

# POLICY BULLETIN

## LIBERAL-NATIONAL COALITION TAX AND SUPERANNUATION AGENDA

23 May 2019

### THE 46<sup>TH</sup> PARLIAMENT OF AUSTRALIA

Following the federal election, the Liberal-National Coalition has formed a majority government. The election writs will need to be returned before Federal Parliament is recalled, with the earliest sitting date expected to be in late June.

This document brings together:

- measures contained within the 2019-20 Budget
- Liberal-National Coalition announcements made during the federal election
- Bills before Parliament that lapsed when the 2019 election was called
- exposure draft legislation for consultation
- Treasury consultation papers
- other measures announced by the Liberal Government that have yet to be subject to public consultation
- statutory body reviews commissioned by the current Government.

The returning government has indicated that it will progress its 2019-20 Budget and election policies. It will determine whether to re-introduce lapsed Bills and progress announcements, exposure drafts and consultation papers.

Members should continue to apply and administer the law as is currently written.

The information has been collated from public sources and current as at 22 May 2019.

E&OE

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## Tax summary

Current as at 22 May 2019

Summary	Type	Status
<b>2019-20 Budget measures and election announcements</b>		
<p><b>Building on the Personal Income Tax Plan</b> Lower taxes for individuals, immediate relief to low- and middle-income earners, locking in the benefit of lower taxes and further structural changes to the tax system to deliver lower taxes.</p>	pp. 17-18 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20
<p><b>Medicare levy – low income threshold increase</b> Increase Medicare levy low-income thresholds so that low-income taxpayers generally continue to be exempted from paying the Medicare levy</p>	p. 19 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20
<p><b>Fast track lower taxes for small business</b> Corporate tax rate for small and medium businesses will be cut further to 25 per cent by 2021-22, five years earlier than previously planned. This will apply to around 970,000 small and medium companies. Unincorporated small businesses will receive comparable treatment through an increase in their small business discount rate to 16 per cent. This will benefit around 2.4 million businesses.</p>	<a href="#">Liberal Party site</a> 2019	Announcement: Federal Election 2019
<p><b>ABN-holder requirements</b> Australian Business Number (ABN) holders with an income tax return obligation will be required to lodge their income tax return, from 1 July 2021, and will be required to confirm the accuracy of their details on the Australian Business Register annually, from 1 July 2022.</p>	p. 13 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20
<p><b>Division 7A</b> The start date of amendments to Div 7A of the <i>Income Tax Assessment Act 1936</i> will be delayed by 12 months to 1 July 2020. The proposed amendments announced in the 2018 and 2016 Federal Budgets will undergo further consultation.</p>	p. 25 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20
<p><b>First Home Loan Deposit Scheme</b> The First Home Loan Deposit Scheme, which will start on 1 January 2020, will be targeted towards first home buyers earning up to \$125,000 annually or \$200,000 for couples. The value of homes that can be purchased under the Scheme will be determined on a regional basis, reflecting the different property markets across Australia.  The National Housing Finance and Investment Corporation will partner with private lenders to deliver the First Home Loan Deposit Scheme. First Home Loan Deposit Scheme will offer up to</p>	<a href="#">Liberal Party site</a> 2019	Announcement: Federal Election 2019

Summary	Type	Status
\$500 million in the form of equity through the National Housing Finance and Investment Corporation to focus on improving housing affordability.		
<b>Bills before Parliament when election called, and have therefore lapsed</b>		
<p><b>Combatting illegal phoenixing</b> Schedule 1 to the Bill introduces new phoenixing offences.</p> <p>Schedule 2 to the Bill ensures directors are held accountable for misconduct.</p> <p>Schedule 3 to the Bill allows the Commissioner to collect estimates of anticipated GST.</p> <p>Schedule 4 to the Bill authorises the Commissioner to retain tax refunds.</p>	<a href="#">Treasury Laws Amendment (Combating Illegal Phoenixing) Bill 2019</a>	Lapsed at dissolution Introduced: 13 Feb 2019
<p><b>Modernisation of Commonwealth registers</b> Introduced with four other bills, the Commonwealth Registers Bill provides for the appointment, functions and powers of the registrar; and sets the framework for protecting and disclosing information held by the registrar. Creates a new <i>Commonwealth Registers Act 2019</i> and director identification number requirements.</p>	<a href="#">Commonwealth Registers Bill 2019</a> <sup>1</sup>	Lapsed at dissolution Introduced: 13 Feb 2019
<p><b>Changes to various acts aimed at improving the integrity of the tax system for multinationals</b> A number of amendments related to:</p> <ul style="list-style-type: none"> <li>• research and development (R&amp;D)</li> <li>• valuation of assets for thin capitalisation purposes</li> <li>• treatment of certain foreign/multiple entry tax consolidated groups</li> <li>• inclusion of offshore rights or options to use commercial accommodation in working out GST turnover</li> <li>• liability for luxury car tax from cars that are re-imported</li> <li>• extending significant global entity definition and country-by-country reporting requirements.</li> </ul>	<a href="#">Treasury Laws Amendment (Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures) Bill 2018</a>	Lapsed at dissolution Introduced: 20 Sep 2018

