



# Institute of Certified Bookkeepers

## Making you Count

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## Bookkeepers helping Bookkeepers help Business

### June 2015

[Click here for the online version](#)

News, views and things you need to know

Welcome to the ICB's June 2015 Newsletter

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### Budget 2015 becomes LAW

ANNOUNCED - Small Business incentives in the Budget have become LAW today

All small businesses can immediately deduct every asset costing less than \$20,000 that they have purchased since Budget night and can continue to do so until the end of June 2017.

Small companies with a turnover of less than \$2 million will benefit from a 1.5 per cent tax cut from 1 July 2015. This will mean we have delivered the lowest tax rate to small business since 1967.

Click here for the [Minister's Press Release](#).

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### FairWork Annual Wage Review - 2.5% Wage Increase

**The national minimum wage increases by 2.5% from 1st July, 2015.**

This increase applies to employees who aren't covered by an award or agreement and also applies to juniors, trainees, apprentices, employees with a disability and to piece rates. Most employees are covered by a modern award. [Check FairWork Award Finder if in doubt](#).

The new national minimum wage will be \$656.90 per week or \$17.29 per hour.

**FairWork says you can't get two separate pay rates for the one pay period. Therefore, if a wage increase applies to an employee on the 1st of July then it covers the first full pay period after that date.**

**In other words, if they are being paid for a fortnight that covers one week in June and one week in July, the employer needs to pay at the old rate for the fortnight straddling June and July, and to apply the wage increase from the first full pay period commencing after the 1st of July.**

Note that because many allowances are based on a percentage of the base rate, this means some allowances will increase from 1st July also: "Work-related allowances (such as leading-hand and industry allowances) in modern awards are a percentage of the 'standard rate' in the award. The standard rate is defined in each modern award and is usually the weekly minimum rate of pay for a certain classification. Since the annual wage review increases the standard rate, this will also flow through to any work-related allowances".

You can register for updates from FairWork regarding how the changes apply to a particular award, [click here](#).

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### ATO Small Business Superannuation Clearing House for more Employers

From 1 July 2015, all businesses with an annual turnover below the small business entity turnover threshold, currently set at \$2 million, will be eligible to access Small Business Superannuation Clearing House (SBSCH).

This change means approximately 27,500 additional businesses will be able to access the SBSCH. (Currently to access the SBSCH you have to have 19 or fewer employees).

[ICB - Super Clearing House \(ATO\)](#)

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### Update June 2015



It is early days in design with no actions required by business at this time.

- It is a concept announced by government for “commencement” from July 2016. (Current discussions are tending towards the first implementations being in March 2017).
- True consultation is now taking place aiming for effective implementation.
- Payroll software providers are at different stages of being able to implement this (yet to be finalised) system. Noting that effective payroll processes are already well established which should enable a quicker implementation of the government’s proposals.

### Concept

- Employers will have to use payroll software
- TFN Declaration and SuperChoice forms will be automated through myGov and payroll software
- The each payrun the employer will hit the “Single” button that will:
  - Send the payment to the employee
  - Provide the payment slip to the employee
  - Advise the ATO of the payment to the employee and the details
- However, the employer will continue to pay:
  - PAYG Withholding to the ATO in accordance with current payment schedules.
  - The SGC amounts through the SuperStream system as currently.
- Remove W1 and W2 from the activity statements (although we disagree)
- Remove the need for the annual Payment Summary (again, we disagree)



### Cashflow

- Large businesses will continue to pay their PAYGW in the same one week cycle that has been in place for years.
- Medium Businesses will continue to pay PAYGW monthly.
- Small Businesses will continue to pay PAYGW quarterly.
- SGC Payments will remain as applied today; typically quarterly but subject to shorter terms in some workplaces.

There remains an “opt-in” concept for those employers who want to pay either or both their SGC and PAYGW each and every payrun.

### Why?

There has been discussion that STP will result in less paperwork, less red-tape and less cost of compliance. We are yet to see any convincing argument behind any of these discussions.

However the development of automatic computerised processes may assist achieving this aim. Automation of the TFN Declaration and SuperChoice forms by an interaction of the governments systems and the employer’s systems (payroll software) will make the engagement of an employee more efficient and progress greater accuracy of the employees details in both the government’s records and the employer’s records.

We do believe that if properly implemented, STP reporting to government will be of insignificant impact to employers existing payroll processes.

STP Reporting should have a direct positive and measurable impact on checking that employees are deriving their employment benefits. It should also help with checking that all employers are competing on an equal basis. Regular reporting allows timely review and actions to ensure the employers who are doing the right thing are not disadvantaged because of the actions of others. We are stating that the STP reporting can be justified if the ATO has an active (consistent) plan in relation to: SGC obligations to be monitored and non-payment followed up rapidly and more regularly, PAYGW obligations to be monitored and employers contacted before debts get out of control.

You have been telling us at ICB, that both you, (our members), and the businesses you work with, are sick of the crooks down the road that don't pay their SGC and avoid paying their PAYGW. STP allows rapid detection and action against such "interesting" businesses. The ATO are committed to working with the compliant businesses and chasing hard those that deliberately do not meet their obligations.

## The Journey towards STP for Bookkeepers

We believe a form of STP reporting will be implemented by government probably in the year ended 30 June 2018 and applied to all by 30 June 2019.

