



# Institute of Certified Bookkeepers

## Making you Count

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## Bookkeepers helping Bookkeepers helping Business

July 2017

Welcome to ICB's July 2017 Newsletter.



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## Additional Information for Members Only

In this month's [Members Newsletter](#) you will find the following additional information:

### Important News

- AUSid – Next Generation AUSkey?

### Best Practice Bookkeeping

- Simpler BAS Changed the Portal
- Hospitality Industry – New Resource

### The BAS Agent World

- False and Misleading Statement Penalties
- GST on Digital Goods and Services Supplied to Australia
- GST Registration for Non-Residents

### Dob in a Crook - Even if it is Your Client

There are a new set of requirements stated by the APES (Accounting Professional Ethical Standards). These are the code of conduct requirements imposed on members of the accounting professional associations.

The requirements are outlined as follows:

Responding to Non-Compliance with Laws and Regulations:

“When encountering such non-compliance or suspected non-compliance, the Member has a responsibility to obtain an understanding of those provisions and comply with them, including any requirement to report the matter to an appropriate authority and any prohibition on alerting the relevant party prior to making any disclosure, for example, pursuant to anti-money laundering legislation” (APES 110 Pgr 360.3)

A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. When responding to non-compliance or suspected non-compliance, the objectives of the Member in Business are:

- a. To comply with the fundamental principles of integrity and professional behavior;
- b. By alerting management or, where appropriate, those Charged with Governance of the employing organisation, to seek to:
  - i. Enable them to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance; or
  - ii. Deter the commission of the non-compliance where it has not yet occurred; and
- c. To take such further action as appropriate in the public interest

(360.4)

### Impact for Bookkeepers

The APES pronouncements do not immediately or directly apply to Bookkeepers or members of ICB, however, the concepts behind these standards are endorsed by ICB.

Accounting Professionals should have a responsibility to make management aware of the compliance requirements in any business. This may necessitate raising questions in areas which are within, or without, the normal scope of work engaged.

Should there be concern directly relating to the duties performed, it is then vital to raise these concerns in writing and to seek a response from the organisation. However, in the event that there is a lack of willingness to comply from the organisation, it is essential to reconsider the ongoing provision of services provided.

The new APES provisions go one step further in requiring consideration to the wider economy and to make the appropriate disclosure to the responsible regulator.

**Note:** There are other laws that do not come under this provision where it is unlawful to discuss client affairs to the regulator without the legal requirement and permission from the organisation to do so.

### The Future

Government are considering other provisions for the “whistle-blower” legislation that protects persons from making regulators aware of incorrect behaviour.

Currently this style of protection only applies within Government.

### For the Full Standards

- [Full Ethical Standards of APES](#)



## ATO Attacks Cash Businesses

*Taken from the ATO (June 2017)*

We know most business owners are honest and that running a business can be difficult. So by finding industry-wide patterns, we can see who may need assistance.

Unfortunately, there are businesses that operate in the cash and hidden economy, gaining an unfair advantage over those who declare their income and do the right thing. We aim to protect honest business from this unfair competition.

We work closely with industry associations, tax practitioners and businesses to understand any issues they may have. We use up-to-date third-party data and sophisticated risk-analysis to identify who may not be doing the right thing or may require more help.

We have found that the community has less tolerance for unfair practices than they once did. If you see something, let us know so we can follow it up.



### Visiting Business

We will focus on businesses that:

- operate and advertise as 'cash only'
- our data matching suggests they don't take electronic payments
- are part of an industry where cash payments are common
- indicate unrealistic income relative to the assets and lifestyle of the business and owner
- fail to register for GST, or lodge activity statements, or tax returns
- under-report transactions and income according to third-party data
- fail to meet superannuation or employer obligations
- operate outside the normal small business benchmarks for their industry
- are reported to us by the community for potential tax evasion

### Why We are Visiting 'Cash-Only' Businesses

We are visiting businesses across Australia as part of our ongoing focus on the cash and hidden economy. In particular, we are focusing on businesses advertising 'cash-only' or dealing mainly in cash.

We will work with business and industry associations along with local authorities like Chambers of Commerce and councils.

