

TAXATION

New Federal Ministry sworn in

The Ministry of the new Federal Labor Government has been sworn in, key appointments include the Treasurer and Finance Minister.

ATO reminder: don't double dip deductions

ATO has reminded taxpayers not to make the mistake of "double dipping" their deductions in their tax returns this year.

TPB approved courses: assessment concessions extended

Due to the ongoing impact of COVID-19, TPB has updated its Board approved course requirements.

Improving tax, super and registry systems: ATO speech

At a recent conference, the Second Commissioner Client Engagement Group of the ATO outlined areas in which the ATO wishes to work closely with tax practitioners.

Debt release on serious hardship grounds: relevant factors

ATO has issued an updated version of PS LA 2011/17 to clarify the ATO's policy on what factors may be taken into account in considering a release of tax debt.

Individual tax return instructions 2022

ATO has released the individual tax return instructions for 2022 including a large range of supporting materials.

TPB raises agent registration fees from 1 July 2022

Tax Practitioners Board has announced that the fee to register or renew as a tax agent or BAS agent has been increased.

2022 Checklists and Tax returns

The 2022 Tax return checklists and Tax returns have been published on the IPA website under 'Resources > Practice Management Tools > Tax guide and template'.

FINANCIAL SERVICES

Proposed financial institutions supervisory levies

Treasury has released a discussion paper which sets out the proposed financial institutions supervisory levies for 2022-23.

SUPERANNUATION

March 2022 quarterly super performance

According to APRA's latest quarterly super performance publication, total super assets grew by almost 10% year-on-year.

Superannuation data transformation project FAQ

APRA has issued two updated FAQs on the reporting standards for Phase 1 of the SDT project.

REGULATOR NEWS

Retirement income covenant implementation: APRA/ASIC guidance

APRA and ASIC has published a new set of FAQs on the implementation of the retirement income covenant introduced by the government.

TAXATION

New Federal Ministry sworn in

The Ministry of the new Federal Labor Government has been [sworn in](#). The key appointments from the perspective of the accounting and legal professions are as follows.

- Treasurer: Jim Chalmers
- Finance: Katy Gallagher
- Employment and Workplace Relations: Tony Burke
- Attorney-General: Mark Dreyfus QC
- Minister for Small Business: Julie Collins
- Financial Services/Assistant Treasurer: Stephen Jones

Professor Glyn Davis [has been appointed](#) as Secretary of the Department of the Prime Minister and Cabinet.

There is still nothing definitive on the [Parliamentary website](#) about when the Federal Parliament will resume its duties.

ATO reminder: don't double dip deductions

The ATO has issued a [reminder](#) to taxpayers not to make the mistake of "double dipping" their deductions in their tax returns this year. As the ATO uses "sophisticated data analytics" to monitor for incorrect information, taxpayers run the risk being audited or penalised for deliberately providing incorrect information.

The ATO highlights the following points.

- When the working from home shortcut method is used to claim working from home expenses, it is all-inclusive, ie taxpayers cannot claim additional amounts in their return for expenses such as their mobile phone and internet bills or decline in value of equipment and furniture.
- There are three methods available to claim a deduction for working from home expenses depending on individual circumstances: (i) shortcut; (ii) fixed rate; and (iii) actual cost. The method that gives people the best outcome can be used, as long as the eligibility and record-keeping requirements for their chosen method are observed.

- When claiming working from home expenses using the shortcut method, the amount needs to be included at the "Other work-related expenses" question in tax returns with "COVID-hourly rate" in the description field.
- For car expenses, the cents per kilometre rate is all-inclusive and covers decline in value, registration, insurance, maintenance, repairs, and fuel costs. Such expenses can't be added on top of the rate when calculating deductions.

Taxpayers should make sure they are not claiming expenses where they have already been reimbursed by their employer.

TPB approved courses: assessment concessions extended

Due to the ongoing impact of COVID-19, the TPB has [updated](#) its Board approved course requirements. Where supervised assessments cannot be conducted in line with TPB requirements, the approved guidance for course providers has been extended to 31 December 2022 (previously 30 June 2022).

The TPB will monitor the situation and notify approved course providers of any policy changes should they occur.

Improving tax, super and registry systems: ATO speech

At a recent conference, the Second Commissioner Client Engagement Group of the ATO, Jeremy Hirschhorn made a [speech](#) in which he stated that Australia's tax and super system is in "good shape". He also noted that the ATO aspires to improve tax performance by "continuing to improve voluntary compliance".

Mr Hirschhorn highlighted two areas that the ATO wishes to work closely with tax practitioners:

- small business - (i) how to bring businesses which exist "wholly or partly in the shadow economy" into the tax system; (ii) how to help businesses to operate "in a more sophisticated way"; (iii) to "normalise" the total ATO collectable debt book that has grown significantly since the onset of the COVID-19 pandemic; and
- individuals - (i) how to create a "common community understanding" of allowable expenses; (ii) how to distinguish actual property investments; (iii) the disclosure of any assets that their clients might have dealt with such as cryptocurrencies, NFTs or other digital assets.

Also highlighted are two of the ATO's key client awareness programs. The first involves 30,000 awareness letters relating to Disclosure of business tax debts, while the second involves some 52,000 awareness letters about the use of Director penalty notices. Encouragingly the ATO has received responses with "a significant level of payments and clients entering into payment plans".

