

Status of Law Reform

What's Law

Act	Assented	Summary
Aged Care Amendment (2008 Measures No. 1) Act 2008	Assented on 18 February 2008	<p>This Act:</p> <ul style="list-style-type: none"> • Makes amendments to the Aged Care Act to Simplify, and make fairer, the fees and charges paid by residents of aged care facilities as well as the subsidies paid by the Commonwealth Government for residents who cannot fully meet their own care and accommodation costs; • Provides a new equal income test for all residents; and • Broadens eligibility for community care grants for providers of Community Aged Care Packages, and extends eligibility to providers of the flexible care types.
Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2008 Budget and Other Measures) Act 2008	Assented on 30 June 2008	<p>This Act introduces the income test for Family Tax Benefit Part B. There is a \$150,000 limit on primary earner income. The other key aspects of this Act are:</p> <ul style="list-style-type: none"> • Baby Bonus: income tested as of 1 January 2009, Baby bonus to be paid as instalments rather than lump sum, baby bonus indexation rate will be changed to 1 July each year after the legislated increase to \$5,000 on 1 July 2008 and eligibility for baby bonus will be extended to parents who adopt children under the age of 16; • Collection of tax file numbers for Commonwealth seniors health card (CSHC) current holders and claimants to ensure eligibility under the CSHC income test; • Increase the eligible age for DVA partner service pension to qualifying age; and • Discretion for the Child Support Agency to deduct child support arrears from Centrelink and Department of Veterans' Affairs payments at less than the full prescribed amount in cases of hardship.
Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Act 2008	Assented on 25 June 2006	<p>This ACT makes the following Amendments:</p> <ul style="list-style-type: none"> • Removes the minimum rate of Child Care Benefit effective from 7 July 2007; • Increases the percentage of allowable out-of pocket child care expenses that an individual can be paid as CCTR in an income year from 30 per cent to 50 per cent; • Increases the annual CCTR limit for a child from \$4,354 to \$7,500 starting from the income year 2008-09; and • Also child care tax rebate (CCTR) available in respect of child care expenses incurred in a week by an individual or individual's partner if the individual who claims CCB for that care, is eligible but is not entitled to be paid CCB due to nil rate.

Income Tax (First Home Saver Accounts Misuse Tax) Act 2008	Assented on 25 June 2006	<p>This Act imposes a tax on certain account holders who misuse the FHSA's concession. FHSA holder is subject to the misuse tax if FHSA money is paid to the FHSA holder to purchase a first home and:</p> <ul style="list-style-type: none"> • They were not eligible to open an account; • They became ineligible and failed to notify the FHSA provider; • They did not use the money to purchase or build a first home; or • They failed the occupancy rules. <p>Penalty includes repaying the government contributions plus tax on the earnings within the account.</p>
Income Tax (Managed Investment Trust Withholding Tax) Act 2008	Assented on 23 June 2008	<p>This Act replaces the existing 30 per cent non-final withholding regime applying to certain distributions (called 'fund payments') from Australian managed investment trusts with a new withholding regime. The rate will depend on the residency of the foreign investor.</p>
Social Security and Veteran's Affairs Legislation Amendment (Enhanced Allowance) Act 2008	Assented on 20 March 2008	<p>This Act:</p> <ul style="list-style-type: none"> • Extends qualifications for utilities allowance to people who are under pension age and receiving a disability support pension, carer payment, wife pension, widow B pension or bereavement allowance, and people who are under qualifying age and receiving a service pension or income support supplement; • Increases the annual rate of utilities allowance to \$500 single rate and \$250 for each member of a couple; • Allowance to be paid quarterly rather than biannually; • Increases the annual rate of senior's concession allowance from \$218 to \$500. It also provides that senior's concession allowance will be paid quarterly, with the same timing as for utilities allowance; and • Increases the rate of telephone allowance for certain income support recipients who have an internet connection at home and those who are eligible for a telephone allowance under the Military Rehabilitation or Compensation Act and the Veterans' Entitlements Act.
Social Security and Other Legislation Amendment (Employment Entry Payment) Bill 2008	Assented on 30 June 2008	<p>This Act will simplify and reduce overlap in the provision of financial and other assistance to income support recipients moving into employment. The act will cease eligibility and payment of the employment entry payment for future applicants.</p>
Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008	Assented on 26 May 2008	<p>This Act provides extra assistance for certain older Australians, carers and members of the veteran community by providing a one-off payment of \$500 in June 2008. Certain other carers receive \$1,000 one-off payments in June 2008.</p>
Tax Law Amendment (2008 Measures No. 2) Act 2008	Assented on 24 June 2008	<p>This act extends the period within which an employer can make a contribution — after the due date. It introduces an offset for employers who make late SG contributions. The act reduces the incidence of employers having to potentially pay</p>