We will be talking to them about:

- why we are focusing on cash
- the benefits of electronic payment and record keeping facilities
- community expectations of paying by card
- our tools and demonstrating how to use them, including online lodgement
- making sure they are registered correctly
- ensuring all businesses pay the correct amount of tax and superannuation by declaring all of their income and knowing what expenses they can claim
- lodging their tax returns and activity statements
- meeting their obligations if they are struggling, taking into account specific circumstances, and helping them get back on track
- any other help they may need.

If we see a business deliberately doing the wrong thing, we have an obligation to do something about it. This could result in an audit or even prosecution.

No matter what kind of business you have, if you are doing the right thing, you do not need to be concerned.

## Results from Past Visits

### Hair and Beauty Industry

Our recent activities have resulted in:

- an increase of around 4% in timely lodgement of activity statements compared to the 2015 financial year
- an increase in GST registrations being corrected
- more timely payments of income tax and activity statement liabilities
- a reduction in outstanding payment obligations
- business owners being supported and educated to make informed decisions about their tax obligations.

### Restaurant, Cafe, Takeaway and Catering Industry

Our recent activities have resulted in:

- an increase of over 6% in timely lodgement of activity statements compared to the 2015 financial year

#### corrections to GST registrations

- an increase in timely payments of income tax and activity statement liabilities
- business owners being supported and educated to make informed decisions about their tax obligations.

### Building and Construction Industry

Our recent activities have resulted in:

- an increase of around 5% in the timely lodgement of activity statements compared to the 2015 financial year
- over 760 businesses in the building and construction industry have been shown our range of online tools and services since July 2016.

## If You Have Made a Mistake

If you realise you have made a mistake, or left something out, it is better to come to us first. Reduced penalties may be applied, for example if you:

- haven't told us about income you have earned, including cash payments
- claimed deductions you weren't entitled to
- made any other statement to us that was false or misleading.

## References

- [ATO – Protecting Honest Business](#)
- [ICB – ATO Attacks Cash Businesses](#)

## Bookkeepers at ATSA - ICB Training Sessions



ICB has been invited this year to assist in presenting a dedicated Bookkeeper Stream at ATSA 2017: the Accountants' Technology Showcase for Australia.

ATSA is a dedicated two-day event where you, as a bookkeeper, can listen and engage with the leaders of technology in our community. The afternoon of day one has ICB initiated sessions just for bookkeepers.

As a bookkeeper, you have the option to attend just the first day or both days, which is a great opportunity to network and meet all of the software providers in the exhibition area.

The day will kick off with presentations from the leaders of the accounting software providers, who will roadmap what's ahead for Accountants and Bookkeepers.

Some of the sessions for the afternoon include:

- Technology roadmap for anybody doing bookkeeping, presented by Matthew Addison
- Declarations, authorisations and digital signatures and how these are developing for our community
- ICB's HR Intermediary and working with an online HR service provider
- Implementing Single Touch Payroll, presented by Matthew Addison

You can register for one day or both, and choose which session you would like to attend (with no need to book in) and gain the added benefit of being an ICB member to receive a discounted fee.

**Monday 16 October is the dedicated Bookkeeper day with ICB presenting.**  
**Member-only price is available.**

- [Non-members can book here](#)
- [More Information on the Event](#)

## Employer's Perspective on Salary Packaging and Super

Matthew Addison, Institute of Certified Bookkeepers  
16th July, 2017

There has been some unfortunate media articles and other commentary that has put the blame for the "Super Gap" on the shoulders of Small Business Employers.

### Another Perspective

As employers, our intention is not to rip off our workers.

Our negotiations at the commencement of employment and ongoing is to provide remuneration that motivates an employee and pays them in a mutually agreeable form.

Commercially and economically we only have a certain amount of resources. The decision to employ places us as committed to meeting the many obligations of being an employer including the direct financial commitments and the on costs.

The argument is not about a Super Gap!



This should be a discussion about employment, the cost of employment! The allocation of the total remuneration from an employment between taxes, the employees living requirements and the need to place funds into super, arguably for future living requirements.

The discussion should be about efficient processes for employers, for superfunds and for government.

## Observations

Anecdotal evidence is that until late in a person's career they do not value super, in fact it is worse than that; they don't believe the superfund is acting in their best interests. It is dead money!

It is the complexity of dealing with confusing messages and requirements of superfunds that create immense disengagement with superfunds. This applies for both employees and employers.

