LNG producers will have a taxable profit of 10% of the assessable receipts they derived in relation to the project in the year of tax. This effectively limits deductible expenditure to 90% of the project's assessable receipts in the year of tax.

The amounts that are unable to be deducted because of the deductions cap will be carried forward and uplifted at the Government long-term bond rate.

To find out more about the change, see [PRRT deductions cap](#).

Tax Practitioners Board Annual Registration

You can read more on the application fees, ongoing registration requirements, and Registration requirements on the [TPB website](#)

The TPB have also compiled a list of [Frequently Asked questions](#) and answers.

SUPERANNUATION

CSS productivity contribution rates for 2024-25

The [Superannuation \(CSS\) Productivity Contribution \(2024-2025\) Declaration 2024](#) has been registered by the Commonwealth Superannuation Corporation ("CSC").

The purpose of this determination is to set new productivity contribution rates for the Commonwealth Superannuation Scheme (CSS) which is an occupational superannuation scheme for Commonwealth employees and for certain other persons.

The new productivity contribution rates apply with effect from 1 July 2024 and are set out in the determination.

2024-25 interest rate for base amount super splits

The Australian Government Actuary has made [Family Law \(Superannuation\) \(Interest Rate For Adjustment Period\) Determination 2024](#), which sets the interest rate at 7% for 2024-25, for the adjustment of base amount super splitting.

Super data reported to APRA to be made public

APRA has made [Australian Prudential Regulation Authority \(confidentiality\) determination No 1 of 2024](#) ("the instrument"), which will allow APRA to treat most of the data it now collects on fund expenses and detailed asset allocation information as "non-confidential" and, therefore, available for publication. The instrument commences 8 June 2024.

APRA plans to make the new data available in statistical publications from August 2024.

APRA update of Definitions for Superannuation Data Collections

APRA has registered an updated version of [Reporting Standard SRS 101.0 Definitions for Superannuation Data Collections \(SRS 101.0\)](#) which replaces the [previous version](#) made in 2023. The reporting standard outlines the definitions of data to be reported across the superannuation data collection.

In this latest instrument, APRA has updated the definition for the term "promoter (service provider type)" and included a new definition for the term "promoter agreement" for superannuation reporting.

The new instrument commences on 8 June 2024.

FINANCIAL SERVICES

Draft regulations - Delivering Better Financial Outcomes

Treasury has released [Treasury Laws Amendment \(Delivering Better Financial Outcomes\) Regulations 2024](#) ("draft regulations") for consultation. These are consequential amendments to support the implementation of the [Treasury Laws Amendment \(Delivering Better Financial Outcomes and Other Measures\) Bill 2024](#) ("the Amending Bill") and delivery of the first tranche of the government's response to the Quality of Advice Review.

The draft regulations:

- support written information or documentation requirements for the purposes of section 99FA of the Superannuation Industry (Supervision) Act 1993 to continue to be met electronically;
- remove requirements related to Fee Disclosure Statements, update record keeping obligations for new consent requirements and remove references to civil penalties which are removed in the Amending Bill;
- align requirements for Financial Services Guides and Website Disclosure Information and make other consequential amendments; streamline the regulations for conflicted remuneration in line with the changes to the Amending Bill;
- and ensure the informed consent requirements apply for benefits given in relation to a general insurance product where personal advice is provided.

Submissions are due by 8 July 2024.

Guidance relating to disqualified entities released: TPB

The TPB has finalised and [released](#) its Information Sheets in relation to Code items 15 and 16 of the Code of Professional Conduct ("Code") that takes effect from 1 January 2024 (subject to transitional provisions in some circumstances). The new Code items follow the changes to the Tax Agent Services Act 2009 through Treasury Laws Amendment (2023 Measures No 1) Act 2023 which prohibit tax practitioners from employing or using a "disqualified entity" without the TPB's approval or entering into certain arrangements with a "disqualified entity".