We believe that any employer should have a form of payroll software that provides effective and efficient business processes. For some; small or irregular or seasonal employers, the needs are different from those that employ consistently or large work forces. STP should be designed to cater for all styles of employers.

Bookkeepers should continue the journey to automating the employers they work with, adopting the appropriate payroll software, facilitating a payment gateway to allow electronic payments to employees, moving towards electronic payslips (if not employee portals) and certainly moving towards lodging TFN Declarations and Payment Summaries electronically.

## General Concerns

*What if the data first sent needs to be changed?*

Preliminary response: The system is being designed to allow full amendment of information and also assurance that the ATO will NOT overreact to information without softly asking.

*What if the person doesn't have any internet/ good internet / enough internet to be constantly sending information to the ATO?*

Preliminary response: The legislation and administration of the system will allow exceptions where required.

*What if the pay information needs to be changed?*

Preliminary response: The system is being designed for amendment to information previously submitted.

*What action will the ATO take if they get some information they don't like?*

Preliminary response: We are lobbying the Government and the ATO to have an approach that they will make enquiries softly first before initiating any burdensome investigations. The ATO seem to be favourably considering this approach. Such a soft approach is consistent with the current philosophy of the ATO.

*We also wonder how many businesses will be interested in sending this information to government all the time?*

Preliminary response: The argument is that all businesses will be comfortable with this burden if the government is actually doing something about the employer who is obviously not complying. This increased reporting MUST result in a level playing field.

## Fears

Garbage in, Garbage out, Garbage sent to the ATO. Somebody will have to fix it!

ATO may overreact.

ATO and superfunds will have so much data coming at them that the whole increase to reporting obligation will place a burden on business to create data that will never be used.

## ICB Intention

At the core we believe the concept of Single Touch Payroll has merit.

We believe if implemented properly and consideration is given to compliant employers so that the program does provide a reduction in workload, then it is worth pursuing.

We believe it has to be implemented and explained very well and very carefully.

### Related References

- [ICB Single Touch Payroll](#)

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## Best Practice Bookkeeping

### Payroll 53 Weeks and 27 Fortnights in a Year

If your payroll has 53 weekly or 27 fortnightly pay periods, you may need to withhold extra tax.

Using the usual weekly or fortnightly tax tables may result in a shortfall of tax paid by the employee.

The employer should notify the employees early in the year if this is the case, and give the employees the option to have extra tax withheld as per the ATO guidelines for this situation, [click here](#).

**A large number of employees will have an extra pay period in the 2015–16 financial year. This happens if their first weekly or fortnightly pay falls on Wednesday 1 July 2015 or Thursday 2 July 2015.**

Bookkeepers and BAS agents involved in payroll should let business owners know NOW if this situation will apply to their business, and let employees know accordingly.

#### 53 Pay Periods

Weekly Earnings	Additional PAYG to Withhold
\$725 to \$1,524	\$3
\$1,525 to \$3,449	\$4
\$3,450 and over	\$10

#### 27 Pay Periods

Fortnightly Earnings	Additional PAYG to Withhold
\$1,400 to \$3,049	\$12
\$3,050 to \$6,799	\$17
\$6,800 and over	\$42

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## Paid Parental Leave has not Changed ..... Yet

### PPL - Paid Direct to the Employee by Centrelink - it can Happen!

Following conflicting advice from Centrelink and adamant statements that "Centrelink does not ever pay PPL direct to employees". We conducted further research and had a different discussion with Centrelink, and the Centrelink website is now different.

It is possible for an employee to be eligible for PPL before their employer is obligated to pay it.

To be **eligible** for Parental Leave Pay, an employee must:

- Be the primary carer (usually the mother) of a newborn or recently adopted child
- Meet Australian residence requirements from the date the child enters their care until the end of their Paid Parental Leave period
- Have met the Paid Parental Leave work test before the birth or adoption occurs
- Have received an individual adjusted taxable income of \$150 000 or less in the financial year before the date of birth or adoption or the date of claim, whichever is earlier
- Be on leave or not working, from when they become the child's primary carer until the end of their Paid Parental Leave period, and
- Make a claim within 52 weeks of the child's birth or adoption. To receive the full 18 weeks Parental Leave Pay, claims must be lodged at least 18 weeks before the child's first birthday or anniversary of adoption or surrogacy

To meet the Paid Parental Leave work test, your employee must have:

- Worked at least 10 of the 13 months before the birth or adoption of their child, and
- Worked for at least 330 hours in that 10 month period (just over 1 day a week), with no more than an 8 week gap between any 2 consecutive working days



[Centrelink: Paid Parental Leave Scheme for Employers – Employee Eligibility](#)

### Employer's Obligations

As an employer, you must provide Parental Leave Pay to an eligible employee who:

- Has a newborn or recently adopted child
- Has worked for you for at least 12 months before the expected date of birth or adoption
- Will be your employee until at least the end of their Paid Parental Leave period
- Is Australian-based, and
- Is expected to receive at least 8 weeks of Parental Leave Pay

[Centrelink: Paid Parental Leave Scheme for Employers](#)

Therefore there is a difference between the employer's obligation and the employee's entitlement.

