Federal Budget 2025–26 Report

25 March 2025

The Tax Institute

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Preamble

Tim Sandow, CTA
President
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"While this Budget gives us an indication of some measures that may be pursued post-election, in reality, they all hang in the balance until a new government is formed and its priorities are laid down. What is certain is that the uncertainty will remain for some time."

Julie Abdalla, FTI
Head of Tax & Legal
The Tax Institute

Continued uncertainty hinders commercial decision-making and economic growth

As predicted in our last Federal Budget 2024–25 Report, the Federal Treasurer, the Hon Dr Jim Chalmers MP, has delivered a pre-election budget. However, while we might have expected such circumstances could be ripe to canvas opportunities for tax reform, there were very few mentions of tax at all.

With minimal time for anyone to prepare for the Federal Budget, even the Budget Papers themselves are briefer than usual. The Treasurer outlined the Government's priorities as alleviating cost-of-living pressures, improving access to healthcare and housing, investing in education, and strengthening the economy – all appropriate and worthy recipients of attention and funding, especially in the current economic climate.

But the question that would be obvious to our members, is 'how do we pay for it?' The absence of any commitment to tax reform of a system that is in dire need, is concerning. Where does the tax system fit into these plans?

While interest rates have recently been reduced by 25 basis points for the first time since 2020, and inflation has fallen to 2.5%, which is finally back within the Reserve Bank of Australia's target of 2–3%, the impact on prices of higher inflation in recent years is still being felt by Australian families and businesses. As with prior Budgets, responsible economic management (and spending) should underpin the delivery of the Government's priorities. It is curious to understand how this will be achieved without sensible tax settings in place.

Measures targeted to relieve cost-of-living pressures, like the proposed new tax cuts, are in response to the continued challenging economic environment, which is forecast to continue into 2025–26. While this measure, if enacted, would represent slight relief for most taxpayers, it is not enough on its own to remedy pervasive bracket creep. Nor is it the answer to Australia's long overreliance on personal income tax as one of its main sources of revenue. These are sustainability and fairness issues that require a holistic approach to reform.

The Government chose to directly deal with only three of a long list of announced but unenacted measures – two relating to managed investment trusts, and the third relating to the foreign resident capital gains tax regime. The Budget also included an announcement regarding the restriction of foreign ownership of housing, directed to the Government's priority of improving access to housing. This measure appears to have bipartisan support. These are the announced but unenacted measures on which the Government has made a decision. Many others remain in limbo. Continued uncertainty on the future of announced but unenacted measures hinders commercial decision-making and economic growth. Moreover, it is counterproductive to the delivery of the Government's Budget priorities.

The proposed temporary increase in the small business instant asset write-off threshold – the uncertainty surrounding which plagues taxpayers and practitioners alike each year – received only a cursory mention in the Small Business Statement. Even there, it was referred to only as an extension, indicating the Government does not intend to make the measure permanent. While an extension is welcome, The Tax Institute continues to advocate for this measure to be a permanent feature of the system. Likewise, the further extension of the Energy Bill Relief Fund measure is positive and will alleviate some pressure on Australian families and small businesses. But, again, this is only a temporary solution. The Tax Institute advocates for permanent solutions to long-term problems.

As in prior years, funding for various Australian Taxation Office (**ATO**) compliance programs has been announced. These measures are directed to increasing compliance and integrity in the system and have the benefit of a positive effect on revenue. However, funding that is contingent on increased revenue collections does not reduce compliance costs for taxpayers. The Tax Institute has long advocated for increased permanent funding for the ATO, and for certain areas within the agency that develop guidance and provide practical support for taxpayers.

We consider that investment in these areas is just as important as it can help to alleviate the compliance burden on taxpayers and provide better support to the vast majority.

Some certainty can be gleaned in relation to measures affecting the regulation of tax practitioners. The Government announced that it would strengthen the sanctions available to the Tax Practitioners Board (**TPB**), modernise the registration framework for tax practitioners, and provide funding to the TPB to implement these changes and undertake additional compliance activities. The sanctions regime and registration framework were previously consulted on, and it is pleasing to see that some feedback The Tax Institute had provided has been taken on board. These measures are clear priorities for the Government, and it is expected that further consultation will occur post-election.