The published Information Sheets are:

- [TPB\(I\) 41/2024 Code of Professional Conduct - Employing or using a disqualified entity in the provision of tax agent services without approval](#)
- [TPB\(I\) 42/2024 Code of Professional Conduct - Prohibition on providing tax agent services in connection with an arrangement with a disqualified entity](#)

The TPB highlighted that the Information Sheets also contain a "document history" section which summarises the updates and amendments made following the consultation process. The TPB also highlighted that the Code items 15 and 16 Information Sheets, its website material and FAQs will be updated in "due course" to reflect any relevant changes to the TPB Public Register following the recent assent of the Treasury Laws Amendment (Tax Accountability and Fairness) Act 2024.

Senate report on consultancy services provided to Government

The Finance and Public Administration References Committee has delivered its report into what the Government has termed the PwC tax leaks saga. The report – the [Management and assurance of integrity by consulting services](#) – makes 12 recommendations.

The recommendations impacting entities outside of government entities include the following:

- Efficacy of partnerships and large (100+) partner firms – that the Government commission the Australian Law Reform Commission, or other appropriate body, to undertake a review of the legislative frameworks and structures of partnerships in Australia with particular focus on partnerships in excess of 100 partners. The review should make recommendations to provide for appropriate regulatory governance and oversight of structures of this scale (recommendation 9);
- Self-regulators to report to Standing Committee – that the Government require those organisations that operate professional standards as self-regulatory regimes to report annually on the operation of those standards to the Joint Standing Committee on Corporations and Financial Services. It also recommends that these same organisations should appear before that Committee to provide oversight on the operation of the relevant standard (recommendation 10).

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [14 June 2014 – SPEECH – Parliamentary Joint Committee Opening Statement, 14 June 2024](#) – ASIC Chair Joe Longo presented to the Parliamentary Joint Committee on Corporations and Financial Services, accompanied by several senior managers and followed up on the outcomes of recent enforcement actions. He also gave an update about the development of ASIC's digital capabilities in the context of the AI revolution.
- [13 June 2024 – MEDIA RELEASE – ASIC suspends AFS licence of Responsible Entity Services Limited](#) – ASIC has suspended the Australian financial services licence of Responsible Entity Services Ltd until 11 June 2025 because it is under external administration. It entered voluntary administration in March 2024. ASIC may suspend or cancel a licence of a company being administered under Ch 5 of the *Corporations Act 2001* (Cth) but also enable the administrators to manage its assets and transfer the schemes to a new responsible entity under s 915H.
- [13 June 2024 – MEDIA RELEASE – ASIC cancels licence of Haywards Audit Pty Ltd](#) – With effect from 7 June 2024, ASIC cancelled the Australian financial services licence because it had ceased carrying on a financial services business. It had held a licence since 2017.
- [13 June 2024 – MEDIA RELEASE – ASIC issues first crowd-sourced funding regime stop order](#) – ASIC has issued a stop order to prevent Hirehood Pty Ltd from offering securities under a crowd-sourced funding offer document. This is the first instance of ASIC using a stop order in relation to crowd-sourced funding since that form of corporate fundraising was recognised in Part 6D.3A of the *Corporations Act 2001* (Cth)

in 2017. ASIC's stop order is aimed at protecting retail investors interested in this offer because the offer document did not have sufficient detail about Hirehood's business model and the offer only provided an equitable interest in fully paid shares rather than full ownership rights as the legislation requires.

APRA news

APRA has released the following updates in its News and publications section:

- [13 June 2024 – MEDIA RELEASES – APRA finalises cross-industry guidance on operational resilience](#) – APRA's new Prudential Practice Guide CPG 230 Operational Risk Management assists in the implementation of the corresponding Prudential Standard which takes effect on 1 July 2025. The standard is aimed at ensuring that regulated entities maintain the resilience of their operations and can respond to disruptions. APRA responded to submissions on the draft guide by tightening its focus, including a "day one" checklist, allowed a further year of lead time for "non-Significant Financial Institutions" and provided a three-year plan of its intentions for supervising the new standard.
- [11 June 2024 – MEDIA RELEASES – APRA releases quarterly authorised deposit-taking institution statistics for March 2024](#) – APRA has released its Quarterly [Authorised Deposit-taking Institution](#) Statistics for the March 2024 quarter. Profits for regulated institutions declined by 4.3% over the preceding 12 months. The total of assets held by regulated entities grew by 1.9% over the same period.