

**INFORMATION EXCHANGE
CORPORATION**

L17, 40 Mount Street,
North Sydney NSW, 2060

E: admin@ifx.com

T: 61 2 9956 7775

W: www.ifx.com.au

ARCHIVE SEARCHING?

Use your username and
password to log onto
www.ifx.com.au to search our
archives and retrieve copies.

NEED TO ASK AN ADVISER?

Go to www.ifx.com.au
to connect.

Please call customer support
on 1300 360 905 if you have
any difficulties.

**SUBSCRIBE TO THIS
PUBLICATION**

[Click here](#)

Can we help?

Call 1300 360 905

Email admin@aifx.com.au

IN THIS ISSUE

SECTION 1 – PROFESSIONAL DEVELOPMENTS	1
EMPLOYEE OR CONTRACTOR?	1
¶9.1 The ATO position.....	1
¶9.2 The AAT case.....	1
¶9.3 The terms of the contract.....	2
¶9.4 The AAT decision – contracting parties cannot agree to contract out of SGC.....	2
THE GST CASE – REWARD POINTS	3
¶9.5 The facts.....	3
¶9.6 The AAT decision	5
SECTION 2 – PROFESSIONAL CURRENCY	5
BILLS AND LEGISLATION	5
¶9.7 Climate change reporting	5
CASES AND DECISIONS	6
¶9.8 Self-education expenses	6
¶9.9 No discretion to reallocate excess concessional contributions	7
¶9.10 Reallocating excess concessional super contributions to a different year.....	8
APPEALS	9
¶9.11 Gold bullion case.....	9
¶9.12 Luxury car tax	10
¶9.13 Minerva Financial Group Pty Ltd (Pt IVA).....	10
¶9.14 Singtel – transfer pricing, interest and loss deductions (High Ct).....	12
¶9.15 Esso Australia Resource Pty Ltd – Petroleum Resources Rent Tax (PRRT).....	12
¶9.16 Trust distributions.....	13
¶9.17 Another Part IVA appeal to the Federal Court.....	14
RULINGS AND GUIDELINES	14
¶9.18 Div 7A loan guidance	14
¶9.19 March quarter CPI figures released.....	14
¶9.20 Rental accommodation concessions.....	15
¶9.21 Build to rent proposed legislation.....	15

**INFORMATION EXCHANGE
CORPORATION**

L17, 40 Mount Street,
North Sydney NSW, 2060

E: admin@ifx.com

T: 61 2 9956 7775

W: www.ifx.com.au

ARCHIVE SEARCHING?

Use your username and
password to log onto
www.ifx.com.au to search our
archives and retrieve copies.

NEED TO ASK AN ADVISER?

Go to www.ifx.com.au
to connect.

Please call customer support
on 1300 360 905 if you have
any difficulties.

**SUBSCRIBE TO THIS
PUBLICATION**

[Click here](#)

Can we help?

Call 1300 360 905
Email admin@aifx.com.au

IN THIS ISSUE

¶9.22	Payroll tax for medical practices	20
¶9.23	Interest income derived by SMSF as beneficiary not NALI.....	22
¶9.24	DIS on GQHC: no R&D offset for chicken farmers.....	23
¶9.25	Update to PCG 2018/4	24
¶9.26	ATO Fact sheet on payments to Category B WAFL players	25
¶9.27	Timeshare owners	25
¶9.28	Fraud and evasion	26
STATE TAXES		26
New South Wales.....		26
¶9.29	Payroll tax	26
QUEENSLAND.....		28
¶9.30	Director penalties	28
SECTION 3 – QUESTIONS AND ANSWERS		29
¶9.31	Appointing a new sole trustee of SMSF.....	29
¶9.32	Rental property expenses.....	31
¶9.33	Japanese resident estate – CGT issues.....	31
¶9.34	Price specification for share transfer	32
¶9.35	Royalties.....	33
¶9.36	Main residence exemption	34
¶9.37	Tax law partnership	34
¶9.38	Japan and Australia DTA	35

SECTION 1 – PROFESSIONAL DEVELOPMENTS

Two cases caught our team’s attention this month – one to do with the thorny issue of employees versus contractors and the second about taxable supplies made by gaming venues.

EMPLOYEE OR CONTRACTOR?

In [S&H Investments Pty Ltd and FCT](#), the AAT agreed with the ATO’s decision that a cleaner was an ‘employee’ under the extended definition of that term in s 12(3) of the *Superannuation Guarantee (Administration) Act 1992*. This follows an extensive list of cases on the topic, including the most recent decisions of the Federal Court in [JMC Pty Limited v COT](#) and the Full Federal Court in [JMC Pty Limited v COT](#) last year.

In S&H Investments, TW had been engaged by S&H Investments (‘the employer’) in March 2014 as a full-time employee to clean the employer’s offices. She was paid an hourly rate and was given a desk and a work email address. The employer had initially made super contributions for TW under the super guarantee scheme.

In May 2015, as part of a restructure, the employer suggested that TW should work for only 20 hours per week but would be paid at an increased hourly rate. The increased rate of pay was said to compensate TW for her additional expenditure and, more importantly for not accruing entitlements such as personal leave, annual leave and superannuation. TW accepted these new terms on the assumption that she was no longer an employee, but an independent contractor.

¶9.1 The ATO position

The ATO disagreed and imposed the superannuation guarantee charge (SGC) on the employer for the quarters ending 30 June 2015 to 30 September 2018 inclusive, on the basis that TW was an ‘employee’ for super guarantee purposes and the employer had failed to pay super contributions for her. The employer objected but this objection was disallowed by the ATO.

¶9.2 The AAT case

The issue before the Tribunal was to determine whether TW was an ‘employee’ of the employer under the extended definition of that term in s 12(3) of the SGAA during the relevant quarters. The parties both agreed that there was a contract (albeit an oral one) and that TW performed work under that contract. So, the only issue in contention was whether the contract was wholly or principally for TW’s labour.