		the same amount twice (once to the fund and once to the ATO).
Tax Laws Amendment (Budget Measures) Act 2008	Assented 30 June 2008	<p>This Act:</p> <ul style="list-style-type: none"> Ensures that the FBT exemption for eligible work related items will now only be available for eligible work-related items where those items are used primarily for work purposes (e.g. laptops and tools of the trade); Ensures food or drink provided as part of a salary sacrifice arrangement (e.g., ‘meal card’ arrangement) is excluded from the fringe benefits tax (FBT) exemption; and Amends the taxation treatment of shares and rights acquired under Employer Share Schemes (ESS). Any discount from the market price of the shares or rights is assessable income. An employee participating in an ESS can, subject to certain conditions, choose one of two tax concessions on the discount they receive — the tax-upfront concession or the tax-deferred concession. It also removes double taxation that arises in relation to certain ESS that uses an employee share trust.
Tax Laws Amendment (Medical Levy and Medical Levy Surcharge) Act 2008	Assented on 25 June 2008	<p>This Act increases the low-income thresholds for individuals and families.</p> <ul style="list-style-type: none"> Individual threshold has been increased from \$16,740 to \$17,309; and for families is to be increased from \$28,247 to \$29,207. Increased by a further \$2,682 instead of the previous figure of \$2,594 for each dependent child or student. Threshold amount for pensioners who are under age pension is to be increased from \$21,637 to \$22,922.
Tax Laws Amendment (Personal Income Tax Reduction) Act 2008	Assented on 23 June 2008	<p>This Act raises the 30 per cent threshold for residents and non-residents:</p> <ul style="list-style-type: none"> From \$30,001 to \$34,001 from 1 July 2008; \$35,001 from 1 July 2009; and \$37,001 from 1 July 2010. <p>The Act also reduces the second highest marginal tax rate for residents and non-residents:</p> <ul style="list-style-type: none"> From 40% to 38% from 1 July 2009; and 37% from 1 July 2010. <p>The Act also provide for an increase in the low income tax offset:</p> <ul style="list-style-type: none"> From \$750 to \$1,200 from 1 July 2008; From \$1,350 from 1 July 2009; and to \$1,500 from 1 July 2010 and beyond. <p>The act will also amend the income threshold at which taxpayers who are eligible for the senior Australians tax offset become liable to pay the Medicare levy.</p>
Veterans’ Affairs Legislation Amendment	Assented 12 July 2008	This Act makes amendments to give effect to revised arrangements for entering into agreements with the