<sup>1</sup> Other bills: [Treasury Laws Amendment \(Registries Modernisation and Other Measures\) Bill 2019](#); [Business Names Registration \(Fees\) Amendment \(Registries Modernisation\) Bill 2019](#); [Corporations \(Fees\) Amendment \(Registries Modernisation\) Bill 2019](#); [National Consumer Credit Protection \(Fees\) Amendment \(Registries Modernisation\) Bill 2019](#)

Summary	Type	Status
<p><b>Improvements to existing law to make the testing of financial and credit services easier</b> Allows regulations to provide for exemptions from the Australian Financial Services Licence and Australian Credit Licence requirements for the purposes of testing financial and credit products and services under certain conditions.</p> <p>Amends the venture capital and early stage investor provisions to ensure they operate as intended in relation to capital gains tax transactions, managed investment trusts and the early stage investor tax offset.</p> <p>Amends the definition of public trading trusts.</p>	<p><a href="#">Treasury Laws Amendment (2018 Measures No. 2) Bill 2018</a></p>	<p>Lapsed at dissolution Introduced: 8 Feb 2018</p>
<p><b>Removing the CGT main residence exemption for non-residents</b> Removes the entitlement to the CGT main residence exemption for foreign residents, clarifying the principal asset test is applied on an associate inclusive basis and provides transitional arrangements</p> <p>Requires a reconciliation payment to be made by developers who sell dwellings to foreign persons under a near-new dwelling exemption certificate.</p> <p>Provides an additional affordable housing capital gains discount of up to 10 per cent.</p>	<p><a href="#">Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No. 2) Bill 2018</a></p>	<p>Lapsed at dissolution Introduced: 8 Feb 2018</p>
<p><b>Improving the energy efficiency of rental properties (private members bill)</b> Allows landlords to claim a tax offset of up to \$2000 per year during a three-year trial period for energy efficiency upgrades to rental properties leased at \$300 per week or less. Provides for an independent review to be conducted after the three-year trial period.</p>	<p><a href="#">Treasury Laws Amendment (Improving the Energy Efficiency of Rental Properties) Bill 2018</a></p>	<p>Lapsed at dissolution Introduced: 22 Aug 2018</p>
<p><b>Consumer data rights</b> Provides individuals and businesses with a right to access specified data in relation to them held by businesses.</p>	<p><a href="#">Treasury Laws Amendment (Consumer Data Right) Bill 2019</a></p>	<p>Lapsed at dissolution Introduced: 13 Feb 2019</p>
<p><b>Removing the GST from sanitary products</b></p>	<p><a href="#">Treasury Laws Amendment (Axe the Tampon Tax) Bill 2018</a></p>	<p>Lapsed at dissolution Introduced: 9 May 2018</p>
<p><b>Increasing the Medicare rate to fund the NDIS</b> Part of a package of 11 Bills to fund the Commonwealth's contribution to the National Disability</p>	<p><a href="#">Treasury Laws Amendment (Untainting Tax) (National Disability</a></p>	<p>Lapsed at dissolution Introduced: 17 Aug 2017</p>