We also believe that partners in a partnership may also have their PPL paid directly.

No other announced proposals about the PPL system have been brought into law/reality as at the date of writing.

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## What if SuperStream Fails?

ICB keep hearing of cases where the Super Funds are not recognising the payments made by the employer that the clearing houses are stating have been sent to the funds.

The ATO response is as follows:

The ATO is not aware of any examples of backlogs in processing contributions by super funds. SuperStream contributions transaction volumes are increasing (over 1.2 million per month) and the implementation of messaging solutions is progressing well. If there are any specific examples that can be provided to the ATO, we will look into the causes and work with the Australian Prudential Regulation Authority (APRA) to resolve them.



Under SuperStream, **super funds have three days to process contributions** payment data and allocate payment to members' accounts. This same three day period applies to a 'default' fund offering a 'pass through' service to process data and allocate payments to an employee's choice fund. From 1 July 2015, super funds that do not adhere to the 'three day rule' must report a breach to APRA.

Where employers choose to use an intermediary, such as a clearing house, as a SuperStream solution they may need to factor in a time lag for contributions arriving at the destination super fund. This time lag may vary between commercial offerings. Employers (or those that manage super contributions processing on their behalf) are encouraged to carefully review the terms and conditions of services provided by an intermediary to ensure employers still fulfil their super guarantee obligations in time.

Employers have many options when it comes to implementing SuperStream. It is not compulsory to use a clearing house. Employers should select an option that suits their business needs now and in the future - this may include dealing directly with superannuation funds in relation to the payment of contributions or using the services of the ATO's Small Business Superannuation Clearing House.

### An Interesting Note from the SBSCH

For taxation purposes, payments **other than superannuation guarantee contributions** such as 'salary sacrifice' payments are not considered to have been made until the date the super fund receives the payment, even if you use the Small Business Superannuation Clearing House.

In order for these payments to reach the super fund by 30 June 2015, they must be received by the Small Business Superannuation Clearing House no later than **6:00pm (AEST) Tuesday 23 June 2015**.

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## Hospitality Awards Super Thresholds

Did you know that two hospitality related awards have a lower threshold at which the super guarantee must be paid?

### Restaurant Industry Award 2010

#### 30.2 Employer contributions

1. An employer must make such superannuation contributions to a superannuation fund for the benefit of an employee as will avoid the employer being required to pay the superannuation guarantee charge under superannuation legislation with respect to that employee.
2. The employer must make contributions for each employee for such month where the employee earns **\$350.00 or more in a calendar month**.



28.2 Employer contributions

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2. The employer must make contributions for each employee for such month where the employee earns \$350.00 or more in a calendar month.

Fast Food Industry Award 2010

The usual threshold of \$450 per calendar month applies for the Superannuation Guarantee Contribution.

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BAS Agent Information

Provide Payment Summaries Electronically

Yes, you can provide payment summaries to your employees via electronic means.



The same principles apply as for providing payslips electronically.

- Advise employees of your intention to provide electronically
- Ensure employees have the means to receive, view and print their payment summary
- Make available the means to view and/or print the payment summary
- Ensure the payment summary is sent securely and abides by privacy laws—the email address used must be private and not a generic work email address that others can access
- Provide a paper version if requested by employee

Requirements

- Non-editable
- Letter quality print
- A4 size
- Transmitted electronically to employees by 14 July 2015

See the [ICB End of Year Payment Summary Guide](#) for more information on preparing payment summaries.

Electronic Payment Summary 2015

Dear (Employee name),

Your 2015 PAYMENT SUMMARY

It is our intention to provide you with your 2015 Payment Summary electronically. This means we will produce and provide a PDF version of your Payment Summary and forward it to your private email address on our employee records.

That email address is: \_\_\_\_\_@\_\_\_\_\_

Please advise us as soon as possible if that email address needs to be changed with an email address that you approve for us to provide your personal Payment Summary.

The Payment Summary contains your personal details, your personal tax file number and details of your pay for the year 2015, accordingly if you do not consider the above email address secure or appropriate please advise us before 30 June 2015.

If you prefer to receive your payment summary on paper you will need to advise us before 30 June 2015.

We will advise you on your normal work email address when your payment summary has been sent to you.

Please advise us immediately if it is not received or it is unreadable or if you have any questions in relation to that Payment Summary.

Regards,

(Employer/Manager Name)  
Business Name

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## PAYG Instalment Rate Changes

### Changes to PAYG Instalment Amounts

From 1 July 2015, the GSP adjustment used to work out quarterly pays as you go (PAYG) instalment amounts will be 3% for the 2015-16 income year.