(International Agreements and Other Measures) Bill 2008		<p>Governments of certain other countries in relation to the payment of pensions and provision of assistance and benefits to eligible persons.</p> <p>The Act also aligns the Veterans' entitlements means test with the social security means test and makes a number of minor and technical amendments.</p>
Veterans' Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008	Assented 25 June 2008	<p>This Act extends:</p> <ul style="list-style-type: none"> • The automatic grant of certain pensions • Income support supplement to all war widows/war widowers • Disability pension bereavement payments
First Home Saver Accounts Act 2008	Assented 25 June 2008	<p>The Government introduced FHSA's (First Home Saver Accounts) to provide a simple, tax effective way for Australians to save for the purchase of their first home in which to live, through a combination of low taxes and Government contributions. The Act governs their operation, provides for the payment of Government contributions for account holders, and provides for the prudential regulation of account providers.</p>
First Home Saver Accounts (Consequential Amendments) Act 2008	Assented 25 June 2008	<p>This Act to amend the law relating to financial markets, taxation, superannuation, social security and veterans' entitlements to enable the operation of FHSA's.</p>
Tax Law Amendment (2008 Measures No. 3) Act 2008	Assented 20 September 2008	<p>This Act affects the following:</p> <ul style="list-style-type: none"> • Shareholder and unitholder rights: <p>Ensure that no amount is included in the assessable income of a shareholder in a company or a unit holder in a unit trust as a result of acquiring certain rights issued by the company to acquire further shares or by the trustee of the unit trust to acquire further units; (Call options)</p> <p>Ensure that an amount is included in the assessable income of a shareholder as a result of acquiring rights issued by the company to dispose of shares, is appropriately reflected in the cost base of the rights. (Put Options).</p> • Restriction on GST refunds and time limits for recovery and refund of indirect tax: <p>Amendment to Taxation Administration Act 1953. Ensures that the restriction on refunds applies whether or not a transaction in respect of which goods and services tax (GST) has been paid is in fact a supply. Also ensures that the four-year time limit on recovery applies where a refund is overpaid to a taxpayer. Also ensures that the 4 year time limit applies where a refund is payable by the commissioner of taxation due to a reduction in the liability of a taxpayer.</p> • Income tax treatment of rent assistance paid to abstudy recipients <p>Amendments will exempt rent assistance paid to austudy recipients from income tax. Applies to assessments from the 2007-08 income year and later income years.</p> • Income tax treatment of the Carer Adjustment Payment <p>Amendment will exempt the Carer Adjustment payment from income tax. Applies to assessments from the 2007-08 income year and later income years.</p>

Tax Law Amendment (2008 Measures No. 4) Act 2008	Assented 3 October 2008	This Act: <ul style="list-style-type: none"> Provides relief from capital gains tax relief for private health insurance policyholders when their insurer demutualises to a for profit insurer.
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What's Pending

Bill	Progress	Summary
A New Tax System (Family Assistance) (Improved Access to Baby Bonus) Amendment Bill 2008	Introduced into the Senate on 20 March 2008	This Bill amends the <i>A New Tax System (Family Assistance) Act 1999</i> , and builds upon existing provisions for adoptive parents to ensure that the baby bonus is available to all adoptive families.
Families, Housing, Community Services and Indigenous Affairs and other Legislation Amendment (Further 2008 Budget and Other Measures) Bill 2008	Passed House of Representatives on 25 September 2008	<p>The bill will make amendments for better alignment of maternity immunisation allowance with the National Immunisation Program by paying the allowance in two payments for children who meet the 18 month and four year-old immunisation requirements. It will also extend eligibility for the allowance to children adopted from outside Australia who enter Australia before turning 16 and who are immunised appropriately after arrival.</p> <p>Amendments to the <i>Veterans' Entitlements' Act 1986</i> will give effect to the 2008-09 Budget measure to cease eligibility for partner service pension for those partners who are separated but not divorced from their veteran spouse, and who have not reached age pension age.</p> <p>Further amendments will set the eligible age at 50 years for partner service pension for the partner of a veteran who is in receipt of the equivalent of or less than special rate but above general rate disability pension or who has at least 80 impairment points under the <i>Military Rehabilitation and Compensation Act 2004</i>.</p>
Family Law Amendment (De Facto Financial Matters and Other Measures) Bill 2008	Introduced into the senate on 1 September 2008	<p>This Bill</p> <ul style="list-style-type: none"> Introduces significant reforms to allow opposite sex and same-sex de facto couples to access the federal family law courts on property and spouse maintenance matters on relationship breakdown. And The reforms will also bring all family law issues faced by families on relationship breakdown within the federal law regime. And De Facto couples will be able to obtain a property settlement, split their superannuation interests and make financial agreements, all recognised and enforceable by the Federal Family Law Courts.
First Home Saver Accounts (Further Provisions) Amendment Bill 2008	Passed in the senate on the 24 September 2008	<p>This Bill</p> <ul style="list-style-type: none"> Provides a system for dealing with unclaimed money (i.e. no payments from or receive contributions into the account for seven years). amendments to secrecy and information sharing provisions between the ATO, APRA and ASIC; and, Dealing comprehensively with family law situations.
First Home Saver Account Providers	Passed in the senate on 24	This Bill introduces a framework for imposing a levy on FHSA providers to provide funding for the Australian Prudential