Overall, this Budget is not entirely reassuring when it comes to tax measures or the future of our tax system. To add to the uncertainty, the federal election is looming, only five to seven weeks away. While this Budget gives us an indication of some measures that may be pursued post-election, in reality, they all hang in the balance until a new government is formed and its priorities are laid down. What is certain is that the uncertainty will remain for some time.

You may notice that this Federal Budget 2025–26 Report is set out differently to our previous Reports. Reflecting on the current political and economic landscape, we have taken a different approach to ensure that this Report is as useful for you, our members, as possible. While it is shorter than usual (due to the few tax-related announcements in this Budget), it is intended to provide you with more than a summary of the measures – we have endeavoured to provide clarity and certainty where possible so that you are informed as to how this Budget affects you as a practitioner, and are best placed to advise your clients on what this Budget means for them, particularly in the context of the upcoming election.

In the face of ambiguity, The Tax Institute is steadfast in its commitment to advocate for and on behalf of our members, and to drive meaningful change of the tax system for the benefit of all Australians and businesses. We hear you and will continue to give a voice to the tax profession.

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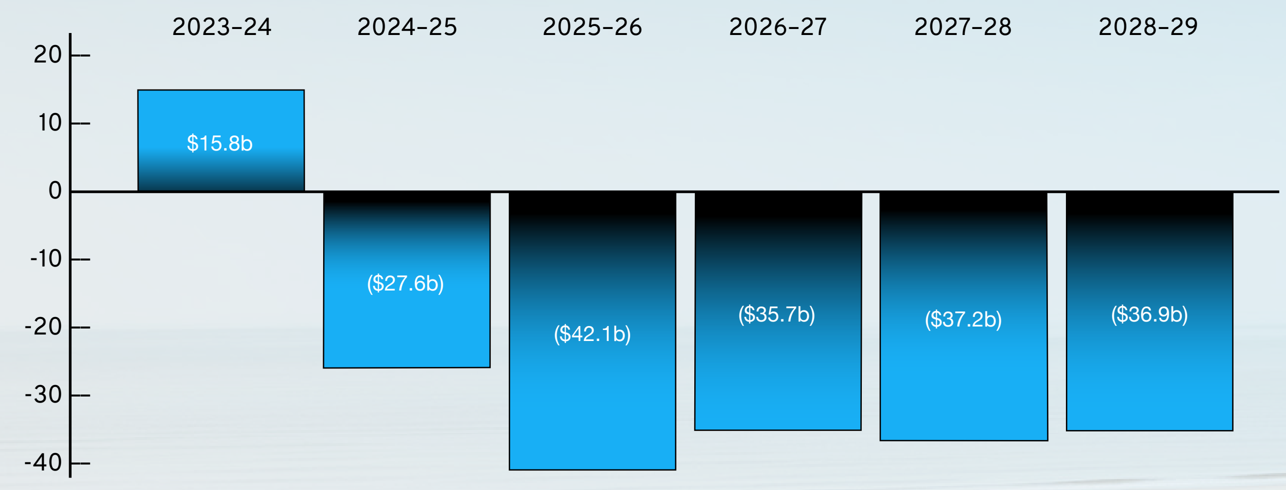
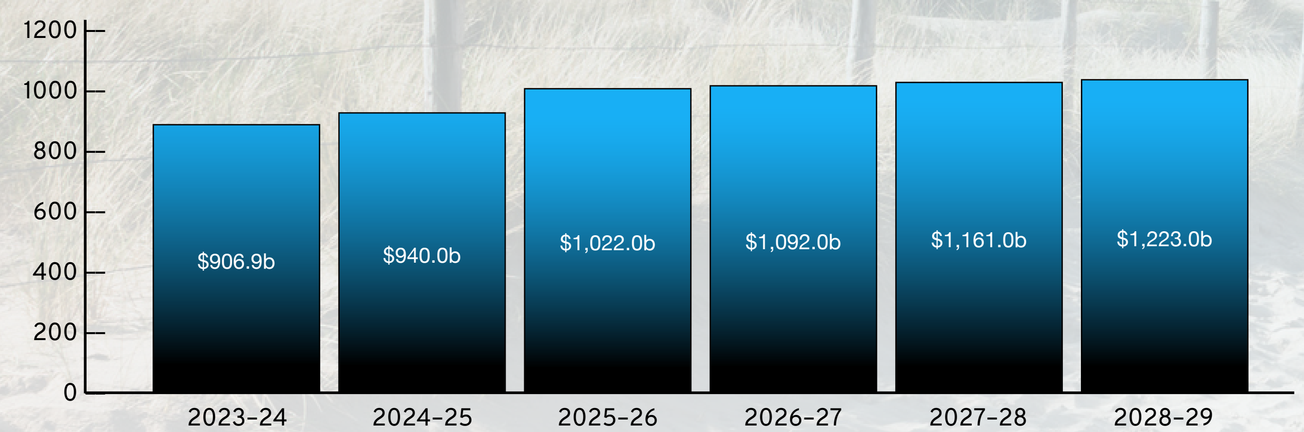
The 2025–26 Financial Outlook