#### Further Resources:

- [Additional Method for Monthly PAYG](#)
- [ICB Resource - PAYG Instalments](#)

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## Continued Professional Education

### This Month From the ICB Continued Professional Education Webpage

ICB Events and Webinars	Classroom	Online
<a href="#">ICB Network Meetings</a> Nationally, Monthly	<a href="#">ATO Open Forums</a> Various Locations Various Dates	<a href="#">Manage Payroll in Reckon Accounts</a> Online Various Dates
<a href="#">ICB Technical Webinar: EOY Business Activity Statement - REPEAT</a> Online 25th June, 2015	<a href="#">Foundations of Payroll</a> Various Locations Various Dates	<a href="#">Payroll End Of Year Processing in Xero</a> Online Various Dates
<a href="#">ICB Technical Webinar: End of Year Financials and Accountants</a> Webinar 28th July, 2015	<a href="#">Xero - Intermediate - Payroll and BAS</a> Classroom, Balcatta, WA Various Dates	<a href="#">End of Financial Year in Xero</a> Online Various Dates
	<a href="#">Xero - Essentials and Beyond</a> Classroom, Balcatta, WA Various Dates	<a href="#">MYOB EOFY Webinars</a> Online Various Dates
	<a href="#">Terminations</a> Various Locations Various Dates	<a href="#">Reckon One Training Webinars</a> Online Various Dates
	<a href="#">Payroll Updates</a> Classroom, Perth, WA 19th June, 2015	<a href="#">Xero Tips and Tricks</a> Online Various Dates

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## ICB Technical Webinars

### End of Year Financials and Accountants

12.30pm (AEST)  
28th July, 2015

Take an in-depth look at the End of Year with our last webinar on the process.

To register, [click here](#)

### Subcontractors

12.30pm (AEST)  
25th August, 2015

At its essence a subcontracting arrangement is a business-to-business relationship. You would hire a contractor who could be an individual, partnership, company or trust, to complete a certain task at a certain price.

The contractor has undertaken a contract for service, not a contract of service. Whereas an employee works in your business and is part of your business, whereas an employee works in your business and is part of your business.

ICB's subcontractor webinar will include the many factors which need to be considered when determining whether a worker is an employee or contractor.

The webinar also looks at voluntary withholding, superannuation and the effect on workers compensation and payroll tax.

To register, [click here](#)

## ICB Network Meetings



### Question For You to Discuss This Month - Staff Bonus

#### This month's question for you all to debate at your network meeting is:

My client has awarded an employee a bonus for staff member of the year, in the form of a voucher for \$2,000 to a travel agent. How should I enter this in payroll and is FBT a factor?

Let us know your thoughts and solutions by posting comments on the Q & A Space.



[Let us know your thoughts here](#)

#### Last month we asked you:

My client has employees and contractors working in several states. He insists that workers in other states are not counted for payroll tax, nor are any contractors. He has regular contractors that work for about one month at a time on different projects throughout the year. At the moment his local employees' wages do not reach the threshold, but if we count the interstate workers and contractors he would go over the threshold.

Can you advise whether he is right or should we be including all workers?

## ICB's Response:

All employees and some contractors, regardless of state, are counted for payroll tax. Each state has a different threshold at which payroll tax must be paid. On registering for payroll tax, you must declare an estimate of total wages and salaries including superannuation across Australia, and also declare an estimate of interstate wages and salaries. The state in which the business pays most of its wages will be the state in which it registers for payroll tax. This threshold is then reduced according to the amount of interstate wages.

For example, the Victorian threshold is \$45,833 per month. If the business pays employees or contractors in another state, then the Victorian threshold is reduced accordingly and payroll tax will be payable on a reduced threshold, say \$40,000. When the business reaches the threshold in the other state, it will also be liable to pay payroll tax in that state.

In your example, you will need to calculate the number of days the contractors work in a financial year. If the contractors have worked in excess of 90 days through the year, they will be counted for payroll tax. The number of days counted are not required to be consecutive. Note that "one day" is any work done from midnight to midnight; so a contractor who works only for a few hours on one day will be counted for that day.

There are some exceptions to contractors included, and you should check your state's rules and definitions on what is included for payroll tax.

## Related References

- [ICB Payroll Tax](#)

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## Upcoming Network Meetings

Join a network meeting this month, not just to share, but to also network and keep informed.

All ICB Network Facilitators volunteer their time to assist ICB in keeping you up to date and informed and without the help of these fantastic people these valuable meetings would not happen.

If you are unable to attend your local meeting due to time restraints or there isn't a meeting in your area, why not join us via webinar on the 2nd week of each month.

<b>Webinars</b>			
<a href="#">Online</a> 10th July, 2015 - 12pm (AEST)	<a href="#">Online</a> 13th July, 2015 - 5pm (AEST)		
<b>Queensland</b>			
<a href="#">Brisbane North</a> 14th July, 2015	<a href="#">Brisbane South</a> 21st July, 2015	<a href="#">Bundaberg</a> 21st July, 2015	<a href="#">Burrumbidgee</a> 8th July, 2015
<a href="#">Cairns</a> TBA	<a href="#">Dalby</a> 25th June, 2015	<a href="#">Gold Coast - AM</a> 14th July, 2015	<a href="#">Gold Coast - PM</a> 14th July, 2015
<a href="#">Hervey Bay</a> 4th August, 2015	<a href="#">Ipswich</a> 14th July, 2015	<a href="#">Logan</a> 15th July, 2015	<a href="#">Moreton Bay</a> 13th July, 2015
<a href="#">North Sunshine Coast</a> TBA	<a href="#">South Sunshine Coast</a> 16th July, 2015	<a href="#">Toowoomba</a> TBA	<a href="#">Townsville</a> 17th July, 2015
<b>New South Wales</b>			
<a href="#">Ballina</a> 14th August, 2015	<a href="#">Balmain</a> 20th July, 2015	<a href="#">Bathurst</a> 18th August, 2015	<a href="#">Bellingen</a> TBA
<a href="#">Blue Mountains</a> 24th June, 2015	<a href="#">Brookvale</a> 10th August, 2015	<a href="#">Central Coast</a> 24th June, 2015	<a href="#">Dubbo</a> 17th September, 2015
<a href="#">Hornsby</a> 9th July, 2015	<a href="#">Moorebank</a> 8th July, 2015	<a href="#">Newcastle</a> 27th July, 2015	<a href="#">Orange</a> 17th September, 2015

