



said APRA's role is to administer the prudential and retirement income provisions of the *Superannuation Industry (Supervision) Act 1993*. In that context, APRA is primarily responsible for ensuring that registrable superannuation entity (RSE) licensees manage their business operations to deliver quality member outcomes. By comparison, ASIC's role is to oversee specific conduct obligations that apply to RSE licensees dealing with individuals in relation to disclosure, financial product advice and complaints.

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## Protecting Super Bill: Senate Committee report

The Senate Economics Legislation Committee has released its report on the *Treasury Laws Amendment (Protecting Your Superannuation Package) Bill 2018*, and has recommended that the Bill be passed.

The Bill, which is still before the Senate, contains the following measures to prevent the erosion of super balances:

- super fees capped at 3% per year for balances less than \$6,000;
- exit fees banned for all super accounts, regardless of the balance;
- an insurance opt-in rule for:
  - account balances less than \$6,000;
  - new members under age 25;
  - accounts that have not received a contribution for 13 months; and
- inactive low-balance accounts (ie balance less than \$6,000) will be transferred to the ATO.

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## First Home Super Saver scheme: ATO guidance

Law Companion Ruling LCR 2018/5, issued by the ATO on 15 August 2018, provides guidance on the First Home Super Saver (FHSS) scheme.

**TIP:** The FHSS scheme is designed to help eligible first-home buyers by allowing them to make voluntary superannuation contributions and then withdraw those amounts and associated earnings to use when purchasing a first home.

People who meet the eligibility criteria can access the scheme by applying to the ATO for a determination and a release authority. They must make superannuation contributions that are eligible for release under the scheme, namely voluntary concessional or non-concessional contributions that come within the relevant contributions cap.

There are limits on the amounts withdrawn (\$15,000 per financial year and \$30,000 in total, subject to the contribution caps).

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## ATO targeting car sharing platforms

The ATO has announced it will turn its attention to anyone earning income through car sharing platforms. ATO Assistant Commissioner Kath Anderson said there is evidence that some people who are undertaking sharing activities using third-party services such as Car Next Door, Carhood and DriveMyCar Rentals might not understand the taxation implications involved.

**TIP:** You must declare in your tax return any income you receive, and you cannot avoid tax by calling the car sharing a hobby.

While any car sharing expenses you claim as tax deductions must relate directly to the renting, hiring or sharing of your car, the Assistant Commissioner has said that most car sharers can legitimately claim deductions for costs like platform membership fees, availability fees, cleaning fees and car running expenses.

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## Delay in extending reportable payments to courier and cleaning services

The legislative logjam in Federal Parliament is affecting the implementation of a wide range of tax measures, and the ATO is having to implement some practical work-arounds.

In the 2017–18 Federal Budget the Government announced that from 1 July 2018, businesses that supply courier or cleaning services will need to report payments they make to contractors for courier or cleaning services. The payments must be reported to the ATO each year using the taxable payments annual report (TPAR). However, legislation to implement this is still before the Senate.

The ATO will not require TPARs to be lodged up until the law change is passed by Parliament. Taxpayers will be expected to keep sufficient business records to enable a TPAR to be prepared and lodged "as soon as is reasonably practicable after the law is enacted".

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## GST: supplies of real property connected with Australia

GST Ruling GSTR 2018/1, issued on 22 August 2018, sets out the ATO's view on when supplies of real property are connected with the indirect tax zone (Australia).

It states that a supply of real property is connected with Australia if the real property, or the land to which it relates, is in Australia. The ATO stresses that the test is the physical land's location, not the location of the interest or right over the land. The supply of a right to accommodation in Australia also constitutes the supply of real property connected with Australia.

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