Underlying cash balance



Gross debt



Investments

Social Security and Welfare $291.0b

Health $124.8b

Education $54.0b

Defence $51.5b

Key tax measures

- Enhancing Tax Practitioner Regulation and Compliance – strengthening the TPB sanctions regime, modernising the registrations framework, and TPB implementation and compliance activity funding
- Personal Income Tax – new tax cuts for every Australian taxpayer
- Strengthening Tax Integrity – funding for various ATO compliance programs

Key economic data

Real GDP

2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1.40%	1.50%	2.25%	2.50%	2.75%	2.75%

Inflation (CPI)

2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
3.80%	2.50%	3.00%	2.50%	2.50%	2.50%

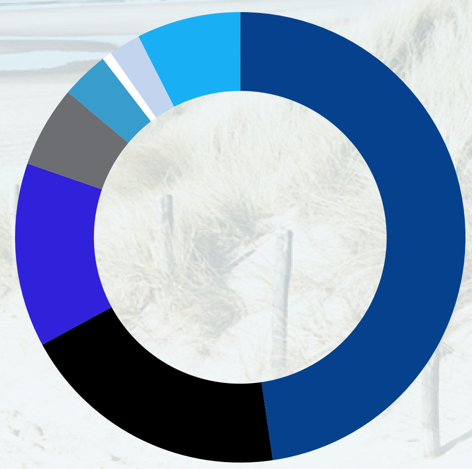
Unemployment

2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
4.00%	4.25%	4.25%	4.25%	4.25%	4.25%

Wage growth (WPI)

2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
4.10%	3.00%	3.25%	3.25%	3.50%	3.75%

Government revenue sources



2025-26	
Individual income tax	$357.8b
Company and resource rent taxes	$145.5b
GST	$99.3b
Non-tax revenue	$56.0b
Excise and customs duty	$43.8b
Superannuation taxes	$25.6b
Other taxes	$17.2b
FBT	$5.2b

Start Dates at a Glance

Announced measure	Start date
Update: Tax profession regulation	
Enhancing tax practitioner regulation and compliance	Various
Personal Tax	
Increasing the Medicare levy low-income thresholds	1 July 2024
Personal income tax – new cuts for every Australian taxpayer	1 July 2026
SMEs	
Energy Bill Relief Fund Extension	1 July 2025
Commitment to extending the small business instant asset write-off	1 July 2025
Corporate & International Tax Issues	
Managed investment trusts – clarifying arrangements for managed investment trusts	13 March 2025
Managed investment trusts – extending the clean building managed investment trust withholding tax concession	1 January, 1 April, 1 July or 1 October after the enabling legislation receives Royal Assent
Strengthening the foreign resident capital gains tax regime	1 January, 1 April, 1 July or 1 October after the enabling legislation receives Royal Assent

