



TAXATION

Tax Incentives and Integrity Bill: Committee recommends passage

The Senate Economic Legislation Committee has recommended that the Treasury Laws Amendment (Tax Incentives and Integrity) Bill 2024 be passed without amendment.

ATO enforcement measures for collecting and recovering tax liabilities

The ATO has issued an updated version of PS LA 2011/18, updating the Practice Statement for legislative made since the last update to the statement in 2019.

Reminder: Parliament to resume

Parliament is to resume sitting on Tuesday 4 February 2025; however dates are yet to be confirmed for the 2025-26 Federal Budget or the half-Senate and House of Reps election.

SUPERANNUATION

Transfer balance cap increases to \$2m for 2025-26

The superannuation general transfer balance cap will increase by \$100,000 to \$2.0m for 2025-26 – up from \$1.9m for 2024-25.

Mandatory service standards for the superannuation industry

The Government has announced its intention to introduce mandatory and enforceable service standards for all large APRA regulated superannuation funds.

ASIC: super trustees must strengthen scam and fraud practices

ASIC has written an open letter to superannuation trustees urging them to strengthen anti-scam practices or risk exposing members to harm.

APRA annual super publications: fund expenditure and insurance data

APRA has published its annual superannuation statistics publications for 2024, including for the first time fund-level expenditure and detailed insurance data.

APRA superannuation reporting: taxonomy artefacts updated

APRA has updated the APRA Connect Taxonomy Artefacts with additional draft superannuation artefacts to implement enhancements to superannuation data collections.



FINANCIAL SERVICES

Minister for financial services retiring from politics

The Hon. Stephen Jones MP, Assistant Treasurer and Minister for Financial Services and Member for Whitlam has announced his retirement from politics.

ASIC key issues outlook 2025

ASIC has outlined its significant regulatory focus areas for 2025, highlighting a number of critical issues.

Compensation Scheme of Last Resort - estimate of 2025-26 levies

An Instrument has been registered to determine an estimate for the 2025-25 levy period, allowing ASIC to impose a levy of the specified amount.

Compensation Scheme of Last Resort - post-implementation review

The Government is directing Treasury to undertake a comprehensive review of the CSLR to ensure victims of financial misconduct have a sustainable avenue for redress.

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.

Proposed legislative amendments, Government announcements and consultations

Updates from the government including legislation.

TAXATION

Tax Incentives and Integrity Bill: Committee recommends passage

The [Treasury Laws Amendment \(Tax Incentives and Integrity\) Bill 2024](#) proposes to: (i) amend the Luxury Car Tax Act 1999; (ii) deny the income tax deductions for amounts of GIC and SIC

incurred by a taxpayer in income years starting on or after 1 July 2025; and (iii) amend the TAA 1953 to extend from 14 to 30 days the period within which the ATO must notify a taxpayer of its decision to retain a refund for verification purposes.

The Bill had been referred to the Senate Economics Legislation Committee for review, which has handed down its [report](#) (on 30 January 2025). The report recommended that the Bill be passed without amendment. It is noteworthy that there was no dissension in the cross-party members' views.

The matter which got the most attention was the proposed amendments to ss 25-5 and 26-5 of the ITAA 1997 to deny deductibility of the GIC and SIC. The CA ANZ, the Institute of Public Accountants, the National Tax and Accountants' Association and the SMSF Association all made submissions recommending that this proposal (in Sch 2 of the Bill) be removed, with CPA Australia recommending amendments.

The Committee rejected the suggestion, highlighting the increase in the ATO's book debt – an increase of 99% between 2018-19 and 2023-24, to reach \$52.8 billion. It was universally agreed that this needed to be addressed (ie by all those who made submissions). In the Committee's view, implementing the submissions "would dilute the measure's effectiveness" and the Committee noted that the Commissioner has a discretion to remit or partially remit GIC and SIC in certain circumstances.

ATO enforcement measures for collecting and recovering tax liabilities

The ATO has issued an updated version of [Practice Statement PS LA 2011/18](#) (Enforcement measures used for the collection and recovery of tax-related liabilities and other amounts). Several changes have been made to PS LA 2011/18. The key ones are due to legislative amendments since the Practice Statement was last updated in 2019, specifically:

- giving the ATO the power to make estimates of GST, WET and LCT from 1 April 2020;
- extending the director penalty regime to GST, WET and LCT liabilities; and
- allowing small business entities to apply to the ART (and previously the AAT) for an order staying, or otherwise affecting, the operation or implementation of a reviewable objection decision (including an order directing the ATO not to issue a garnishee notice).

The ATO has also clarified its position in relation to applications by taxpayers to set aside a judgment. PS LA 2011/18 now provides that the ATO will not generally consent to set aside a judgment that has been properly entered, unless there is full payment of the judgment debt (plus interest and costs) and the application is supported by an affidavit that accurately discloses the relevant facts.

Reminder: Parliament to resume

Parliament is to resume sitting Tuesday 4 February 2025. The [Parliamentary sitting calendar](#) highlights the following for both chambers for the next 2 months:

- Tuesday 4 to Thursday 6 February;
- Monday 10 to Thursday 13 February;
- Tuesday 25 March to Thursday 27 March.

