



MONTHLY NEWSLETTER



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GST reform: In focus

After 25 years, the goods and services tax (GST) is at a crossroads, with calls for reform growing louder as Australia grapples with an evolving economic landscape and a tax system that relies heavily on income taxes. Australia's tax base is being eroded by a declining share of consumption taxed under GST coupled with a fall in revenue from other consumption taxes like tobacco excise and fuel.

Australia's GST still contains inconsistencies—such as exemptions for some goods, services and housing types—that stem from the old sales tax system. Experts like Ken Fehily argue the GST is no longer fair or effective and needs a major overhaul. Internationally, Australia's 10% GST is among the lowest in the OECD and contributes less to total tax revenue than in most comparable nations, suggesting room to raise the rate or broaden its base.

Raising or expanding the GST could make the tax system fairer but is politically sensitive amid high living costs. Experts say reforms must include support for low-income households.

Experts say GST reform could unlock broader state tax reforms by reducing reliance on inefficient taxes like stamp duty and payroll tax. Any change, however, requires cooperation between federal, state, and territory governments. They argue for a long-term, coordinated tax strategy that reflects Australia's future goals, with gradual reforms, simpler administration, and support for lower-income earners.

While raising the GST now may be difficult amid cost-of-living pressures, planning for future adjustments is seen as essential.

A PLAN FOR IMPLEMENTING GST REFORM

CPA Australia has proposed a 5-step plan to broaden the GST to reduce overreliance on income taxes over the next 2 years.

1. Achieve consensus from state and territory governments that GST reform is critical to future federal, state and territory budgets and must be part of economic and productivity reforms.
2. Identify what a broadened tax base should look like and model the revenue effects of changes to the rate.
3. Assess the impact of changes on business and society.
4. Develop tax settings that best rebalance the tax base to increase GST's contribution and reduce the income tax burden on individuals and businesses while adjusting the transfer system to support the most vulnerable.

5. Design a thorough implementation program to ensure that individuals and businesses are prepared for the changes.

Alexandra Cain, CPA *INTHEBLACK* magazine

There's \$18.9 billion in unclaimed super - some may belong to you!

If you have ever changed your name, job or super fund, you could have lost or have unclaimed super. Find out how you can check for it at <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/keeping-track-of-your-super/super-health-check>. Even a small amount could make a big difference to your final balance at retirement.



Division 296 tax

The government has announced several key adjustments to the proposed Division 296 tax:

- The tax will only apply to future actual earnings, not unrealised gains as originally proposed.
- The \$3 million threshold will be indexed to the consumer price index (CPI) in \$150,000 increments, keeping pace with the transfer balance cap (TBC).
- A new second threshold of \$10 million will be introduced, with earnings above this level taxed at 40%. This will also be CPI-indexed in \$500,000 increments.
- The start date will be delayed by one year to 1 July 2026, based on members' total super balance (TSB) as at 30 June 2027, with first assessments expected in 2027-28.
- The tax will apply to defined benefit pensions, ensuring consistent treatment across super structures.



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In summary, the effective cumulative tax rates within super will be:

- 15% on earnings for TSBs up to \$3 million.
- 30% on a portion of earnings for TSBs between \$3 million and \$10 million (ie, standard 15% tax rate + an extra 15% tax on earnings attributable to balances over \$3 million).
- 40% on earnings attributable to balances exceeding \$10 million (ie, 15% + 15% + 10%).

How the ATO will administer it

Super funds will continue reporting members' balances to the ATO, which will calculate each individual's TSB. For members exceeding the relevant thresholds, the ATO will:

1. Request the fund's calculation of realised earnings for that member.
2. Use this data to calculate and issue the tax liability.

Funds will attribute an appropriate share of realised earnings to affected members based on taxable income concepts, adjusted for elements such as contributions and pension income, using existing reporting systems and ATO guidance to ensure fairness.

Payday Super Bills

Two bills relating to "Payday Super" reforms passed both Houses of Parliament without amendment and received Royal Assent on 6 November 2025 becoming [Treasury Laws Amendment \(Payday Superannuation\) Act 2025 Act](#).

The Payday Super measures are now law. The reforms require employers to pay Superannuation Guarantee (SG) contributions within 7 business days of each employee's payday, commencing 1 July 2026. The ATO has also issued a factsheet [Payday Super is law - get ready today](#).

Finance, Mortgages & Loans

In this environment of high interest rates, it is important to get help from an expert broker.

No Fuss Home Loans strive to simplify the loan process, listen to your needs and offer sound and friendly advice.

No Fuss Home Loans will provide you with a FREE report outlining relevant lenders and products to suit your situation. There is no obligation to commit and there are no fees payable by you for our service.

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Tax Depreciation, Property Valuation & Quantity Surveying

Rate cuts have also driven increased demand in the market, which may put upward pressure on property prices. With these shifts, it is important to understand how to navigate potential changes.

With a decade of experience in the industry, Duo Tax Quantity Surveyors is an Australian owned company who assists investors with their tax depreciation, property valuation, and quantity surveying needs for their residential or commercial investment properties.

Duo Tax has also introduced their new SMSF Audit Property Valuations, specially designed to support residential and commercial property audits. These valuation services are tailored to meet the increasing demand for accuracy and efficiency.

Feel free to contact our office or contact George direct on 1300 185 498 or 0481 948 009.

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Important upcoming dates

- December 2025 monthly IAS due by 21 January 2026
- December 2025 quarter SGC payments due by 28 January 2026
- December 2025 quarterly BAS due 28 February 2026



Wishing you and your loved ones a joyous holiday season and a bright and hopeful new year ahead. Thank you for being a part of my community, and I look forward to sharing more with you in the coming year.

*Warmest wishes,
Carla Capraro*



Tax agent
25977827

Financial planning

Blake Cullen from Evalesco (part of The Principal Edge Licensee Network) can assist with all your financial planning needs. They provide a more personal service and empower Clients not only in terms of wealth strategies but are also mindful we need healthy and happy lives.

Feel free to contact our office to arrange an initial appointment.

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