Summary	Type	Status
Insurance Scheme (NDIS), the Bill amends the <i>Income Tax Assessment Act 1997</i> to increase from 3 per cent to 3.5 per cent the rate of Medicare levy and Medicare levy surcharge component.	<a href="#">Insurance Scheme Funding) Bill 2017</a>	
<p><b>National Disability Insurance Scheme funding</b></p> <p>Part of a package of 11 bills to fund the Commonwealth's contribution to the National Disability Insurance Scheme, the bill amends the <i>Income Tax Rates Act 1986</i> to increase from 2 per cent to 2.5 per cent the rate of tax imposed on superannuation contributions when no tax file number has been provided.</p>	<a href="#">Income Tax Rates Amendment (National Disability Insurance Scheme Funding) Bill 2017</a>	Lapsed at dissolution Introduced: 17 Aug 2017
<p><b>Employee share scheme withholding</b></p> <p>Part of a package of 11 bills to fund the Commonwealth's contribution to the National Disability Insurance Scheme, the bill amends the <i>Income Tax (TFN Withholding Tax (ESS)) Act 2009</i> to increase from 47 per cent to 47.5 per cent the rate of tax imposed on employees who receive an employee share scheme (ESS) interest under an ESS and have not provided an Australian Business Number or tax file number.</p>	<a href="#">Income Tax (TFN Withholding Tax (ESS)) Amendment (National Disability Insurance Scheme Funding) Bill 2017</a>	Lapsed at dissolution Introduced: 17 Aug 2017
<p><b>Working holiday maker reform</b></p> <p>Part of a package of four bills in relation to tax arrangements for working holiday makers, the bill amends the <i>Income Tax Rates Act 1986</i> to apply a 19 per cent income tax rate to assessable income derived by working holiday makers on amounts up to \$37 000, with ordinary tax rates applying for taxable income exceeding this amount.</p>	<a href="#">Income Tax Rates Amendment (Working Holiday Maker Reform) Bill 2016</a>	Lapsed at dissolution Introduced: 12 Oct 2016
<b>Exposure draft legislation (not before Parliament)</b>		
<p><b>Tax debt disclosure</b></p> <p>The ATO will be allowed to disclose to Credit Reporting Bureaus the tax debt information of businesses that have not effectively engaged with the ATO to manage these debts.</p>	<p>Treasury Laws Amendment (Tax Transparency) Bill 2018: Transparency of taxation debts.</p> <p><a href="#">Treasury consultation</a> closed February 2018.</p> <p><a href="#">2018-19 MYEFO</a> announcement increased disclosure threshold from \$10,000 to \$100,000.</p>	Exposure draft legislation Announcement: MYEFO 2018-19
<p><b>No small business CGT concessions for assignment of partnership rights</b></p> <p>The small business CGT concessions will no longer be available to partners that alienate their income by creating, assigning or otherwise dealing in rights to the future income of a partnership.</p>	Treasury Laws Amendment (Measures for a later sitting) Bill 2018	Exposure draft legislation

Summary	Type	Status
	<a href="#">Treasury consultation</a> closed October 2018.	
<p><b>Trust distributions anti-avoidance law</b> A specific anti-avoidance rule that applies to closely-held trusts engaging in circular trust distributions will be extended to family trusts.</p>	<p>Treasury Laws Amendment (Measures for a later sitting) Bill 2018: Extending anti-avoidance rules for circular trust distributions. <a href="#">Treasury consultation</a> closed October 2018.</p>	Exposure draft legislation
<p><b>Vacant land deductions denied</b> Deductions will not be allowed for expenses associated with holding vacant residential or commercial land. However, this will not extend to land being used by the owner to carry on a business, for example, a primary production business or land held for commercial development.</p>	<p>Treasury Laws Amendment (Measures for a later sitting) Bill 2018: Limiting deductions for vacant land. <a href="#">Treasury consultation</a> closed October 2018.</p>	Exposure draft legislation
<p><b>Debt/equity</b> The application of an integrity provision that deems an interest from an arrangement that funds a return through connected entities to be an equity interest under certain circumstances will be restricted.</p>	<p>Tax and Superannuation Laws Amendment (debt and equity scheme integrity rules) Bill. <a href="#">Board of Tax review</a> in June 2015. <a href="#">Treasury consultation</a> closed November 2016.</p>	Exposure draft legislation
<p><b>Running balance accounts</b> To permit the Commissioner to account for additional tax debts in running balance accounts.</p>	<p>Treasury Laws Amendment (Miscellaneous Amendments) Bill 2019 No. 2019. <a href="#">Treasury consultation</a> closed 27 March 2019.</p>	Exposure draft legislation
<p><b>CIV: Corporate CIV</b> A corporate CIV will be introduced for income years starting on or after 1 July 2017.</p>	<p>Treasury Laws Amendment (Corporate Collective Investment Vehicle) Bill 2018: Regulatory framework</p>	Exposure draft legislation

Summary	Type	Status
	<a href="#">Treasury consultation</a> closed February 2019.	
<p><b>CIV non-resident withholding taxes</b> To introduce collective investment vehicle (CIV) non-resident withholding taxes.</p>	<p>Treasury Laws Amendment (Corporate 3 Collective Investment Vehicle) Bill 2018: 4  TSY/45/032 (Tax treatment) <a href="#">Treasury consultation</a> closed February 2019.</p>	Exposure draft legislation
<p><b>Debt/equity: Capital raising for mutually-owned ADIs</b> To align the tax treatment by mutually-owned Authorised Deposit-Taking Institutions (ADIs) of Tier 2 capital instruments convertible into mutual equity interests with those convertible into ordinary shares.</p>	<p>Treasury Laws Amendments (2019 Measures No. #) Regulations 2019  <a href="#">Treasury consultation</a> closed February 2019.</p>	Exposure draft regulations
<p><b>Tax-exempt entity loans</b> Tax-exempt entities that become taxable will not be able to claim tax deductions that arise on the repayment of the principal of a concessional loan.</p>	<p>Treasury Laws Amendment (Measures for a later sitting) Bill 2018: Tax Treatment of Concessional Loans Involving Tax Exempt Entities  <a href="#">Treasury consultation</a> closed November 2018.</p>	Exposure draft legislation
<b>Treasury consultation papers and reviews</b>		
<p><b>Review of the Tax Practitioners Board</b> On 5 March 2019, the Government announced an independent review of the effectiveness of the Tax Practitioners Board and the <i>Tax Agent Services Act 2009</i> to ensure that tax agent services are provided to the public in accordance with appropriate professional and ethical standards.</p>	<p>TPB review <a href="#">terms of reference</a> and <a href="#">background paper</a>  Submissions closed 23 April 2019.</p>	Review
<p><b>Review of the operation and implementation by the ATO of the CDDA Scheme</b> The Review will address perceptions that the Compensation for Detriment Caused by Defective Administration scheme does not always adequately compensate small business taxpayers for the effect of defective administration. It will consider how independent decision making is best achieved in relation to CDDA claims.</p>	<p>Review <a href="#">terms of reference</a>  Report due to Department of Finance by mid-2019.</p>	Department of Finance review