Port Macquarie 14th July, 2015	Randwick - Bondi 21st July, 2015	Shoalhaven 27th July, 2015	Sutherland 22nd July, 2015
<b>ACT</b>			
Canberra - Phillip 14th July, 2015	Canberra - Northside 15th July, 2015		
<b>Victoria</b>			
Bulleen 14th July, 2015	Burwood 1st July, 2015	Chadstone 13th July, 2015	Cobram 2nd July, 2015
Docklands 16th July, 2015	Echuca 16th July, 2015	Frankston 9th July, 2015	Geelong 23rd June, 2015
Lilydale 30th June, 2015	Macedon Ranges 18th August, 2015	Mordialloc 7th July, 2015	Mt Waverley 7th July, 2015
Narre Warren TBA	Point Cook 10th July, 2015	Sale 9th July, 2015	Yarra Valley 10th July, 2015
<b>Western Australia</b>			
Balcatta TBA	Broome 5th August, 2015	Bunbury 25th August, 2015	Busselton 24th July, 2015
Cockburn Central 15th July, 2015	Joondalup 17th August, 2015	Kalgoorlie TBA	Melville 8th July, 2015
Noranda 12th August, 2015			
<b>South Australia</b>			
Henley Beach TBA	Mt Barker 21st July, 2015	Para Hills 15th July, 2015	South Adelaide 6th August, 2015
Unley 23rd July, 2015			
<b>Tasmania</b>			<b>Northern Territory</b>
Hobart 31st July, 2015			Darwin 20th July, 2015

These meetings are conducted in a relaxed and informal environment to promote discussion amongst those attending the meetings.

No meeting in your area?

We are always on the lookout for facilitators to run meetings in their local area so if you are interested please contact Rick Van Dyk at [rick@icb.org.au](mailto:rick@icb.org.au)



ICB Network Meetings are proudly supported by MYOB

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## Other Things Happening in the World

### EOY Thoughts from Business.gov.au

Business.gov.au providing their version of what you need to think about at the End of Financial Year.

[Click here for Business.gov.au's 10 essential tasks for small business at end of financial year.](#)

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## MyGov Mailbox for Business

The Digital Transformation Office is coming into existence.

Provided an initial budget of \$95m as from 1 July 2015 it looks like change is ramping up.....

One of the first priorities; MyGov mailbox for business.

[Further details available here.](#)

They will also be expanding digital mail for businesses through a new digital account set for release in 2016. This will mean all Australian businesses will be able to get their messages from government in one place and then seamlessly complete digital transactions.

This will be a game changer in the way business transacts with government, saving time and frustration.



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## This Month From the ICB

### Connect to ICB through Facebook, LinkedIn and Twitter

#### Are you engaged with ICB's Social Media sites?

We have a company Facebook page, a LinkedIn account and a Twitter account.

You can access ICB's posts via any of these sites. These sites connect you to news items, webinars, ICB events and updates.

If you are a Facebook fan and would like to watch our links and the discussions by ICB members then from within Facebook, go to our page and "Like" it. 1,100 people have connected to date.



If you are on LinkedIn, you can follow us by clicking on the image below.



If you are on Twitter, you can follow us by clicking on the image below.



Follow us on **twitter**

Connect with us and feel free to re-post through your own networks.

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## What's New This Month?

### Recent Resources, New and Updated

- [Voluntary Withholding Agreements](#)
- [Bookkeeping eBrief for your Clients](#)
- [End of Year Workshop Questions and Answers](#)
- [June 2015 Network Meeting Webinar](#)
- [Authority to Lodge TPAR](#)
- [Authority to Lodge SGC Statement](#)
- [Superannuation Guide](#)
- [2015 Members Newsletter Index - January to May 2015](#)

### News Items

- [Govt review BAS - should it change?](#)
- [Superstream Timing](#)
- [Intuit Promo - Add value for \\$4.99](#)
- [SBSCH cut off dates](#)
- [MYOB EOFY Webinars](#)
- [Reckon One Training Webinars](#)
- [Salary Sacrifice](#)
- [Super Tax Deductions](#)
- [STP discussions](#)
- [Loadings on the payslip](#)
- [SuperStream deadline deferred](#)
- [Government moves to get STP right](#)

### ICB Q & A Space News

Do you charge your clients for your MYOB subscription? Find out what others are saying and [doing here](#). With technology and payment options changing, how do you reconcile PayPal? Do you have any advice or tips you can offer on PayPal reconciliations, [let us know here](#). There is a very interesting thread for those of you who assist those who lease space in the medical industry, you can [join the thread here](#) and have your say. [Bookkeeping charge out rate?](#) A subject that would be very close to nearly every bookkeeper, and the subject of one of our newsletter articles this month.