It should be noted that the latest possible date for a simultaneous half-Senate and House of Representatives election is 17 May 2025, according to the [Federal Parliamentary website](#). This then raises the question of the timing of the 2025-26 Federal Budget, which cannot be handed down at its customary time of the second Tuesday in May.

The [Department of the Prime Minister and Cabinet's website](#) states that the Budget will be delivered on 25 March 2025 (see under the House of Representatives tab).

SUPERANNUATION

Transfer balance cap increases to \$2m for 2025-26

The release of the [CPI index number for December 2024](#) has confirmed that the superannuation "general transfer balance cap" will increase by \$100,000 to \$2.0m for 2025-26 (up from \$1.9m for 2024-25). While the general transfer balance cap is indexed to CPI in \$100,000 increments, the CPI increase for the year to December 2024 was significant enough to trigger a \$100,000 increase.

If an individual starts to have their first retirement phase income stream on or after 1 July 2025 their personal transfer balance cap will be set at \$2.0m. However, if an individual started to have a transfer balance account before 1 July 2025, they will have a personal transfer balance cap between \$1.6m and \$1.9m (which may be subject to proportional indexation on 1 July 2025 according to the "unused cap percentage" if they haven't fully utilised their personal cap).

The "defined benefit income cap" will increase to \$125,000 for 2025-26 (ie \$2.0m divided by 16). The defined benefit income cap is based on the general transfer balance cap, not the individual's personal transfer balance cap. As such, indexation of the defined benefit income cap is not lost if the individual meets or exceeds their personal transfer balance cap.

The general transfer balance cap also impacts eligibility:

- to make non-concessional contributions;
- to use the bring-forward rule;
- to receive co-contributions; and
- to claim the spouse contribution tax offset.

The other superannuation thresholds for 2025-26 (such as the contributions caps) are determined according to the increase in wages (rather than CPI). These AWOTE figures will be released in late February 2025.

Mandatory service standards for the superannuation industry

The Government has [announced](#) its intention to introduce mandatory and enforceable service standards for all large APRA regulated superannuation funds.



The new standards will initially target critical areas where complaints data shows the greatest need for improvement, such as:

- the timely and compassionate handling of death benefits;
- fair and efficient processing of insurance claims; and
- clear, respectful and accessible communications with members.

Treasury will work closely with consumer advocates, regulators and industry stakeholders to develop the standards. The Government has stated that draft standards will be released for public consultation (no date was specified).

ASIC: super trustees must strengthen scam and fraud practices

ASIC has written an [open letter](#) to superannuation trustees urging them to strengthen anti-scam practices, or risk exposing members to harm, following an ASIC review of 15 superannuation trustees which found none had an organisation-wide scams strategy in place.

The letter outlines ASIC's guidance for superannuation trustees in preventing, detecting and responding to scams and fraud against members.

Related ASIC material:

- [Report 761](#) Scam prevention, detection and response by the four major banks; and
- [Report 790](#) Anti-scam practices of banks outside the four major banks.

APRA annual super publications: fund expenditure and insurance data

APRA has [published](#) its annual superannuation statistics publications for 2024. For the first time, these annual publications include fund-level expenditure and detailed insurance data which will form part of the publications going forward. The first release of expenditure data occurred in October last year.

Financial year 2023-24 publications:

- Annual Fund Level Superannuation Statistics - June 2024
- Annual Superannuation Bulletin - June 2024
- Annual MySuper statistics - June 2024

APRA superannuation reporting: taxonomy artefacts updated

APRA has updated the [APRA Connect Taxonomy Artefacts webpage](#) with additional draft superannuation artefacts to implement enhancements to superannuation data collections which will cover investments, trustee licensee profile and trustee profile.

The draft taxonomy artefacts are intended to enable early familiarisation in the APRA Connect test environment. APRA does not intend to update the draft data collections before they go live, beyond correcting errors identified during familiarisation.



The first reporting period will be 30 June 2025 for annual reporting and September 2025 for quarterly reporting, with the first submissions in respect of all new reporting due December 2025.

Refer to the APRA website [Appendix 3 - Timeline for new reporting standards and revocations](#) for the timeline for initial reporting under new reporting standards and the final reporting period for the 7 predecessor reporting standards which will be revoked (SRS 531.0; SRS 532.0; SRS 535.0; SRS 600.0; SRS 601.0; SRS 721 and SRS 722). Final reporting standards are available at: [Phase 2 Depth](#).

FINANCIAL SERVICES

Minister for financial services retiring from politics

The Hon. Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, and Member for Whitlam has [announced](#) that he won't be standing for re-election as the member for Whitlam. He did not cite specific reasons. The Treasurer has commented "I'm looking forward to continuing to serve with Stephen until the election."

ASIC key issues outlook 2025

ASIC has [outlined](#) significant regulatory focus areas for 2025, highlighting several critical issues, including:

- changing dynamics between public and private markets;
- superannuation member services;
- financial fraud and scams;
- superannuation advice;
- cyber-attacks, data breaches, and internal system failures;
- deficient claims handling by general insurers;
- impact of ASX's CHES replacement on Australian markets;
- climate-related financial disclosures;
- audit quality; and
- banks and lenders' financial hardship practices.

