

TAXATION

Government crackdown on foreign investments in housing and land banking

The Government has announced a 2-year ban on foreign investors purchasing established homes, effective 1 April 2025 to 31 March 2027.

ATO guide on land sales updated

The ATO has released an updated version of its land sales guide – additional examples, including 2 “property flipping” examples have been added.

Advisory board of the ACNC to include state reps

The Government has announced that representatives from all states and territories will be included on the advisory board of the ACNC.

Financial reports for the purposes of the ACNC Act: instrument registered

Under new regulations, the ACNC Commissioner can treat certain documents as financial reports for the purposes of the ACNC Act up to and including the 2028-29 financial year.

The ATO is changing its card payment system to be more secure

The ATO is upgrading their card payment system that they use to collect and manage debit and credit card transactions over the weekend of 14 to 16 March.

SUPERANNUATION

AustralianSuper fined \$27m after ASIC investigation

AustralianSuper has been fined \$27m after the Federal Court found that it failed to merge multiple member accounts.

APRA statement on BUSSQ Federal Court appeal

APRA has issued a statement considering the notice of appeal by the BUSSQ Board against the judgment handed down on 31 January 2025 by the Federal Court.



Memorandum of Understanding on super portability between Australia and Cook Islands

A MoU on super portability between Australia and the Cook Islands has been signed and the scheme will start following legislative amendment by both countries.

FINANCIAL SERVICES

Cash rate reduced by 25 basis points

The RBA has announced a reduction in the cash rate target of 25 basis points to 4.1% and the interest rate on Exchange Settlement balances to 4%.

ASIC proposes further relief for licensees under the reportable situations regime

ASIC has announced a proposal for additional relief measures to assist Australian financial services and credit licensees in complying with the reportable situations regime.

ASIC issues two interim stop orders on Green Planet Recycling Solutions

ASIC has placed two interim stop orders on Green Planet Recycling Solutions Limited's public offer of redeemable preference shares.

APRA withdraws information paper on cloud outsourcing and ceases Covid-19 Capital and Credit reporting

APRA has rescinded its information paper on cloud outsourcing, and has also ceased Covid-19 Capital and Credit reporting as part of its regular review of its data collection.

APRA proposes updated approach to treatment of HELP debts

APRA has begun consulting on proposed changes to how banks treat HELP debts when assessing home loan applications.

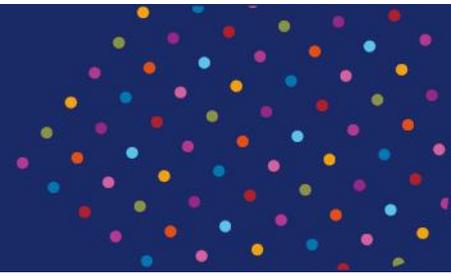
REGULATOR NEWS

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.

Have your say on the functions and operations of Australian Small Business and Family Enterprise Ombudsman

The Independent review of the Australian Small Business and Family Enterprise Ombudsman is seeking further feedback from small business stakeholders.

TAXATION

Government crackdown on foreign investments in housing and land banking

The Government has [announced](#) a 2-year ban on foreign investors purchasing established homes, effective 1 April 2025 to 31 March 2027, to ease housing market pressure.

Previously, foreign investors could only buy existing property under limited circumstances. The new ban applies to all foreign investors, including temporary residents and foreign-owned companies, with exceptions for:

- investments significantly increasing housing supply; and
- the Pacific Australia Labour Mobility (PALM) scheme.

The Government will:

- provide \$5.7 million over 4 years from 2025-26 to strengthen ATO's foreign investment compliance; and
- allocate \$8.9 million over 4 years from 2025-26 and \$1.9 million ongoing from 2029-30 for audit programs targeting foreign investor land banking.

The ATO and Treasury will enhance scrutiny of foreign-owned vacant land development and publish updated policy guidance before implementation.

A review will determine if the ban should extend beyond March 2027.

ATO guide on land sales updated

The ATO has released an updated version of its guide [Examples of tax consequences on sales of land including small-scale land subdivision](#) (available on the ATO's Legal Database).

In its original form (released in 2023), the guide consisted of 2 straightforward examples. The first involved the sale of land held by a trustee for long-term capital growth. The second

concerned an individual who subdivided their residential property and sold the part of the land they did not need.