Summary	Type	Status
<p><b>Initial coin offerings</b> This paper is intended to solicit the views of interested parties on:</p> <ul style="list-style-type: none"> <li>the opportunities and risks posed by ICOs for Australia</li> <li>whether our regulatory framework is well placed to allow those opportunities to be harnessed whilst appropriately managing the associated risks</li> <li>whether there are other actions that could be taken to best position Australia to capitalise on new opportunities.</li> </ul>	<p>ICO <a href="#">paper</a> Treasury consultation closed 28 February 2019.</p>	<p>Issues paper</p>
<p><b>Black economy and offences</b> To implement eight recommendations from the Black Economy Taskforce's final report, which include new black economy offences and penalties, designating the ATO as a criminal law enforcement agency and giving it access to telecommunications metadata, providing ATO the power to compel information from third parties, such as bank information and other amendments.</p>	<p>Improving black economy enforcement and offences <a href="#">paper</a> <a href="#">Treasury consultation</a> closed December 2018.</p>	<p>Consultation paper</p>
<p><b>Sharing economy reporting regime</b> To implement a reporting regime for information on taxpayers who earn income from sharing economy websites or platforms, sometimes known as “giggers”.</p>	<p>A sharing economy reporting regime <a href="#">paper</a>. <a href="#">Board of Tax review</a> in July 2017. <a href="#">Treasury consultation</a> closed February 2019.</p>	<p>Consultation paper</p>
<p><b>Schemes to license an individual's fame or image targeted</b> All remuneration, including payments and non-cash benefits, provided for the commercial exploitation of a person's fame or image will be included in the assessable income of that individual.</p>	<p>Taxation of income for an individual's fame or image <a href="#">paper</a> <a href="#">Treasury consultation</a> closed January 2019.</p>	<p>Consultation paper</p>
<p><b>ABN system</b> The government will consult on and design a new regulatory framework for Australian Business Number (ABN) system.</p>	<p>Designing a modern Australian Business Number system <a href="#">paper</a> <a href="#">Treasury consultation</a> closed August 2018.</p>	<p>Consultation paper</p>
<p><b>Cash receipt limit for businesses</b> The government will introduce a Black Economy Taskforce recommendation to limit a cash receipt for a business to under \$10,000.</p>	<p>Introducing an Economy-Wide Cash Payment Limit <a href="#">paper</a>. <a href="#">Treasury consultation</a> closed July 2018.</p>	<p>Consultation paper</p>



Summary	Type	Status
<p><b>DGRs — reforms to administration and oversight of not-for-profit organisations that have deductible gift recipient status:</b></p> <p>Changes proposed include:</p> <ul style="list-style-type: none"> <li>• all non-government deductible gift recipients (DGRs) will be automatically registered as a charity with the ACNC from 1 July 2020</li> <li>• the Commissioner of Taxation will have the power to exempt DGRs from the ACNC registration in certain circumstances</li> <li>• the DGR registers and Overseas Aid Gift Deduction Scheme will be integrated with the ACNC charity register</li> <li>• the ACNC will provide a central location for applications and reporting.</li> </ul>	<p>Tax Deductible Gift Recipient Reform Opportunities <a href="#">paper</a></p> <p><a href="#">Treasury consultation</a> closed August 2017.</p>	<p>Consultation paper</p>
<p><b>PRRT: Review of gas transfer pricing arrangements</b></p> <p>On 2 November 2018, the Government announced the Government’s final response to the report of the Petroleum Resource Rent Tax Review provided by Michael Callaghan AM PSM.</p> <p>As part of its response, the Government asked Treasury to lead a review of the gas transfer pricing arrangements, to consult and report within 12 to 18 months.</p>	<p>Gas transfer pricing arrangements <a href="#">paper</a></p> <p>Treasury consultation closes 14 June 2019.</p>	<p>Consultation paper</p>
<p><b>Insurance companies</b></p> <p>Consulting on the tax impacts of implementing the new accounting standard for insurance contracts (AASB 17) and considering whether the tax law for health insurers should be codified, and whether the tax law should specify how to calculate outstanding claims liabilities for general insurance companies.</p>	<p>Taxation of insurance companies <a href="#">paper</a></p> <p><a href="#">Treasury consultation</a> closed January 2019.</p>	<p>Consultation paper</p>
<p><b>Announcement – not yet proceeded to consultation</b></p>		
<p><b>Asset-backed financing arrangements</b></p> <p>The asset-backed financing arrangements will be treated in the same way as financing arrangements based on interest bearing loans or investments.</p>	<p>p.38 <a href="#">2016-17 Budget Measures</a></p> <p>Part of the Ten-Year Enterprise Tax Plan</p>	<p>Announcement: Budget 2016-17</p>
<p><b>TOFA rules</b></p> <p>Taxation of financial arrangements (TOFA) rules will be reformed to reduce scope and decrease compliance costs.</p>	<p>pp.37-38 <a href="#">2016-17 Budget Measures</a></p> <p>Part of the Ten-Year Enterprise Tax Plan</p>	<p>Announcement: Budget 2016-17</p>