Debt release on serious hardship grounds: relevant factors

The ATO has issued an updated version of [PS LA 2011/17](#) (Debt relief, waiver and non-pursuit). In particular, para 11 of the Practice Statement (which lists "other relevant factors") has been updated to clarify the ATO's policy on what factors may be taken into account in considering whether to release an individual of their tax debt on serious hardship grounds.

ATO staff are now directed to "take into consideration the facts of the case and have regard to the taxpayer's particular circumstances". They are also advised that the factors listed in para 11 are not exhaustive but are simply examples of the types of considerations it would be appropriate to have regard to in exercising the Commissioner's discretion.

The listed factors have also been reordered and reworded, and are now referred to as examples of the factors the ATO "may consider" in arriving at a decision. Previously, the listed factors were "examples of situations in which [the ATO] may decide against granting release, even though implications of serious hardship may be drawn".

Date of effect: 14 April 2011.

Individual tax return instructions 2022

The ATO has released the [individual tax return instructions for 2022](#). It includes a large range of supporting materials, including:

- in the [Before you start](#) section, advice on "Do you need to lodge a tax return?", "Important information", "Amounts that you do not pay tax on 2022", etc;
- in the Supporting information section, advice on "Completing individual information on your tax return", "Will you need the Individual tax return

instructions supplement?", "Special circumstances and glossary", checklists and amendment requests.

This is in addition to the specific question-by-question, line-by-line instructions.

There are three things listed by the ATO as being [new in 2022](#) (with associated worksheets): (i) COVID-19 measures and support, (ii) LMITO, and (iii) granny flat arrangements.

TPB raises agent registration fees from 1 July 2022

The Tax Practitioner Board has [announced](#) that the fee to register or renew as a tax agent or BAS agent has been increased. The following application fees will apply from 1 July 2022:

- Tax agent - \$731 (up from \$704)
- BAS agent - \$146 (up from \$141)

The fees are not subject to GST. Payments and application submissions for upcoming renewals or registrations by AEST 10 pm 30 June 2022 will be based on the existing fee.

2022 Checklists and Tax returns

The 2022 Tax return checklists and Tax returns for Individuals, Partnership, Trusts and Companies have been published on the IPA website under 'Resources > Practice Management Tools > Tax guide and template'.

See the resources [here](#).

FINANCIAL SERVICES

Proposed financial institutions supervisory levies

Treasury has released discussion paper [Proposed Financial Institutions Supervisory Levies for 2022-23](#). This paper sets out the proposal to recover \$259.6m of operational costs of APRA and other costs incurred by certain Commonwealth agencies and departments including ASIC, the ATO and the ACCC. The proposed amount is a 0.9% decrease compared to the previous year of \$262.0m.

For superannuation funds other than small APRA funds (SAFs), the restricted component of the 2022-23 levy is proposed to be calculated at 0.00406% (up from 0.00390%) of assets held by the entity, subject to a minimum of \$10,000 (up from \$7,500) and a maximum of \$800,000 (unchanged). The unrestricted component of the 2022-23 levy is proposed to be calculated at 0.002993% (up from 0.002925%) of assets held by the entity. SAFs will be levied a flat amount of \$590 per fund (unchanged).

Submissions are due by 10 June 2022.

SUPERANNUATION

March 2022 quarterly super performance

Total superannuation assets grew by almost 10% year-on-year, according to APRA's latest [Quarterly Superannuation Performance publication](#) and the Quarterly MySuper Statistics report for the March 2022 quarter. The results reflect strong investment performance and positive contributions growth attributed to COVID-19 fiscal stimulus received over the period. However, APRA indicates that the results also reflect contributions beginning to revert to long-term trends and weaker investment performance due to concerns over higher interest rates with rising inflation.

Net contribution flows reflect a significant increase year-on-year (by 500%) as a result of contributions growth (by 16.9%) coupled with benefit payments decline (by -23.8%) especially from the closure of the Early Release Scheme.

Superannuation data transformation project FAQ

APRA has issued two [updated](#) FAQs on the reporting standards for Phase one of the Superannuation Data Transformation (SDT) project. The updates were in relation to the staged implementation and best endeavours approach to reporting under Reporting Standards SRS 550.0 Asset Allocation and SRS 332.0 Expenses.

The FAQs are available on the [APRA website](#).

REGULATOR NEWS

Retirement income covenant implementation: APRA/ASIC guidance

APRA and ASIC has [published](#) a new set of [FAQs on the implementation of the retirement income covenant](#) introduced by the Government. The FAQs assist registrable superannuation entity (RSE) licensees in developing their retirement income strategies to meet the requirements of the covenant.

The FAQs cover information on:

- APRA's expectations in relation to retirement income strategy development and meeting requirements of the covenant;
- APRA's position on submissions seeking its feedback on draft retirement income strategies;
- what RSE licensees need to do from 1 July 2022;
- available guidance on reviewing the outcomes of retirement income products; and
- whether the income strategy can cover the provision of financial product advice.

See also APRA and ASIC's [joint letter](#) on the implementation of the retirement income covenant (published on 7 March 2022).