The ATO has now added 5 more examples, including 2 "property flipping" examples. In the first new example, an individual who is in the habit of buying, renovating and selling properties within 2 years (moving in during the final stages of the renovation) is, in the ATO's view, carrying on a business of property renovation. Each property is therefore trading stock and the CGT provisions (including the generous concessions or main residence exemption) do not apply. In contrast, there is no business in the second property flipping example, where a person buys an unrenovated house in a designated school zone so that their child can enrol in the local high school.

Advisory board of the ACNC to include state reps

As part of alignment with recommendations in the Productivity Commission's *Future Foundations for Giving* report, the Government has [announced](#) that representatives from all states and territories will be included on the advisory board of the Australian Charities and Not-for-profits Commission (ACNC).

The ACNC Advisory Board supports the Commissioner by offering informed advice on matters affecting charities and strengthening the governance and effectiveness of the sector.

The new appointments to the ACNC Advisory Board are:

- New South Wales - Ms Natasha Mann, Commissioner of Fair Trading and Deputy Secretary of Fair Trading and Regulatory Services, Department of Customer Service.
- Northern Territory - Ms Amanda Nobbs-Carcuro, Executive Director, Industry Capability, Licensing and Migration, Department of Trade, Business and Asian Relations.
- Queensland - Ms Victoria Thompson, Deputy Director-General, Harm Prevention and Regulation, Department of Justice.
- South Australia - Mr Brett Humphrey, Commissioner for Consumer and Business Services.
- Tasmania - Ms Robyn Pearce, Executive Director of Consumer, Building and Occupational Services, Department of Justice.
- Victoria - Ms Nicole Rich, Director of Consumer Affairs Victoria, Executive Director of Regulatory Services, Department of Government Services.
- Western Australia - Ms Patricia Blake, Commissioner for Consumer Protection, Department of Energy, Mines, Industry, Regulation and Safety.

The ACT is already represented on the board, with David Crosbie, CEO of the Community Council for Australia who was reappointed in July 2023.

Financial reports for the purposes of the ACNC Act: instrument registered

The Government has registered the [Australian Charities and Not-for-profits Commission \(Consequential and Transitional\) Regulations 2025](#). The Regulations:

- extend the financial years in which the Commissioner of the Australian Charities and Not-for-profits Commission (ACNC) may treat statements, reports or other documents given under an Australian law to another Australian government agency by a registered entity as being annual information statements or financial reports for the purposes of the Australian Charities and Not-for-Profits Commission Act 2012 up to and including the 2028-29 financial year; and
- preserve the operation of the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Regulation 2016 in relation to the financial year of 2015-16 and each subsequent financial year up to and including the 2023-24 financial year.

Date of effect: 22 February 2025.

The ATO is changing its card payment system to be more secure

The ATO is upgrading their card payment system that they use to collect and manage debit and credit card transactions. The upgrade will provide better security and fraud detection, ensuring it aligns with industry best practices.

The upgrade will take effect over the weekend of **14 to 16 March 2025** during which time online payments will be temporarily unavailable for all users. Electronic funds transfer (EFT) and BPAY will still be available.

Change for Tax Practitioners in Online services for agents (OSfA)

The upgrade ensures that only the cardholder can authorise payments, and means you won't be able to make card payments or manage cards in OSfA. [Other payment options](#) such as EFT and BPAY will still be available. Additionally, if you have saved your credit or debit card in your clients' accounts, the ATO recommends removing it prior to the upgrade, to ensure it's no longer visible for your clients.

If your clients prefer to make payments themselves, they can continue to do this using their Online services or you can direct them to [how to pay](#).

Change for individuals and businesses

The upgrade will also change the user experience for individuals and businesses. They will need to provide additional information during card transactions, such as their:

- billing address
- contact details
- card verification code (CVV or CVC).

They may also be prompted to provide additional details, similar to when you make other online purchases. This can vary by financial institution but could include:

- security questions
- a one-time pin
- fingerprint or facial recognition verification.

This information will not be stored by the ATO but will be matched with what the card issuer holds.

Your clients with active payment plans

As the ATO upgrades their system, clients with active payment plans that are linked to a card may see a temporary hold named 'ATO payment' on their bank statement between **24 February** and **17 March 2025**. The hold amount will be:

- \$0 for Visa and Mastercard
- \$0.10 for American Express.