Announced measure	Start date
Tax Administration	
Strengthening tax integrity • Tax Avoidance Taskforce • Shadow Economy Compliance Program • Personal Income Tax Compliance Program	1 July 2025
Strengthening tax integrity – Tax Integrity Program	1 July 2026
Restricting foreign ownership of housing	1 April 2025
Restricting foreign ownership of housing – funding to the ATO	1 July 2025
Restricting foreign ownership of housing – funding to the ATO and Treasury	1 July 2025 and additional funding from 1 July 2029
Other Measures	
Supporting hospitality sector and alcohol producers – biannual indexation pause	1 August 2025
Supporting the hospitality sector and alcohol producers – increase in Excise remission scheme for manufacturers of alcoholic beverages and Wine Equalisation Tax producer rebate	1 July 2026

Update: Tax Profession Regulation

Newly announced measures

Enhancing tax practitioner regulation and compliance

The Government announced it will strengthen the sanctions that are available to the Tax Practitioners Board (**TPB**), modernise the registration framework for tax practitioners, and provide funding to the TPB to undertake additional compliance targeting high-risk practitioners over four years from 1 July 2025.

While this measure is intended to support the sustainability of the tax profession by increasing the ease of re-entry for tax agents who take career breaks, it also aims to protect taxpayers from tax agent misconduct, and increase the community's confidence in the integrity of the tax system.

The proposed changes to the TPB's sanctions framework include:

- reintroducing criminal penalties for unregistered preparers;
- broadening the civil penalties in the *Tax Agent Services Act 2009* (Cth) (**TASA**) to enable the TPB to apply to the Federal Court for civil penalties for breaches of the Code of Professional Conduct by registered practitioners, and for false or misleading statements by unregistered preparers;
- increasing the maximum civil penalties amounts in the TASA;
- introducing infringement notice penalties for alleged contraventions of the TASA;
- introducing enforceable voluntary undertakings;
- introducing contingent and interim suspensions; and
- extending the maximum period a terminated practitioner is banned from applying for registration to 10 years (currently five years).

The Government has indicated that it does not intend to introduce other sanctions proposed by the Review of the TPB (**2019 Review**) relating to quality assurance audits, permanent disbarment and external intervention.

The proposed changes to the TPB's registration framework include:

- modernising the relevant experience criteria by allowing the TPB to assess exceptions and introducing longer, alternative timeframes to gain relevant experience, to support the ongoing sustainability of the profession and enhance participation by tax practitioners who take parental leave and career breaks;
- reforming the fit and proper person test by requiring disclosure of spent convictions relevant to providing tax practitioner services, and extending the timeframe that the TPB needs to consider; and
- requiring companies and partnerships to demonstrate they have appropriate governance to ensure compliance with their obligations as registered tax practitioners.

The Government has indicated it does not intend to pursue other changes canvassed through earlier consultation, in particular:

- prescribing the ratio of individuals within an entity required to be registered practitioners;
- removing the professional association accreditation and registration pathway;
- including micro-credentials within primary qualification settings;
- allowing the TPB to consider qualifications outside traditional tax practitioner courses of study; and
- requiring in-house tax advisers, secondees and lawyers to register with the TPB.

The changes to the TPB's sanctions and registration frameworks implement recommendations from the 2019 Review and are informed by feedback on the consultation papers released on 10 December 2023 and 17 July 2024, respectively, including stakeholder roundtable sessions and submissions received. The Tax Institute provided submissions on the sanctions regime and the registration eligibility requirements.

Subject to the enactment of enabling legislation, the changes to the TPB's sanctions and registration frameworks are proposed to commence from 1 July 2026 and 1 July 2027, respectively.

The Government has indicated that it plans to consult on the implementation details of the measures, including on appropriate safeguards to protect tax practitioners who do the right thing. The TPB will also consult on guidance material that will provide additional clarity and transparency to tax practitioners and the community.