For more information about ASIC's work, see the [ASIC Corporate Plan 2024-25](#).

Compensation Scheme of Last Resort - estimate of 2025-26 levies

The [Financial Services Compensation Scheme of Last Resort Levy \(Collection\) \(Cost Estimates for 2025-26 Levy Period\) Determination 2025](#) ("the Instrument") has been registered. The purpose of the Instrument is to determine an estimate for the 2025-26 levy period. This will allow ASIC to impose a levy of the specified amount.

The CSLR is funded by an annual levy payable by:

- licensees that provide personal advice to retail clients on relevant financial products;
- credit providers;
- credit intermediaries; and
- securities dealers.

Details of the sub-sector estimates are available in the Instrument.

The Assistant Treasurer has [stated](#) that new data from the operator of the CSLR shows that industry will have to provide \$78 million to compensate victims in 2025-26, largely as a result of the liquidation of financial advisory firm United Global Capital Pty Ltd.

Compensation Scheme of Last Resort - post-implementation review

The Albanese Government is [directing](#) Treasury to undertake a comprehensive review of the Compensation Scheme of Last Resort (CSLR) to ensure victims of financial misconduct have a sustainable avenue for redress. The terms of reference can be found on the [Treasury website](#).

Submissions are due by: 28 February 2025

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [30 January 2025 – SPEECH – Delivering a step-change in superannuation](#) – ASIC Commissioner Simone Constant provided a joint keynote speech by at the Conexus Financial Super Chair Forum in Sorrento, VIC. ASIC is keen to see superannuation trustees' role evolve to be raise governance standards to deliver better results for members. Claims handling will continue to be an area of focus. Scams have also been identified as a growing risk for the superannuation sector.
- [30 January 2025 – MEDIA RELEASE – ASIC acts to protect small business – Q2 FY25 update](#) – ASIC helps small businesses by taking action against other companies or their directors where the law has been broken. In the last three months of 2024, ASIC disqualified four company directors, had one sentenced for making false statements and another charged with making misleading statements. In addition, ASIC took enforcement action against 58 other individuals for failing to assist liquidators after their companies collapsed.
- [30 January 2025 – NEWS ITEM – ASIC calls out superannuation trustees for weak scam and fraud practices](#) – ASIC has urged the trustees of superannuation funds to raise their standards to better protect their members from scams. A recent ASIC review of 15 trustees found that none of them had a strategy to deal with scams. The review found that trustees were overly reliant on anti-fraud measures, such as confirming the member's identity rather than investigating whether the member may have been tricked by a scammer.
- [29 January 2025 – NEWS ITEM – ART affirms ASIC decision to disqualify SMSF auditor for failing to comply with auditing standards](#) – On 18 December 2024, the Administrative Review Tribunal upheld ASIC's decision to disqualify Mr MD Nazrul

Islam from being an approved self-managed superannuation fund auditor for failing to comply with auditing standards on three audit files. The [decision](#) of General Member Dunne is available.

- [24 January 2025 – NEWS ITEM – Key issues outlook 2025](#) – ASIC has identified the 10 most significant issues for its regulatory role in 2025. They include the changing nature of private and public market, superannuation trustee and fund performance, unsuitable superannuation advice, consumer losses through online scams, the risk of losses in the financial sector through cyber attacks and data hacks and insurers' treatment of claims following natural disasters.

APRA news

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

- [31 January 2025 – MEDIA RELEASES – APRA releases updates to its APRA Connect taxonomy artefacts page](#)
- [31 January 2025 – MEDIA RELEASES – APRA releases Monthly Authorised Deposit-taking Institution Statistics for December 2024](#)
- [30 January 2025 – SPEECHES – APRA Deputy Chair Margaret Cole – Remarks to the Conexus Chair Forum Sorrento](#) – APRA Deputy Chair called for strong governance by superannuation trustee boards in her joint keynote speech by at the Conexus Financial Super Chair Forum. She highlighted the expenditure of members' funds as a practical example of the way in which members' outcomes are affected by decisions taken at board level. She referred to three areas where superannuation funds need to raise governance standards: risk culture, board processes and board renewal.
- [30 January 2025 – MEDIA RELEASES – APRA increases transparency with enhancements to annual superannuation publications](#) – APRA has published its annual superannuation statistics publications for 2024 including fund-level expenditure and detailed insurance data for the first time. It is expected that the data will enhance transparency so that insurers and trustees should be able to serve their members and policyholders better.

Proposed legislative amendments, Government announcements and consultations

- [31 January 2025 – CONSULTATION - Compensation Scheme of Last Resort post-implementation review – Terms of reference](#) – Since 2 April 2024, the Compensation Scheme of Last Resort has provided a pathway for redress to victims of financial misconduct once other avenues have been exhausted. The Federal Government has tasked Treasury with reviewing its effectiveness since it became operational. Stakeholders may make submissions until 28 February 2025.