It's important to note that these amounts are not an additional charge. They will be visible in the bank account for up to 5 days before being removed. This is a legitimate transaction, however you can refer your clients to view the ATO's tips on how to [verify or report suspected tax related scams](#).

Additionally, the ATO will contact your clients that may need to re-enter their card information that's linked to their payment plan. If you or your clients need help, you can contact [the ATO](#).

SUPERANNUATION

AustralianSuper fined \$27m after ASIC investigation

AustralianSuper, the trustee of Australia's largest superannuation fund, with over 3.5 million members and \$365 billion in member assets, will pay a \$27m penalty after the Federal Court found that it failed to merge multiple member accounts.

In the period 1 July 2013 until 31 March 2023, approximately 90,700 AustralianSuper members had multiple accounts that should have been merged. These members incurred approximately \$69m in losses through multiple administration fees, insurance premiums and lost investment earnings. All affected members have been remediated.

The Court held there to be a breach of the fundamental duties and obligations AustralianSuper owed to its members, and that it was inexcusable for Australian Super not to have had the processes and systems in place to ensure compliance.

This was the first case that ASIC has brought in its capacity as a co-regulator with APRA alleging contraventions of section 52 of the SIS Act.

([ASIC v AustralianSuper Pty Ltd](#) [2025] FCA 102, Federal Court, Hespe J, 21 February 2025.)

APRA statement on BUSSQ Federal Court appeal

APRA [imposed](#) additional licence conditions on BUSS (Queensland) Pty Ltd as the trustee for The Building Unions Superannuation Scheme (Queensland) (BUSSQ) in [August 2024](#) to safeguard the interests of members, to ensure prudential concerns could be addressed effectively and expeditiously and to ensure transparency in BUSSQ's response to such concerns. BUSSQ has 74,000 members and over \$6m in total assets.

The Board of BUSSQ decided to seek judicial review of APRA's decision in circumstances where it was on notice that an alternative and more cost effective avenue of review, internal review, was available. In a judgment handed down on 31 January 2025, his Honour Justice Derrington found that BUSSQ should have availed itself of the internal review process, instead of applying to the Federal Court for relief. The BUSSQ Board has now taken the further step of challenging Justice Derrington's decision. APRA is considering the notice of appeal.

Memorandum of Understanding on super portability between Australia and Cook Islands

The Assistant Treasurer met with the Cook Islands Minister for Foreign Affairs and Immigration in Sydney, on 13 November 2024, to sign a [Memorandum of Understanding](#).

The Arrangement between the Government of Cook Islands and the Government of Australia on Shared Retirement Savings Portability is a commitment to set up superannuation portability between the 2 countries.

This will allow affected residents to transfer accumulated retirement savings between each country following permanent migration.

The portability scheme will start with both countries' agreement following legislative amendment.

FINANCIAL SERVICES

Cash rate reduced by 25 basis points

The RBA has [announced](#) a reduction in the cash rate target of 25 basis points to 4.1% and the interest rate on Exchange Settlement balances to 4%. Monthly interest payments on a \$600,000 home loan could decrease by about \$100 a month, provided banks pass on the entire rate change.

Following the RBA's decision [ANZ](#), [CBA](#) and [NAB](#) announced reductions in the standard variable home loan interest rate by 0.25%, effective 28 February 2025. [Westpac](#) also announced a decrease in home loan variable interest rates by 0.25% for new and existing customers, effective 4 March 2025.

ASIC proposes further relief for licensees under the reportable situations regime

ASIC has announced a proposal for additional relief measures to assist Australian financial services and credit licensees in complying with the reportable situations regime: [CS 16 Reportable situations - additional relief](#). The proposed relief aims to reduce the reporting burden while maintaining high regulatory value reporting standards. The relief would apply to certain breaches of misleading and deceptive conduct provisions and civil penalty contraventions, subject to specific conditions. These conditions include:

- the breach has been rectified within 30 days from when it first occurred (this includes paying any necessary remediation); and
- the number of impacted consumers does not exceed five; and
- the total financial loss or damage to all impacted consumers resulting from the breach does not exceed \$500 (including where the loss has been remediated); and
- the breach is not a contravention of the client money reporting rules and clearing and settlement rules.