Employers hate dealing with the superfunds and their collection agencies who make demands upon employers that appear outside of requirements and legal obligations. (Examples of the unnecessary complexity being performed by superfunds: Nil remittance advices should not be required, monthly payments are not always required, payments are typically not required before the stipulated 28th day of the month following each quarter)

## Recommendation

Allow employers and employees to continue to negotiate the dissection of their total remuneration package.

Continue to require at least 9.5% Super to be required as part of the package. Noting that if an employee negotiates that they want to have a total of, say, 12% contributed, then that can be inclusive of the 9.5% required.

Reduce the complexity of an employer's business process by insisting funds only require what is legally required or required by industrial agreement.

Continue to support an appropriate implementation of Single Touch Payroll. The visibility that this system should bring to ATO as regulator of super, as to whether an employer is accruing super and paying super is an improvement to the current environment. We support the concept that Single Touch Payroll should be implemented for all employers but not until the ATO has provided the complete specifications and details to software providers in sufficient time to enable efficient and easy transition of the employers' payroll systems. It is very possible but we are not there yet.

## Conclusion

Employers are not, always, the super problem!

## References

- ICB – Employers Perspective on Salary Packaging

## Best Practice Bookkeeping

### Fair Work Commission Grants Casuals Right to Become Permanent Employees

"In a landmark ruling, the Fair Work Commission has granted millions of casual workers' rights to convert to permanent employment if they work regular hours over 12 months."

Across 85 awards the commission will allow casuals of over 12 months to convert to a full or part time employee. This affects more than 2.53 million casuals that make up 20.8 per cent of the workforce.

The concept is that Casuals do not have guaranteed work and as such receive approximately a 20 per cent loading (different rates in different



awards) on the base rate to cover the omission of paid sick and annual leave conditions in the National Employment Standards (NES).

“If the casual employment turns out to be long-term in nature, and to be of sufficient regularity ... then we consider it to be fair and necessary for the employee to have access to a mechanism by which the casual employment may be converted to an appropriate form of permanent employment,” the bench said.

This won't apply to casual employees that work random and ad hoc times.

Conditions attached below as to whether the conversion will apply:

- a qualifying period of 12 calendar months;
- a qualifying criterion that the casual employee has over the qualifying period worked a pattern of hours on an ongoing basis which, without significant adjustment, could continue to be performed in accordance with the full-time or part-time employment provisions of the relevant award;
- the employer must provide all casual employees (whether they become eligible for conversion or not) with a copy of the casual conversion clause within the first 12 months after their initial engagement; and
- a conversion may be refused on the grounds that it would require a significant adjustment to the casual employee's hours of work to accommodate them in full-time or part-time employment in accordance with the terms of the applicable modern award, or it is known or reasonably foreseeable that the casual employee's position will cease to exist, or the employee's hours of work will significantly change or be reduced within the next 12 months, or on other reasonable grounds based on facts which are known or reasonably foreseeable.

Therefore this conversion can be refused by employers based on reasonable grounds including the adjustment of hours required to accommodate the position, or whether the position may become redundant in the near future. An example of who would have grounds to refuse a casual employee's request would be in the situation where it was reasonably foreseeable that work at a call centre was going to be outsourced by overseas.

Businesses have been advised to take a careful look at the employee arrangements and to get ahead of this curve before the FWC's decision has been legislated.

## Other Proposals

It had been proposed that there be a minimum of two hours for casuals and at least four hours for part time employees. However, this was rejected due to its potential to reduce and impact the workforce participation and limit flexible work practices. As such, there is a “provisional view” that there should be a two hour minimum engagement which will be relevant across 34 modern awards.

The main concern is that this decision will increase the amount of paperwork and red tape that Australian businesses have to wade through.

## References

- [AFR – Fair Work Commissions Article](#)
- [Smart Company – Fair Work Commission Rules Article](#)
- [Fair Work Commission ruling](#)

## Updated Daily Travel Allowance

The daily travel allowance for the financial year 17/18 has been updated.

The ATO tables show how best to treat amounts that have been provided to an employee. When allowances that have been paid in accordance with these guidelines are not taxed, it will not be included in the payment summary and will not have superannuation applied.

However, when a higher amount has been paid, which is not uncommon, the excess amount, as per the ATO tables, is taxed and shown on the payment summary, but will not have superannuation applied.