You can check out all the [latest threads](#) here.

Feel free to ask your questions regarding any issue you June be having or if you require clarification, we are here to help.



[The Latest Updates](#) lists all the topics in order of replies

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### Business Newsletter - eBrief - June 2015

The June 2015 Bookkeeping eBRIEF is now available for you to download.

Client eBrief



- [June 2015 Bookkeeping eBRIEF](#)

[Back copies are available here](#)

*"The best bookkeepers using the best resources".*

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### Reckon - Get SuperStream Compliant



SuperStream is about to get a whole lot more busy in the coming months as businesses with 20 or more employees start to comply with the changes from 1 July 2015.

It's a big change for business and it's set to save time and money. Aimed at improving efficiency within business, SuperStream will mean all superannuation payments will be made electronically. This new method for making payments is mandatory for employers, APRA-regulated funds and SMSF's.

#### Software Capability

The right software is the most important step you can take toward becoming SuperStream compliant. We have built our software to be SuperStream ready, meeting the requirements of contributions using our preferred solution [NAB Super Pay](#).

Using the right software will also ensure every payment processed generates the data required: including the unique reference number and links them to contribution files. This will ensure that payments can always be reconciled by the recipient.

We have some very exciting news. From 1 July 2015, Reckon will be providing our software users with the SAFF (SuperStream Alternate File Format) file. This will allow you to select any SuperStream gateway provider you choose.

You can check your current business software capabilities against the ATO checklist [here](#).

#### Back up Now

On the 30 June 2015, we will be ceasing our Superlink read only access to all existing Superlink users. We encourage you to back up your Superlink data before then. From 1 July, this data will no longer be accessible.

Change can be very intimidating. Even if your software is completely compliant there is always room for errors or nervousness on the part of clients.

Ensure you have a fall-back plan such as reverting to manual processing so you can assure clients.

#### Get the Information you Need

Under SuperStream you must send payment and contribution data electronically correctly. At Reckon our preferred solution is currently [NAB Super Pay](#). They will help our customers meet their obligations with SuperStream.

There are many other gateway portals that provide a validation service to assist you meet these requirements. A list can be found on the [ATO website](#).

### ***Where can I Find More Information about the SuperStream Changes?***

The ATO website has some information to help you understand SuperStream:  
[ATO - SuperStream, What you need to know](#)

You can also read the [factsheet on SuperStream Reckon prepared earlier this year](#).

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## **From the ATO**

### **ATO using Email Alert Services**

#### **Tax professionals email alert**

In February the ATO said they would talk to your tax professional associations and review the Tax professionals alert - *email*. This has now happened and the ATO have addressed your concerns on their web page [Tax professionals alerts](#). These include:

- That the SMS service is not stopping. The email service is another way for the ATO to send you timely information about unplanned portal outages or functionality issues.
- Clearer information about privacy details and their Australian service provider, Campaign Monitor.
- Using a different email address for the service than the one held by the ATO.

From 29 June 2015 the ATO will offer an email alert service that will operate 24 hours a day, 7 days a week. This new service is another way to receive timely information, when there is:

- Significant unplanned portal outages or functionality issues and when they are resolved.
- Other urgent issues you need to know about.

The ATO will send you a broadcast email message about the Tax professionals email alert on 12 June 2015. It will include full details about opting out of the service or subscribing using a different email address to the one they hold before the 29 June 2015 start date.

You can read about the service at [Tax professionals alerts](#).

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## **ATO: They have Reinvented**

We have taken extracts from Chris Jordan's speech to the TIA on March 2015 to release the Reinvention Blueprint.

We have then taken very select extracts from the [56 page ATO document](#).

These are the highlights to provide a heads up view on what the ATO is saying to us as BAS Agents / Bookkeepers / Business People.

#### **The ATO Aim:**

*'To contribute to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems.'*

*.... to zero-in on 'fostering willing participation'. Levels of willing participation in Australia are high – with the vast majority of people willing to do the right thing. We know that people are more willing to comply if it is easy for them to do so, and if they have confidence that others are complying.*

Making it easier for people to comply.

With all of this input, the ATO have come up with the principles guiding the design of the new experience and they are:

1. easy to get things right
2. tailored experience
3. excellent service
4. fair and respectful treatment
5. service delivered in the most effective and efficient way

To successfully deliver systemic and sustainable change, we have established six formal programs of work:

1. Digital infrastructure – setting up the necessary equipment, systems, technologies, communications and software that will enable people to interact easily in the digital world
2. Tailored services based on profile, history and circumstances – where people get what they need, when they need it, and in the form they want
3. Smarter data – clever, fast and sophisticated use of information, with systems that are able to analyse, predict, anticipate, pre-fill, and generate meaningful risk profiles
4. Working with partners – achieving business outcomes through healthy working relationships with the various players in the tax and super systems: our public service partners for whole-of government, international counterparts across jurisdictions, the tax profession, the software industry, other service providers etc.
5. Workforce capability and culture – deliberate strategies to build capabilities and change our culture
6. Governance and Evaluation – new accountabilities, forums, measures and reporting for reinvention

“Building Confidence” defines the outcome we are trying to achieve – confidence in the ATO and the tax and super systems.