Insight

This announcement is a clear indication of the Government's priorities in terms of the various measures to enhance integrity of the tax profession that were announced on 6 August 2023 and have not already been enacted or otherwise progressed. The comments provided outline the approach proposed to be taken in respect of each framework and indicate where stakeholder feedback, including submissions made by The Tax Institute, have refined the direction of these measures.

It is positive that the Government has committed to further consultation on these measures. However, the proposed start dates (from 1 July 2026 for the changes to the sanctions framework, and 1 July 2027 for the registrations framework) highlight the importance of commencing this process as early as possible to identify and mitigate any unintended consequences, and provide practitioners with sufficient time to prepare.

Personal Tax

Newly announced measures

New tax cuts for every Australian taxpayer

The Government announced it will deliver new tax cuts to every Australian taxpayer from 1 July 2026.

These tax cuts are in addition to the previous tax cuts that have been progressively implemented since 1 July 2024. They aim to provide more cost-of-living relief and return some bracket creep.

The new tax cuts are proposed to result in the following changes:

- from 1 July 2026 — the 16% rate will be reduced to 15%; and
- from 1 July 2027 — the 15% rate will be reduced to 14%.

The effect of the proposed further tax cuts in 2026–27 and 2027–28 (compared to the 2024–25 settings) is that every Australian taxpayer earning:

- between $18,200 and $45,000 will receive an extra tax cut of up to $268 in each of 2026–27 and 2027–28 (up to just over $5 per week); and
- more than $45,000 — around 80% of taxpayers — will receive an extra tax cut of $268 in each of 2026–27 and 2027–28 (just over $5 per week).

Combined with the previously legislated tax cuts that took effect from 1 July 2024, the average total tax cut is expected to be around:

- $43 per week or more than $2,200 in 2026–27; and
- $50 per week or more than $2,500 in 2027–28.

Insight

As there are limited parliamentary sitting days until the Federal election in May, it is unlikely that these proposed tax cuts will be legislated before the election. Given this practical reality, the measure will likely be contingent on the re-election of the Labor Government, and securing passage of the enabling legislation through the new Parliament.

It should also be noted that these tax cuts are not proposed to apply before 1 July 2026, meaning that, even if ultimately enacted, their impact in alleviating pressure on taxpayers will not be apparent for more than 12 months.

<table>
<tr><th colspan="4">Already legislated</th><th colspan="4">Proposed changes</th></tr>
<tr><th colspan="2">2023–24</th><th colspan="2">2024–25 and 2025–26</th><th colspan="2">2026–27</th><th colspan="2">2027–28</th></tr>
<tr><th>Income threshold</th><th>Tax rate</th><th>Income threshold</th><th>Tax rate</th><th>Income threshold</th><th>Tax rate</th><th>Income threshold</th><th>Tax rate</th></tr>
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Increasing the Medicare levy low-income thresholds

The Government announced it will increase the Medicare levy low-income thresholds for singles, families, and seniors and pensioners from 1 July 2024 to provide cost-of-living relief. The increase to the thresholds ensures that low-income individuals continue to be exempt from paying the Medicare levy, or pay a reduced levy rate.

Medicare levy low-income thresholds

Income threshold	2022–23	2023–24	2024–25
Singles	$24,276	$26,000	$27,222
Families	$40,939	$43,846	$45,907
Single seniors and pensioners	$38,365	$41,089	$43,020
Family threshold for seniors and pensioners	$53,406	$57,198	$59,886
Increase in the threshold for each dependent child or student	$3,760	$4,027	$4,216

Tax Issues for SMEs

Previously announced measures

Commitment to extending the small business instant asset write-off

The Government has reconfirmed its commitment to deliver the previously announced measure to temporarily extend by 12 months to 30 June 2025 the $20,000 instant asset write-off (**IAWO**) threshold. The measure is contained in Schedule 4 to the [Treasury Laws Amendment (Tax Incentives and Integrity) Bill 2024](#) (**the Bill**) which is currently before the House of Representatives.

The IAWO threshold is contained in section 328-180 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) and enables small business entities (**SBEs**) to claim an immediate deduction for eligible assets that are used for a taxable purpose, and which cost less than the relevant threshold.