Summary	Type	Status
	Deferred per <a href="#">2018-19 Budget</a> announcement.	Announcement: Budget 2018-19
<b>Franked distributions funded by capital raisings</b> The distribution of franking credits made will be prevented where a distribution to shareholders is funded by particular capital raising activities.	pp.112-3 <a href="#">2016-17 MYEFO</a> Addresses issues raised in TA2015/2 but not progressed	Announcement: MYEFO 2016-17
<b>Donations of listed shares or managed funds</b> The need for donors to obtain an ATO valuation for listed shares or managed funds greater than \$5000 will be removed.	<a href="#">Ministerial media release</a> 28 May 2015	Announcement: Media
<b>Genuine redundancy and early retirement scheme payments</b> The age below which individuals can receive genuine redundancy and early retirement scheme payments will be aligned with the age pension qualifying age. This will ensure all individuals below the age pension qualifying age will have access to the tax concession that makes part of a genuine redundancy payment tax-free.	p.121 <a href="#">2018-19 MYEFO</a>	Announcement: MYEFO 2018-19
<b>Minors income from testamentary trusts</b> The concessional tax rates available for minors receiving income from testamentary trusts will be limited to income derived from assets that are transferred from the deceased estate, or the proceeds of the disposal or investment of those assets.	p.44 <a href="#">2018-19 Budget Measures</a>	Announcement: Budget 2018-19
<b>HELP repayment thresholds and rates</b> A new set of repayment thresholds and rates under the higher education loan program (HELP) will be introduced. A new minimum repayment threshold of \$45,000 will be established with a 1 per cent repayment rate. A maximum threshold of \$131,989 with a 10 per cent repayment rate will also be introduced.	p.143-44 <a href="#">2017-18 MYEFO</a>	Announcement: MYEFO 2017-18
<b>Collective investment vehicle (CIV)</b> Limited partnership CIV: A limited partnership CIV will be introduced for income years starting on or after 1 July 2018.	p.39 <a href="#">2016-17 Budget Measures</a> Not found in the current Exposure Draft legislation for CIVs  Part of the Ten-Year Enterprise Tax Plan	Announcement: Budget 2016-17
<b>Film tax offsets (Location Incentive)</b> The Location Incentive will effectively increase the location offset rate from 16.5 per cent to 30 per	<a href="#">Ministerial media release</a> 27 August 2018	Announcement: Media

Summary	Type	Status
cent for eligible large budget international productions that film in Australia from 1 July 2018.		
<b>Offshore Banking Unit (OBU) changes</b> The OBU regime will be amended to address concerns about concessional tax treatment and the ring-fenced nature of the regime.	<a href="#">Ministerial media release</a> 26 October 2018	Announcement: Media
<b>Investment manager regime</b> It will be clarified that when a foreign investor invests in Australia through a foreign fund or an independent Australian fund manager, it will be in the same tax position as if it had invested directly and eligible to access relevant IMR concessions.	<a href="#">Ministerial media release</a> 19 July 2017	Announcement: Media
<b>Review by Board of Tax or Productivity Commission (not yet government policy)</b>		
<b>Reforming the Income Tax Residency Rules for Individuals</b> The Board delivered a report to Government in August 2017 on the Income Tax Residency Rules for Individuals.  The Government supports the Board undertaking further consultation to ensure that any proposed residency rules can be appropriately designed and targeted, with particular focus on the integrity of the residency rules.  The Board is now undertaking further consultation on its key recommendations, in accordance with the Government's response.	<a href="#">Review</a> consultation closed October 2018  Report was due to be provided to Government in November 2018 but not yet released.	Statutory body review: Board of Tax
<b>Review of Small Business Tax Concessions</b> The Board of Taxation is conducting a review of Australia's small business tax concessions. The Board's review will involve assessing the effectiveness of existing concessions and, where appropriate, recommending new concessionary approaches to the Government.	<a href="#">Review</a> consultation completed July 2018  The Board will report in the first half of 2019.	Statutory body review: Board of Tax
<b>Fringe Benefits Tax Compliance Cost Review</b> In February 2018, the Australian Government wrote to the Board of Taxation requesting that the Board conduct a comprehensive review of the compliance costs associated with obligations under Fringe Benefits Tax (FBT) legislation. The Board will also examine the approach in comparable countries to the taxation of fringe benefits provided by employers to their employees. As part of the review, a number of research initiatives have been conducted as outlined below to estimate and identify reasons for compliance costs.	The <a href="#">Review</a> is considering feedback and is intending to provide its advice and recommendations to the Government in early 2019.	Statutory body review: Board of Tax