## Debt Management

While the majority of taxpayers voluntarily pay their taxes on time or soon after, collecting outstanding taxes is an ongoing challenge for the ATO. Despite their increased efforts, the amount of debt they have to collect has continued to rise in recent years.

The have shifted their approach to:

Increase help and support for people who are trying to do the right thing – giving them better information, additional tools and a more empathetic hearing. We now have online payment facilities (including for credit cards), SMS reminders, and they’re taking a more flexible and tailored approach so that payment arrangements are better suited to individual circumstances.

The ATO are intervening earlier to prevent debts from escalating beyond people’s control – connecting with people to ensure they stick to repayment arrangements and prevent things getting worse.

Focus on business viability and ability to meet future obligations.

The ATO will be taking legal action earlier when warranted.

They’re changing the look and feel of their letters so it is easier for people to understand what they need to do and where they are up to in the debt collection process. As an example, the ATO recently consolidated six separate system letters, which generated a million letters each year into a single, one page letter. Some letters are being redesigned to be delivered via email, SMS, and myGov channels.

## Working with the Tax Profession

*..the tax and super systems are complex ... You, as representatives of the tax profession, are critical partners.*

As the world around us changes our lives, it changes how we operate and how we perform our roles – true for the ATO and true for you.

What the ATO heard from those conversations was that:

You want to be recognised as partners you want them to help you adapt to the changing needs of the environment and your clients you want to engage with government and link clients to your practice through a single and secure digital entry point you want to be able to fulfil obligations through integrated practice software that links your client’s software and the ATO’s software.

When your clients do things for themselves, you want to be able to see what each other is doing.

Based on the advice of the working group, our efforts for 2015 and 2016 are targeted at:

- maintaining and improving the stability of the tax agent portal
- making existing portal services available to software providers, so they can provide them in tax professionals practice management software
- working with software providers to ensure their products are sufficiently tested and contain the most up-to-date information
- engaging with a broader cross-section of the profession (like our current suburban open forums) to ensure everyone is prepared for going online
- ensuring access to the latest information and a better experience on the website

Next year your 2016 Tax Time software will need to be SBR-enabled (Standard Business Reporting). SBR-enabled software will provide benefits such as:

- client updates that take effect immediately, rather than having to wait overnight
- bulk client updates
- all portal services will be in your practice management software, so you won’t have to keep switching between different systems.

**For Individuals**

The ATO want to give people certainty and today they are announcing their new ‘OK letters’ for some eligible individuals with simple, straightforward affairs.

From September, as a pilot, they will be issuing an ‘OK letter’ to more than half a million (500,000) taxpayers that confirms their 2015 tax return is closed from further review, audit or any kind of compliance activity.

By using pre-filling and background analytics, the ATO can provide this confirmation to these taxpayers within about a month of them lodging their return – except in cases where there is good reason to suspect fraud or false claims.

This concept means taxpayers doing the right thing can lodge their return, receive their letter and move on without any worries about a future audit or review. This initiative reflects the ATO’s emphasis on helping and rewarding people who comply with their obligations. The ATO hope the pilot is a success so that they can expand the ‘OK letters’ to many more people.

[Extracts from the Blueprint Document](#)

We want the ATO to be relevant and valuable to the Australian community for the long term – trusted and respected here and internationally and considered a leading organisation by all stakeholders. “



**Towards 2020 and beyond:  
Streamlined self-assessment**

Globalisation, digital economy, social media, rapidly changing community expectations, digital by design.

**Streamlined self assessment**  
Based on integrated digital solutions and stronger relationships.

Right services at the right time.

We align to community standards and expectations and ensure taxpayers pay the right amount.

Agile and empowered networks of individuals and teams.

Whole-of-client, whole-of-government, whole-of-ATO.

Integrated digital solutions.

Foster willing participation by making it easy to get things right and hard not to.

Sensible risk management.

Tailored engagement based on risk.

Increasing voluntary compliance.

Building Community Confidence

Through Insight and Tailored Engagement

Community confidence in the tax and super systems is critical for maximising willing participation.

1. It takes minimal, time, effort and cost to get things right.
2. I am confident the ATO uses modern, digital tools to provide services and identify risk
3. I know that if the ATO needs to communicate with me our dealings will be professional and sensitive to any impacts on me and my time.
4. I am willing to fulfil my tax and super obligations, and I expect the ATO will deal with those who don't.
5. I trust the ATO to take swift action if people abuse the tax and super systems.
6. I have open, honest and timely communication with the ATO to avoid and/or pragmatically resolve disputes so together we can agree on common ground and fair outcomes.
7. My tax and super dealings may not always be directly with the ATO, but with other agencies or third parties.

BAS agent - Client experience story

The blueprint for the future tax and super systems is being shaped through ongoing consultation and co-design with the community, stakeholders and ATO staff. Final design decisions will be influenced by factors including legislative direction and finance.



## ITA MCKENZIE

Registered BAS agent, McKenzie Business Services

After building a successful business as a BAS agent in Brisbane, I chose to relocate. Technology has opened more doors for how I can run my business and that's helped me strike a better work/life balance too.

I set up my business so that I could work with local and remote clients, and work the hours I wanted, in the way I wanted. I gained efficiencies by using state of the art technology for information acquisition, processing, verification and lodgment.