The regime requires licensees to maintain systems for identifying, escalating, investigating, rectifying, and capturing incidents and breaches as part of their general obligations, with the objective of improving industry standards and consumer outcomes while enhancing regulatory intelligence.

Submissions are due by 11 March 2025.

ASIC issues two interim stop orders on Green Planet Recycling Solutions

ASIC has placed [two interim stop orders](#) on Green Planet Recycling Solutions Limited's public offer of redeemable preference shares, concerning:

- a prospectus lodged on 29 January 2025 to raise \$20,000,000; and
- failure to prepare a target market determination (TMD).

The 21-day orders prevent the company from:

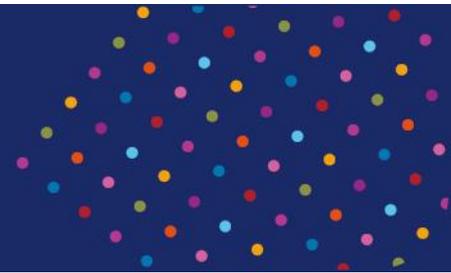
- offering or issuing securities under the prospectus; and
- dealing with securities or providing financial advice to retail clients.
- The orders may be revoked if concerns are adequately addressed.

APRA withdraws information paper on cloud outsourcing and ceases Covid-19 Capital and Credit reporting

APRA has rescinded the 2018 Information Paper "Outsourcing Involving Cloud Computing Services". The withdrawal of the information paper aims to reduce regulatory burden and improve clarity about the expected approach for material service provider arrangements.

Prudential Standard CPS 230 Operational Risk Management ([CPS 230](#)) comes into effect 1 July 2025 and includes formal supervisory coverage for entities with cloud service provider arrangements. APRA regulated entities will be expected to comply with CPS 230 requirements when using cloud services to appropriately manage associated risks and ensure operational resilience.

APRA has also ceased the collection of "ARF 923.0 Covid-19 Capital and Credit" with the last submission being the period ending 31 January 2025. The decision was part of APRA's regular review of its ad hoc data collection, and follows a number of cessations in 2023 and 2024.



APRA proposes updated approach to treatment of HELP debts

APRA has begun [consulting](#) on [proposed changes](#) to how banks treat Higher Education Loan Program (HELP) debt repayments when assessing home loan applications.

To provide clarity to banks and borrowers, APRA has today written to banks seeking feedback on the following targeted adjustments:

- removing HELP debts from debt-to-income reporting; and
- clarifying that banks may exempt a loan applicant's HELP debt from their serviceability assessment in cases where a borrower is expected to pay off their HELP debt in the near term.

A letter outlining the consultation is available on the APRA website at: [Clarifying the treatment of Higher Education Loan Program debt obligations](#).

Subject to feedback, APRA expects the final changes to be formally incorporated into APRA's prudential framework in the second half of the year.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [21 February 2025 – MEDIA RELEASE – AustralianSuper fined \\$27 million after ASIC investigation into failing to merge multiple superannuation accounts](#) – In the Federal Court, Hesse J has found that AustralianSuper, the trustee of Australia's largest superannuation fund, had failed to comply with s 108A of the *Superannuation Industry (Supervision) Act 1993* (Cth) which required it to identify and merge duplicated superannuation accounts. Over 90,000 fund members were affected between 2013 and 2023, incurring over \$69 million in excess fees which have now been remediated. Hesse J imposed a fine of \$27 million in finding that AustralianSuper breached fundamental duties to its members. The [judgment](#) is available.
- [19 February 2025 – MEDIA RELEASE – Former Melbourne financial planner Bradley Grimm's appeal dismissed](#) – Bradley John Grimm, former financial adviser with Ostrava Equities Pty, has failed in his appeal against his conviction for dishonesty and against the sentence imposed in the County Court of Victoria in 2024. In the Victorian Court of Appeal, Priest, Forrest and Kennedy JJA rejected the appeal and instead observed that the sentence of 18 months' imprisonment to be lenient. The [joint judgment](#) is available.
- [18 February 2025 – NEWS ITEM – ASIC proposes further relief for licensees under the reportable situations regime](#) – The reportable situations regime requires financial services or credit licensees to promptly identify, fix and report potential misconduct as part of their general obligations. ASIC proposes to alleviate the regulatory load on licensees by reducing the number of circumstances where the obligation applies. Stakeholders may make submissions until 11 March 2025.
- [17 February 2025 – MEDIA RELEASE – Two interim stop orders placed on Green Planet Recycling Solutions](#) – ASIC has issued two interim stop orders on the public offer of redeemable preference shares by Green Planet Recycling Solutions Ltd, an

unlisted public company. The interim stop orders prevent the company from offering securities under its prospectus and dealing with securities, issuing a prospectus of providing financial advice because ASIC was concerned that Green Planet had not complied with s 710 of the *Corporations Act 2001* (Cth) which requires disclosure of information in a prospectus. The orders are valid for 21 days unless revoked earlier.