Summary	Type	Status
<p><b>Remote Area Tax Concessions and Payments</b>            The Productivity Commission is asked to determine the appropriate ongoing form and function of the zone tax offset, FBT remote area concessions, and Remote Area Allowance.</p>	<p><a href="#">Review</a> submissions closed April 2019.            Final report to be released February 2020</p>	<p>Statutory body review:            Productivity Commission</p>
<p><b>Review into granny flat arrangements</b>            The Morrison Government has requested the Board of Taxation undertake a review of the tax treatment of granny flat arrangements and recommend any potential changes.            This review is in response to the 2017 Australian Law Reform Commission's Report: Elder Abuse – a National Legal Response.</p>	<p>The Minister <a href="#">announced</a> a Board review, with a final report due to the Government in the second half of 2019.</p>	<p>Statutory body review:            Board of Tax</p>

## Superannuation summary

Summary	Type	Status
<b>2019-20 Budget measures and election announcements</b>		
<p><b>Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry</b></p> <p>The package comprises a suite of measures that fulfil the Government's commitment to take action on all 76 of the recommendations of the Royal Commission's Final Report. The cost of this measure will be partially offset by revenue received through ASIC's industry funding model and increases in the APRA Financial Institutions Supervisory Levies and from funding already provisioned in the Budget.</p>	p. 167-8 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20
<p><b>Superannuation – improving flexibility for older Australians</b></p> <p>Members of regulated superannuation funds have zero restrictions for making voluntary contributions prior to reaching 65 years of age. From 1 July 2020 the government intends to increase this age limit and allow 65 and 66 year olds to contribute.</p> <p>Restrictions relating to an individual claiming a spouse contribution tax offset are proposed to be reduced from 1 July 2020. The easing of the rules is by giving spouses aged 70 to 74 eligibility if they meet the work test. Spouses aged 65 and 66 will not need to meet the work test at all.</p>	p. 22 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20
<p><b>Superannuation – other measures</b></p> <ul style="list-style-type: none"> <li>• Superannuation fund trustees will be allowed to calculate exempt current pension income (ECPI) on a preferred method basis from 1 July 2020.</li> <li>• Since December 2008, tax relief has been available for qualifying superannuation funds that have merged. This tax relief will be made permanent from 1 July 2020.</li> <li>• SuperStream will be expanded to include the transfer of information and money between employers, superannuation funds and the ATO. This change will take effect from 31 March 2021.</li> <li>• The government will undertake an expression of interest (EOI) process to identify options to support the establishment of a Superannuation Consumer Advocate.</li> </ul>	pp. 23, 169, 171 <a href="#">Budget Paper No. 2 2019-20</a>	Announcement: Budget 2019-20