Insight

As it stands, the legislated IAWO threshold:

- for 2023–24 — is $20,000, following an amendment to section 328-180 of the *Income Tax (Transitional Provisions) Act 1997* (Cth); and
- for 2024–25 — has reverted to the standard threshold of $1,000 from 1 July 2024 without further legislative change.

Uncertainty remains for SBEs surrounding the IAWO threshold for 2024–25, and, given the historical political debates on this measure and limited Parliamentary sitting dates, it is unlikely that certainty on the settings will be provided before 30 June 2025. A temporary increase in the threshold to $20,000 for 2024–25 could still be legislated after 30 June 2025. While it would allow SBEs to immediately deduct the cost of an eligible asset in 2024–25, it would not act as an incentive for SBEs to invest in eligible assets for that year; rather, it would serve only to confirm the tax treatment of that capital expenditure.

The Tax Institute continues to advocate for a permanent increase in the IAWO threshold. Given the timing of the election, it is expected to be a matter for the new government.

Newly announced measures

The Government announced that it will extend the Federal Budget 2024–25 measure, titled *Energy Bill Relief Fund – extension and expansion*, to provide cost-of-living relief.

This measure will continue to provide rebates of $75 per quarter to reduce energy bills for eligible households and small businesses from 1 July 2025 until 31 December 2025, totalling $150 for every household and around one million small businesses. The rebates will be automatically applied to electricity bills in quarterly instalments.

This builds on the Federal Budget 2024–25 measure that provided a rebate of $300 for all Australian households and $325 for eligible small businesses.

Corporate & International Tax Issues

Previously announced measures

Managed investment trusts

The Government announced that it will amend the tax laws to provide clarity on arrangements for managed investment trusts, ensuring legitimate investors can continue to access concessional withholding tax rates in Australia. These amendments are intended to complement the ATO's strengthened guidelines aimed at preventing misuse contained in Taxpayer Alert 2025/1 *Managed investment trusts: restructures to access the managed investment trust withholding regime.*

This measure is proposed to apply to fund payments from 13 March 2025.

The Government also announced that it would defer the start date of the *Extending the Clean Building Managed Investment Trust withholding tax concession* measure, as announced as part of the Federal Budget 2023–24. The measure will be deferred from its original start date of 1 July 2025 to the first 1 January, 1 April, 1 July, or 1 October after the day the enabling legislation receives Royal Assent.

Strengthening foreign resident capital gains tax

The Government announced that it will defer the start of the *Strengthening the foreign resident capital gains tax regime* from 1 July 2025 to the later of 1 October 2025 or the first 1 January, 1 April, 1 July or 1 October after the enabling legislation receives Royal Assent.

This measure was first announced in the Federal Budget 2024–25, which included a proposed change to the capital gains tax (**CGT**) implications for foreign residents. Broadly, the Government previously announced that it would:

- clarify and expand the range of assets on which foreign residents are subject to CGT;
- modify the principal asset test from a point-in-time to a 365-day testing period; and
- require foreign residents disposing of shares or other membership interests worth more than $20 million to notify the ATO before the transaction is executed.

Tax Administration

Previously announced measures

Restricting foreign ownership of housing

The Government announced it will take action to ensure foreign investment in housing is restricted so that Australians will be able to buy homes that would have otherwise been bought by foreign persons, while encouraging foreign persons to boost Australia's housing supply.

The proposed measure is intended to boost Australia's housing supply by:

- banning foreign persons (including temporary residents and foreign-owned companies) from purchasing established dwellings for two years from 1 April 2025, unless an exception applies. Exceptions to the ban are proposed to include investments that significantly increase housing supply or support the availability of housing on a commercial scale, and purchases by foreign owned companies to provide housing for workers in certain circumstances;
- providing the ATO with $5.7 million over four years from 2025–26 to enforce the ban; and
- providing the ATO and Treasury with $8.9 million over four years from 2025–26, and $1.9 million per year ongoing from 2029–30, to implement an audit program and enhance their compliance approach to target land banking by foreign investors.

