

Practice Update

ATO is 'clearing up' some common Payday Super myths

With less than two months until Payday Super starts (on 1 July 2026), the ATO wishes to 'clear up' the following common misconceptions.

Myth: "There is nothing super fund trustees need to do before the start date."

Fact: Super funds should have already taken steps to receive more frequent contributions and meet shorter processing timeframes. System updates and testing should be underway, including implementing and testing for "SuperStream Contributions v3.0" upgrades.

Myth: "Payday Super just means super funds will receive contributions more often."

Fact: Payday Super raises expectations on speed, accuracy and responsiveness. It is not just about frequency — it is about how quickly and accurately contributions are allocated or rejected, within a tighter timeframe. Faster allocation and earlier rejection support employers to meet their obligations.

Myth: "Super fund actions do not impact employer compliance."

Fact: Super fund actions directly influence employer outcomes. They can support employer compliance by:

- rejecting incorrect employer contributions within the required timeframe;
- providing clear, timely error messaging; and
- maintaining high quality reporting for member accounts, using consistent ABNs and

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member account numbers, and keeping member data up to date.

ATO responds to high fuel costs

The ATO recognises that high fuel costs are affecting some businesses, and it will provide targeted support to eligible businesses that are unable to meet their payment obligations for three months, from 1 April 2026 to 30 June 2026.

In particular:

- ◆ the ATO will provide streamlined access to more flexible payment plan arrangements, including longer payment terms, no upfront payment, and access to general interest charge ('GIC') remission where payment and lodgment conditions are met;
- ◆ high fuel costs will be a relevant factor in consideration of additional requests for remission of GIC and other penalties; and
- ◆ the ATO will provide support to vary pay as you go ('PAYG') instalments where there has been a reduction in taxable income.

Businesses can assess their eligibility and notify the ATO of their interest in accessing a tailored payment plan and intention to vary PAYG instalments through the ATO's online services. The ATO will then contact these businesses or their representatives with more information and next steps.

Editor: Please contact our office if you require assistance regarding the above.

ATO wants businesses to review their GST turnover

The ATO has noticed some businesses have not updated their GST reporting and accounting methods after exceeding the relevant thresholds.

If a taxpayer's business has a GST turnover of **\$10 million or more**, they need to use full BAS reporting instead of 'simpler BAS', and account for GST on a non-cash (accruals) basis.

If their business has a GST turnover of **\$20 million or more**, they need to report GST monthly on their BAS instead of quarterly.

The ATO is moving some businesses to the correct GST reporting and accounting methods from **1 July 2026**, although taxpayers can voluntarily make the switch now in '*Online services for business*' on the ATO's website (*Editor: Or contact us for assistance*).

Tribunal decision regarding home office and car expenses overturned

The Full Federal Court recently allowed the ATO's appeal against an Administrative Review Tribunal decision that a taxpayer was entitled to claim deductions for home office and car expenses.

The taxpayer worked full-time for the ABC as a sports presenter and producer. During the 2021 income year, because of COVID-19 pandemic restrictions, the taxpayer undertook one of his work roles from a second bedroom in his home apartment which he was renting with his wife. He undertook most of another work role from the ABC's Southbank Studios in Melbourne.

The Tribunal had allowed the taxpayer's deductions for **occupation expenses** (being a proportion of the rent for his apartment) and for **car expenses** (incurred in driving between his home and the ABC studio to perform his two roles) in full.

However, the Full Federal Court subsequently overturned this decision, noting (in relation to the claim for the **occupation expenses**) that the 'essential character' of the rent paid was to secure domestic accommodation, and the

prevailing conditions requiring the taxpayer to work from home did **not** alter this.

Also, in relation to the **car expense** claims, the Court considered the taxpayer's travel between his home and the ABC studio was 'to work' rather than 'on work', and was therefore not deductible.

Tribunal rejects claims for self-education expenditure

The Administrative Review Tribunal recently rejected an employee's claims for self-education expenses, as they did not have a sufficient nexus with his current job and income-earning activities.

The taxpayer worked as an employee for a large company. He claimed that his role evolved to include marketing and sales responsibilities during the 2022 income year, and that he was required to take courses in sales and marketing to help him perform his role.

The taxpayer sought to amend his tax return for the 2022 income year by claiming additional deductions for expenditure on online educational and training courses, related computer software and hardware, and membership fees.

The ATO disallowed these deductions, and the Tribunal affirmed the ATO's decision. The Tribunal noted that there was nothing in writing from the taxpayer's employer requiring him to undertake sales and marketing activities, let alone take self-education courses in those areas.

The expenditure incurred by the taxpayer related to online content creation, affiliate marketing, and entrepreneurship, whereas the taxpayer's work related to providing technical IT and computer services. Therefore, the expenditure did not bear a sufficient nexus with the taxpayer's income-earning activities for it to be deductible.

ATO launches new app feature to stop scam calls

Taxpayers can now instantly confirm whether a call claiming to be from the ATO is genuine, with the launch of a new in-app security feature designed to shut down scammers.

The new **verify call** feature allows users to confirm, in real time, that they are speaking with the real ATO, not a fraudster.

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Taxpayers are encouraged to download the ATO app and register their device. Then, when they receive a call from someone claiming to be from the ATO, they can simply open the ATO app, login and select the **verify call** option.

Within 30 seconds, a notification should confirm it is an ATO call. If it does not appear, users should treat it as a scam call and hang up.

Please note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.