Summary	Type	Status
<p><b>Superannuation</b>            Extend the maximum size of self-managed super funds from four to six members.</p> <p>Expand pension loans scheme to provide around 1.8 million Australians the option to draw down on more of the equity in their own home.</p> <p>Allow contributions to super from the proceeds of downsizing, up to \$300,000 for eligible Australians aged 65 and over.</p> <p>Continue to allow self-managed super funds to borrow on a non-recourse basis.</p>	<p><a href="#">Liberal Party site</a> 2019</p>	<p>Announcement: Federal Election 2019</p>
<b>Bills before Parliament when election called, and have therefore lapsed</b>		
<p><b>Super guarantee amnesty and other super measures</b>            Provides for a one-off 12-month amnesty to encourage employers to self-correct historical superannuation guarantee non-compliance.</p> <p>Enables certain employees with multiple employers to apply for an employer shortfall exemption certificate.</p> <p>Ensures that a superannuation entity's non-arm's length income includes income where expenditure in gaining or producing it was not an arm's length expense.</p> <p>Ensures that, in certain circumstances involving limited recourse borrowing arrangements, the total value or a superannuation fund's assets is taken into account in working out individual members' total superannuation balances.</p>	<p><a href="#">Treasury Laws Amendment (2018 Superannuation Measures No. 1) Bill 2018</a></p>	<p>Lapsed at dissolution            Introduced: 24 May 2018</p>
<p><b>Giving employees under an enterprise agreement the right to choose a super fund</b>            Provides that employees have the right to choose their superannuation fund, and amounts sacrificed under an employee salary sacrifice arrangement will not reduce an employer's mandated superannuation guarantee contributions.</p>	<p><a href="#">Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 2) Bill 2017</a></p>	<p>Lapsed at dissolution            Introduced: 14 Sep 2017</p>
<p><b>Objective of superannuation system</b>            Enshrines in legislation an objective for superannuation and introduces a Statement of compatibility requiring bills and regulations relating to superannuation to be accompanied by a statement of their compatibility with the defined primary and subsidiary objectives of the superannuation system.</p>	<p><a href="#">Superannuation (Objective) Bill 2016</a></p>	<p>Lapsed at dissolution            Introduced: 9 Nov 2016</p>

Summary	Type	Status
<p><b>Strengthening trustee arrangements</b> Introduced with the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2017, the bill amends the: <i>Superannuation Industry (Supervision) Act 1993</i> to require registrable superannuation licensees to have at least one-third independent directors and for the Chair of the Board of directors to be one of these independent directors; and Governance of Australian Government <i>Superannuation Schemes Act 2011</i> to enable the trustee board of the Commonwealth Superannuation Corporation to comply with the new independence requirements.</p>	<p><a href="#">Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017</a></p>	<p>Lapsed at dissolution Introduced: 14 Sep 2018</p>
<p><b>Putting Members' Interests First</b> Contains amendments to the SIS Act to introduce 'out in' insurance for low balance super accounts and under 25s.</p>	<p><a href="#">Treasury Laws Amendment (Putting Members' Interests First) Bill 2019</a></p>	<p>Lapsed at dissolution Introduced: 20 Feb 2019</p>
<p><b>Excess non-concessional contributions and roll-over tax</b> Part of a package of 11 bills to fund the Commonwealth's contribution to the National Disability Insurance Scheme, the bill amends the <i>Superannuation (Excess Non-concessional Contributions Tax) Act 2007</i> to increase from 47 per cent to 47.5 per cent the rate at which excess non-concessional contributions tax is payable on an individual's excess non-concessional contributions, and to increase from 47 per cent to 47.5 per cent the rate at which excess untaxed roll-over amounts tax is payable on an individual's excess untaxed roll-over amounts..</p>	<p><a href="#">Superannuation (Excess Non-concessional Contributions Tax) Amendment (National Disability Insurance Scheme Funding) Bill 2017</a> <a href="#">Superannuation (Excess Untaxed Roll-over Amounts Tax) Amendment (National Disability Insurance Scheme Funding) Bill 2017</a></p>	<p>Lapsed at dissolution Introduced: 17 Aug 2017</p>
<p><b>Exposure draft legislation (not before Parliament)</b></p>		
<p><b>SMSFs: SuperStream and SMSF roll-overs</b> Self-managed superannuation fund (SMSF) members will be able to initiate and receive roll-overs electronically between an APRA-regulated fund and their SMSF for rollovers and transfers requested on or after 30 November 2019.</p>	<p>Treasury Laws Amendment (2018 Measures No. #) Regulations 2018 <a href="#">Treasury consultation</a> closed August 2018.</p>	<p>Exposure draft regulations</p>
<p><b>Death benefits: Life insurance proceeds</b> Death benefits that include life insurance proceeds will not be subject to tax when they are rolled over to a new superannuation fund.</p>	<p>Treasury Laws Amendment (Miscellaneous Amendments) Bill 2019 No. 2019 Treasury Laws Amendment</p>	<p>Exposure draft legislation</p>