This measure was first announced on 16 February 2025 in a joint media release issued by the Treasurer, the Hon Dr Jim Chalmers MP, and the Minister for Housing and Minister for Homelessness, the Hon Clare O'Neil MP. The Coalition announced a similar measure on 19 January 2025 in its plan to get Australia back on track, indicating that the measure, in principle, has bipartisan support.

Newly announced measures

Strengthening tax integrity

The Government announced it will provide $999 million over four years to the ATO and Treasury to extend and expand tax compliance activities to strengthen the fairness and sustainability of Australia's tax system.

The additional funding includes:

- $717.8 million over four years from 1 July 2025 for a two-year expansion and a one-year extension of the Tax Avoidance Taskforce. This is intended to support the ATO's continued tax compliance scrutiny on multinationals and other large taxpayers;
- $155.5 million over four years from 1 July 2025 to extend and expand the Shadow Economy Compliance Program. This is proposed to reduce shadow economy behaviour such as worker exploitation, under reporting of taxable income, illicit tobacco and other shadow economy activity that enables non compliant businesses to undercut competition;
- $75.7 million over four years from 1 July 2025 to extend and expand the Personal Income Tax Compliance Program. This is proposed to enable the ATO to continue to deliver a combination of proactive, preventative and corrective activities in key areas of non-compliance;
- $50 million over three years from 1 July 2026 to extend the Tax Integrity Program. This is proposed to enable the ATO to continue its engagement program to ensure timely payment of tax and superannuation liabilities by medium and large businesses and wealthy groups.

This measure does not provide permanent funding to the ATO or Treasury. It solely focuses on allocating resources to fund compliance programs.

The Tax Institute continues to advocate for permanent funding for the ATO and Treasury. While this measure is likely to proceed post-election, given the timing of the election, the issue of permanent funding is likely to be a matter for the new government.

Other Measures

Newly announced measures

Supporting the hospitality sector and alcohol producers

The Government announced it will increase support for hospitality venues, brewers, distillers, and wine producers, by adjusting the following alcohol tax settings:

- pausing indexation on draught beer excise and excise equivalent custom duty rates for a two-year period, from August 2025. The biannual indexation of draught beer excise and excise equivalent customs duty rates, due to occur in August 2025, February 2026, August 2026 and February 2027 are proposed not to occur. Biannual indexation is proposed to recommence from August 2027; and
- increasing the excise remission cap under the *Excise Remission Scheme for manufacturers of alcoholic beverages* (**Remission Scheme**) for all eligible brewers and distillers, and the Wine Equalisation Tax (**WET**) rebate cap for wine producers, from $350,000 to $400,000 per financial year, from 1 July 2026. This measure is expected to increase the support available under the existing Remission Scheme and the WET producer rebate.

This measure is intended to support local jobs and regional tourism.

Announced But Unenacted Measures

The table below sets out key announced but unenacted measures (**ABUMs**) that were not addressed in this year's Budget. The measures in the table are not sorted according to their importance or priority to progress, nor are they an exhaustive list of tax-related ABUMs.