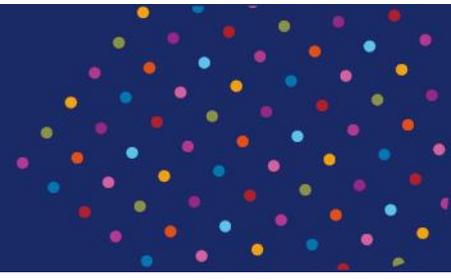
APRA news

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

- [20 February 2025 – MEDIA RELEASES – APRA proposes updated approach to treatment of HELP debts](#) – Part of APRA’s remit is to ensure that banks treat risks appropriately and maintain the safety of deposits. Generally, banks consider the Higher Education Loan Plan debts of prospective borrowers in their applications. HELP debts differ from other debts because repayments are determined by a borrower’s income rather than by the size of the debts or interest rates. APRA has begun a consultation on its proposals to bring greater flexibility to loan applications by borrowers with HELP debts and issued draft versions of Reporting Standard ARS 223.0 Residential Mortgage Lending and Prudential Practice Guide APG 223 Residential Mortgage Lending. Stakeholders may make submissions up to 20 March 2025.
- [19 February 2025 – MEDIA RELEASES – APRA statement on BUSSQ Federal Court appeal](#) – On 31 January 2025, in the Federal Court, Derrington J ruled that BUSSQ (Queensland) Pty Ltd should have applied for an internal review of APRA’s decision to impose extra licence conditions on it rather than applying for judicial review immediately. BUSSQ has now lodged an appeal against Derrington J’s decision.
- [19 February 2025 – MEDIA RELEASES – APRA rescinds information paper on cloud outsourcing and ceases ad hoc credit reporting collection](#) – APRA has withdrawn its Information Paper “Outsourcing Involving Cloud Computing Services” to streamline regulation and clarify service provider arrangements. On 1 July 2025, Prudential Standard *CPS 230 Operational Risk Management* comes into effect and includes supervisory standards for entities with cloud service. APRA has also stopped collecting “ARF 923.0 Covid-19 Capital and Credit” data.

Proposed legislative amendments, Government announcements and consultations

- [20 February 2025 – LEGISLATION – Scams Prevention Framework Bill 2025](#) – This bill received assent as Act No 15 of 2025. The amendments which set up a framework including multiple regulators and enabling authorisation of an external dispute resolution scheme take effect from 21 February 2025. Amendments to the *Corporations Act 2001* (Cth) are confined to Part 7.10A. Section 12A of the *Australian Securities and Investments Commission Act 2001* (Cth) is amended to ensure that ASIC has the functions and powers that are conferred on it under the Scams Prevention Framework provisions.
- [20 February 2025 – LEGISLATION – Administrative Review Tribunal \(Miscellaneous Measures\) Bill 2025](#) – This bill received assent as Act No 14 of 2025. The bill makes consequential and technical amendments to the *Corporations Act 2001* (Cth) (among other Acts) arising from the enactment of the *Administrative Review Tribunal Act 2024* (Cth). The new amendments are taken to have been in effect since 14 October 2024.



Have your say on the functions and operations of Australian Small Business and Family Enterprise Ombudsman

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) was established in 2016 to advocate for, and give assistance to, small business and family enterprises. This includes assistance with disputes.

The independent review considers whether the ASBFEO's functions and operations are effective, and further feedback is being sought through a survey.

The survey will help the Independent Reviewer to ensure the ASBFEO is meeting the needs of the small business community.

Small businesses, family enterprises, the franchising sector and their representatives are invited to provide feedback through the survey. The survey closes on 31 March 2025.

[Have your say <https://consult.treasury.gov.au/c2025-624500>](https://consult.treasury.gov.au/c2025-624500)