Summary	Type	Status
	(Miscellaneous Amendments) Regulations 2019 <a href="#">Treasury consultation</a> closed 27 March 2019.	
<p><b>Innovative income streams</b> Regulations will be amended to provide transfer balance cap credits and debits for innovative income stream products that are paid-off in instalments.</p> <p>The definition of the life-expectancy period for innovative income streams will be amended to account properly for the number of days in a leap year.</p>	<p>Treasury Laws Amendment (Miscellaneous Amendments) Bill 2019 No. 2019</p> <p>Treasury Laws Amendment (Miscellaneous Amendments) Regulations 2019</p> <p><a href="#">Treasury consultation</a> closed 27 March 2019.</p>	Exposure draft regulations
<p><b>Transfer balance cap – valuation of defined benefit pensions</b> The valuation of defined benefit pensions under the transfer balance cap will be amended to reflect when pensions are permanently reduced following an initial higher payment.</p>	<p>Treasury Laws Amendment (Miscellaneous Amendments) Bill 2019 No., 2019</p> <p>Treasury Laws Amendment (Miscellaneous Amendments) Regulations 2019</p> <p><a href="#">Treasury consultation</a> closed 27 March 2019.</p>	Exposure draft regulations
<p><b>Transfer balance cap – market-linked pensions</b> To rectify an error in the way that market-linked pensions are valued under the transfer balance cap when they are commuted or rolled over, resulting in a nil debit.</p> <p>Market-linked pensions that commence as the result of a successor fund transfer will be treated as a capped defined benefit under the transfer balance cap.</p>	<p>Treasury Laws Amendment (Miscellaneous Amendments) Bill 2019 No. 2019</p> <p>Treasury Laws Amendment (Miscellaneous Amendments) Regulations 2019</p> <p><a href="#">Treasury consultation</a> closed 27 March 2019.</p>	Exposure draft legislation



Summary	Type	Status
<b>Treasury consultation papers and reviews</b>		
<p><b>Superannuation binding death benefit nominations and kinship structures</b>  The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry suggested that the Government explore, in consultation with relevant Aboriginal and Torres Strait Islander peoples, difficulties they face making binding death benefit nominations.</p> <p>This paper explores the law surrounding the distribution of superannuation death benefits, Aboriginal and Torres Strait Islander peoples' kinship structures, and how these kinship structures are accommodated elsewhere in the law.</p>	<p>Superannuation death benefit and kinship structures <a href="#">paper</a>.</p> <p>Treasury consultation closes 24 May 2019.</p>	<p>Discussion paper</p>
<p><b>Universal terms for insurance within MySuper</b>  The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry recommended that Treasury determine, in consultation with industry, the practicability and likely pricing effects of legislating key definitions, terms and exclusions for default MySuper group life policies.</p>	<p>MySuper terms for insurance <a href="#">paper</a></p> <p>Treasury consultation closed 26 April 2019</p>	<p>Consultation paper</p>
<p><b>Deferred lifetime annuities</b>  Deferred lifetime annuities will receive the same concessional tax treatment as superannuation assets supporting income streams.</p>	<p>Review of retirement income stream regulation <a href="#">discussion paper</a></p> <p><a href="#">Treasury consultation</a> closed September 2014.</p>	<p>Discussion paper</p>
<p><b>Early release of superannuation</b>  Treasury review of current rules governing early release of superannuation on compassionate grounds and in cases of severe financial hardship.</p>	<p>Review of Early Release of Superannuation Benefits <a href="#">paper</a></p> <p><a href="#">Treasury consultation</a> closed February 2019.</p>	<p>Consultation paper</p>
<p><b>Early access: Crime victims</b>  Victims of certain crimes, such as serious violent crimes, with unpaid or partially paid compensation orders will be able to access money held in their perpetrator's superannuation to pay the outstanding compensation.</p>	<p>Review of superannuation and victims of crime compensation</p> <p><a href="#">Treasury consultation</a> closed June 2018</p>	<p>Consultation paper</p>

Summary	Type	Status
<p><b>SMSFs — three-yearly audit cycle for some SMSFs</b>            The annual audit requirement for self-managed superannuation funds (SMSFs) will be changed to a three-yearly requirement for SMSFs with a history of good record keeping and compliance, that is, for SMSF trustees that have a history of three consecutive years of clear audit reports and timely lodgments of the fund's annual returns.</p>	<p>Three-yearly audit cycle for some self-managed superannuation funds <a href="#">paper</a>  <a href="#">Treasury consultation</a> closed August 2018.</p>	<p>Consultation paper</p>
<p><b>Announcement – not yet proceeded to consultation</b></p>		
<p><b>Improving integrity of personal contributions deductions</b>            Individual income tax returns will be modified to include a tick box for individuals with personal superannuation contributions to confirm that they have complied with the requirements to submit a notice of intent (NOI) where they intend to take a tax deduction for the contributions.</p>	<p>p.39 <a href="#">2018-19 Budget Measures</a></p>	<p>Announcement: Budget 2018-19</p>
<p><b>Domestic violence victims</b>            To extend the early release of superannuation for victims of domestic and family violence.            To improve the visibility of superannuation assets in family law proceedings.</p>	<p><a href="#">Ministerial media release</a> 20 November 2018</p>	<p>Announcement: Media</p>
<p><b>Comprehensive Income Product for Retirement</b>            The threshold superannuation balance for offering a Comprehensive Income Product for Retirement will be increased from \$50,000 to \$100,000.            To delay the requirement for funds to offer Comprehensive Income Products for Retirement products to 1 July 2022.</p>	<p><a href="#">Ministerial media release</a> 31 October 2018</p>	<p>Announcement: Media</p>