ABUM	Explanation
ABN reforms	As part of Federal Budget 2018–19, the former government announced that it would consult on and design a new regulatory framework for the Australian Business Numbers (**ABN**) system. A Treasury consultation paper was released in July 2018 that sets out a proposal to strengthen and modernise the ABN system, but this measure has not been progressed.
Access to superannuation for crime victims	In December 2017, the then government commenced a review into the early release of superannuation on severe financial hardship and compassionate grounds. As part of this process, a consultation paper was released in May 2018 that sets out a proposal to allow victims of certain crimes, such as serious violent crimes, with unpaid or partially paid compensation orders to access money held in their perpetrator's superannuation to pay the outstanding compensation. No further progress has been made on this measure.
Corporate tax residency	The former government announced on 6 October 2020 as part of the Federal Budget 2020–21, proposed changes concerning the tax residency of companies incorporated outside Australia have still not progressed. The former government also announced on 11 May 2021 as part of the Federal Budget 2021–22 that it would consult on expanding these changes to trusts and CLPs. The proposed commencement date is after Royal Assent of the enabling legislation.
Deduction for GIC and SIC	The Mid-Year Economic and Fiscal Outlook 2023–24 outlined a measure proposing to deny deductions for general interest charge (**GIC**) and shortfall interest charge (**SIC**) incurred in income years starting on or after 1 July 2025. The enabling bill containing this measure is currently before the Parliament.
Division 7A	Targeted amendments to Division 7A were announced by the former government as part of the Federal Budget 2016–17. A further announcement was made as part of the Federal Budget 2018–19 to ensure that unpaid present entitlements (**UPEs**) that come within the scope of Division 7A of Part III of the *Income Tax Assessment Act 1936* (Cth) from 1 July 2019. This was followed by the release of a Treasury consultation paper on 22 October 2018 but no further progress has been made. The proposed commencement date is the first income year following Royal Assent of the enabling legislation. Subsequent announcements were made in 2019 and 2020 to defer the commencement of these reforms.
Division 296	Proposed new Division 296 of the ITAA 1997 would tax at 15% the earnings attributable to the part of an individual's total superannuation balance that exceeds $3 million. This measure requires further consultation due to its flawed design. In particular, this new tax is concerning as it proposes to tax unrealised gains, which sets a dangerous precedent. The enabling bill remains unchanged despite concerns raised during consultation about the proposed taxation of unrealised gains. The bill is unlikely to be progressed before the federal election, and certainty is needed. This measure is proposed to start on 1 July 2025.

ABUM	Explanation
Education and training expense deductions for individuals	As part of the Federal Budget 2020–21, the former government announced that it would consult on allowing individuals to deduct self-education expenses not related to their current employment. There has been no update since the Treasury undertook a consultation on this measure in December 2020.
Fringe benefits tax (**FBT**) car parking benefits	The former government announced on 29 March 2022 that it would consult on FBT car parking benefits. It is unclear whether the Government intends to proceed with this consultation as announced.
Government's response to professional misconduct – various measures	On 6 August 2023, the Minister for Women, Minister for Finance, Minister for the Public Service, Senator the Hon Katy Gallagher, the Attorney-General the Hon Mark Dreyfus MP, and the Minister for Financial Services, the Hon Stephen Jones MP, issued a joint media release. The joint media release announced a package of reforms directed to strengthening of the integrity of the tax system, increasing the powers of the regulators, and strengthening regulatory arrangements to ensure that they are fit for purpose. While some measures have been enacted or otherwise progressed, several remain unactioned and unenacted.
Individual tax residency	Announced on 11 May 2021 as part of the Federal Budget 2021–22, the former government proposed reforms to modernise the individual tax residency framework. There has been no update since the Treasury released a consultation paper in July 2023 for this proposed new framework.
Payday super	As announced as part of the Federal Budget 2023–24, employers will be required to pay their employees' superannuation at the same time as their salary and wages from 1 July 2026. The consultation paper on this measure was released on 9 October 2023. The package of exposure draft legislation and accompanying explanatory materials was recently released for consultation on 14 March 2025.
Pillar Two	The Treasury completed consultations on the primary and subordinate exposure draft legislation on the Pillar Two measures, released in March 2024. While the primary legislation is now in effect, the subordinate legislation, namely the Taxation (Multinational—Global and Domestic Minimum Tax) Rules 2024) (**the Rules**) is yet to be released. There has been no update since the Treasury consulted on the Rules in March 2024.
Residency requirements for self-managed superannuation funds (**SMSFs**)	Announced as part of the Federal Budget 2021–22 and deferred as part of the October Federal Budget 2022–23, the Government proposes to relax the residency requirements for SMSFs. The measure would extend the current rules to allow SMSF trustees to relocate overseas for a maximum of five years (instead of two years under the current law) and remove the active member test for SMSFs and small APRA-regulated funds.
Smarter report of taxable payments reporting system data	This measure was announced as part of the Federal Budget 2022–23, proposing to allow the Taxable Payments Annual Report (**TPAR**) to be lodged electronically on a monthly or quarterly basis.

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