Supervisory Levy Imposition Bill 2008	September 2008	Regulation Authority (APRA) to carry out its supervision of financial institutions which offer FHSAs.
Superannuation (Departing Australia Superannuation Payments Tax) Amendment Bill 2008	Introduced into the House of Representatives on the 25 September 2008	This Bill is a measure seeking to reduce the number of lost accounts and unclaimed money in the superannuation system that can arise when temporary visa holders leave Australia without taking their superannuation benefits with them.
Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill (No. 2) 2008	Passed House Of Representatives on 13 October 2008. (Please note – Governments original proposal to increase the thresholds for the Medicare levy surcharge was defeated in the senate on 24/09/08)	This Bill amends the <i>Medicare Levy Act 1986</i> and the <i>A New Tax System (Medicare Levy Surcharge-Fringe Benefits) Act 1999</i> to: <ul style="list-style-type: none"> • increase the Medicare levy surcharge threshold for individuals from \$50,000 to \$75,000, and going forward this threshold will be annually indexed to wages and increase in \$1,000 increments • increase the Medicare levy surcharge threshold for families from \$100,000 to \$150,000, and going forward will be double the single threshold; and • introduce transitional arrangements so that individuals who obtain appropriate private health cover before 1 January 2009 will avoid the Medicare levy surcharge for the period 1 July 2008 through to 31 December 2008
Tax Laws Amendment (2008 Measures No. 5) Bill 2008	Introduced into the House of Representatives on the 25 September 2008	This Bill <ul style="list-style-type: none"> • ensures that the interaction between the margin scheme provisions and the going concern, farmland and associates provisions does not allow property sales to be structured in a way that results in GST not applying to the value added to real property on or after 1 July 2000 by an entity registered or required to be registered for GST • extends eligibility for exemption from interest withholding tax to bonds issued in Australia by state and territory central borrowing authorities • Ensure that the ‘otherwise deductible rule’ applies appropriately to benefits provided in relation to investments that the employee holds jointly with a third party. • Streamlines and modernizes the eligible investment business rules for managed funds.
Tax Laws Amendment (Education Refund) Bill 2008	Introduced into the House of Representatives on the 25 September 2008	This Bill <ul style="list-style-type: none"> • By introduces a 50 per cent refundable tax offset for eligible education expenses (the Education Tax Refund) up to a maximum of \$750 for children undertaking primary studies and \$1,500 for children undertaking secondary studies.
Same-Sex Relationships (Equal Treatment in Commonwealth Laws – General Law Reform) Bill 2008	Introduced into the Senate on 24 September 2008	This Bill <ul style="list-style-type: none"> • Eliminates discrimination against same-sex couples and the children of same-sex relationships in a wide range of Commonwealth laws. The Bill will amend 68 Commonwealth laws to achieve this purpose. • Will include a new model definition of ‘de facto partner’ which will apply equally to same and opposite-sex de facto couples. The definitions of ‘child’ and ‘parent’ will be expanded where appropriate to include the children of same-sex couples.

		<ul style="list-style-type: none"> Will also be made to ensure that de facto partners, children of same-sex couples, and persons whose relationship is traced through them will be considered to be members of a person's family, and relatives for the purposes of relevant Commonwealth legislation.
Same-Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Bill 2008	Introduced into the Senate on 16 June 2008	This Bill is to eliminate discrimination against same-sex couples and the children of same-sex relationships in regards to reversionary superannuation benefits upon the death of a scheme member, and in related taxation treatment of superannuation benefits.
Urgent Relief for Single Age Pensioners Bill 2008	Passed the Senate on 22 September 2008	This Bill aims to increase the single age pension, single age service pension and Widow B pension by \$30 per week with effect from 20 September 2008.