I am an active member of my professional association and am qualified to provide expert service to my clients. They don't have the time and sometimes the capability, to be appropriately managing their financial affairs, including their BAS obligations. Time out of their day means money, it's their livelihood.

For many of my clients, I am a great translator since I understand their business and they authorise me to act on their behalf as their business and financial administrator. I help them with their day-to-day compliance (especially payroll and GST) and also act as the liaison between them and their tax agent.

I support those who want to be digital by showing them how they can manage their business, review their accounts or access information using their own computers. It is

great that we can access the same information despite being in different locations.

While some of my clients are tech savvy, others look to me to do all of the digital interactions. I manage their individual and business profiles, and use their business software to interact on their behalf with the ATO.

Over the past few years I've been working with the ATO to transition my paper based clients to digital business systems. One day I got a call from an ATO officer. They had noticed that I was a local agent managing most of the clients' software. They wanted to help me, and the local community, by running virtual information sessions. The sessions were just as good as face-to-face and we assisted business to understand their BAS and obligations. It was great for the ATO to be involved and really helped me get the best outcome for my clients.

### What the ATO does

- We understand that local professionals have valuable ties to the community and can help us to engage with clients in valuable ways.
- We accept that we do not always have to be the service provider.
- We understand that sometimes business don't need to be digital themselves if they use a tax agent that is.

### How the ATO behaves

- We have a service focus.
- We build trusted relationships.
- We collaborate without boundaries.
- We continuously simplify and improve the way we do things.
- We strive to make a difference.

I work closely with my clients. I am a professional who has Certificate IV qualifications and using that knowledge and my experience, I seek to ensure the best ways to help business meet their obligations. In doing so I work closely with ATO staff to resolve concerns or disputes in a timely manner to achieve pragmatic outcomes. I use SBR enabled software to interact with the ATO.



## Notes from ATO BASAAG Meeting

### ICB attend ATO BAS Agents Advisory Group

ICB represent you into the ATO through the BAS Agents Advisory Group.

[See here](#) for the ATO notes from the recent meeting. Other areas of discussion have been covered in other articles and information provided to you.

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## Future of Tax Profession Working Group

### ICB attend ATO Future of Tax Profession Working Group

ICB represent you into the ATO at the "Future of the Tax Profession" Working Group.

[See here](#) for the ATO notes from the recent meeting. Other areas of discussion have been covered in other articles and information provided to you.

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## ATO News Alert Service

### ATO News Alert Service - Tax Professionals

12 June 2015

#### Tax professionals alerts email service to start

In February we said we would review the tax professionals email alert service with professional association representatives and tax professionals. This has now happened and the Tax professionals alert - email service will start from 30 June 2015.

The email alert service will operate 24 hours a day, 7 days a week and provide you with timely information when there are:

- significant unplanned portal outages or functionality issues and when they are resolved
- other urgent issues you need to know about.

The email alert service is an additional service to the SMS alert we currently offer. Both services are available to you. You and your practice staff can choose to subscribe to one or both services, using separate email addresses or phone numbers.

#### What you need to do to receive the email alert

You do not need to do anything. We will automatically subscribe you using the email address the Tax Practitioners Board provided us. Simply add ATO-TPAlerts to your 'Safe' or 'Preferred sender' list. Information as to how your personal information will be handled is available at Tax professionals alerts - privacy details.

#### To opt out of the email alert

Email us by 29 June 2015 at ATO-taxagents. Do not reply to this email.

We will need your name, registered agent number and email address we sent this message to. We will confirm the email address has not been added to this service.

### To receive the alert at a different email address

You will need to opt out following the instructions above and also include the email address you want to receive the alert at.

### More information

You can compare the email and SMS service, read privacy information and subscribe other email addresses at our Tax professionals alerts page.

Our Australian service provider, Campaign Monitor, uses a software company located overseas (the United States of America) to host the mailing list. Your email address will be used for the sole purpose of the Tax professionals alert - email. No other personal information will be provided to, collected or stored by Campaign Monitor.

We hope you find that the addition of a 24/7 email alert service offers a better way to keep up to date with unplanned portal outages and functionality issues.

Colin Walker  
Assistant Commissioner

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### Portal Maintenance - Scheduled Downtimes

See [this link for scheduled times](#) for the full guide to system maintenance and issues.

The portals will be unavailable at the following times for scheduled system maintenance.

Upcoming scheduled portal system maintenance:

Scheduled Start Time	Scheduled End Time
Saturday 11th July 8.00pm EST	Saturday 1st August 8.00pm EST
Sunday 12th July 8.00am EST	Sunday 2nd August 8.00am EST

For resolving common issues [visit this link](#).

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### ICB Membership Statistics as at 31st May, 2015



# 5,003

2,934 Members maintain Fellow, Member, Associate, Affiliate and Educator membership.

ICB also has 23 Accredited Training Provider Members, 2,040 Student Members and 6 Subscriber Members.

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### ICB Supporters and Sponsors



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**The** monthly Newsletter for members of the Institute of Certified Bookkeepers.

A selection of those articles listed are accessible by ICB Members **ONLY** - ICB Members, you will need to be logged onto the ICB website to view all the articles in full.

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