The important aspect to consider with this allowance is when the standard conditions have been amended or are outside of these terms. Below is the ICB updated resource to assist in clarifying and how best to treat this allowance for this new financial year.



### References

- [ICB – Updated Daily Travel Allowance](#)

## The BAS Agent World

### BAS Agent Lodgement Program 2017

#### ATO Provides Lodgement Concession for Agents

The ATO have released their 2017/18 lodgement concessions for BAS Agents. They apply to electronic lodgements by registered agents

#### Monthly BAS

For SME (under \$10m turnover) the December 2017 BAS can be lodged by 21st February by agents  
All Other monthly BAS remain the 21st of the following month

There are no extensions to monthly obligations, i.e. the due remains as the 21st regardless of who lodges.

The December monthly BAS is extended for everyone to the 21st February and there is no further extension for BAS Agents. (This only applies to “Small Business”, which the ATO is currently defining as \$10m turnover threshold.)

#### Quarterly BAS

- BAS for June 2017 by 25th August
- BAS for September 2017 by 25th November
- BAS for December 2017 by 28th February 2018
- BAS for March 2018 by 26th May 2018

Quarterly Activity Statements receive a two week extension for electronic lodgement and an additional two weeks for lodging through an Agent. The December BAS is extended to 28th February, regardless of who lodges.

#### Portal display

The published “due dates” for BAS etc will not show the agent’s extended dates. We note that some SBR/PLS software, (i.e. GovReports), now recalculates the due dates for you and displays the extended date. The portal will not show the agent’s extended dates until after the BAS has been lodged.

The extensions apply if you lodge by: PLS, ECI or Portals. We expect SBR enabled Business Management Software to be included in the list.

## PAYG Annual Report/PSAR/EMPDUPE

The Payment Summary Annual Reports lodged by an agent are required by 30th September 2017. (The 14th August is for large business and if there is no agent involved). Note: This does not change the date you are required to provide payment summaries to the employees (14th July).

If your client is a "Closely Held Entity" their Payment Summary can be prepared and lodged by the Tax Agent at the time of preparation of their Income Tax Returns, but only for the related individuals.

## TPAR

No extension: 28th August

## Lodging through Business Software

Unfortunately we do not believe they have understood that many agents are lodging BAS, Payment Summary and other forms direct from Business Management Software. It is our expectation that the lodgement extensions do apply to BAS Agents who lodge via Business Management Software. That is, where our common software (MYOB, XERO, Reckon, Sage, Intuit QBO) either already has, (or soon will), allow these lodgements, they will be required to include the agent details and the lodgement extension will apply.

ICB have written to the ATO to have this confirmed.

TPAR lodgement is due by 28th August, 2017.

## References

- [ATO – PAYG Withholding Payment Summary Annual Report](#)
- [ATO – BAS Agents Lodgment Program](#)
- [ATO – PAYG Payment Summary Report](#)

## TPB Recommends Cyber Security Insurance

The recently updated information is available now in the TPB's PI insurance and continuing professional education [Explanatory papers](#).

The TPB recently published:

"The TPB recognises the emerging threat of cyber-attacks and the importance of tax practitioners proactively protecting themselves, their practice and their clients", acting Chair of the TPB, Greg Lewis said.

"One way that tax practitioners can protect themselves is to consider whether they should take out additional professional indemnity (PI) insurance cover to assist with first party losses arising from a cyber-attack. Such losses can include a 'denial of service' attack or the costs of rectifying harm done, such as repairing and restoring systems that have been damaged by malicious acts."

The TPB also recognises that cyber security awareness training can assist tax practitioners protect themselves from a cyber-attack. As a result, the TPB now specifically recognises that cyber security training a tax practitioner undertakes will contribute to them meeting their continuing professional education/development requirements with the TPB and their obligations under the Code of Professional Conduct. The TPB policy paper on BAS Agents PII requirements has been updated to recommend the inclusion of insurance against Cyber Risk.

"Once an agent has assessed the risk of a cyber-attack, the TPB recommends they consider whether they require additional protection against cyber threats, including losses that an agent may suffer from a cyber-attack (first party losses)"



## ICB Recommendation:

While the TPB has not required additional Insurance, ICB recommends members include it in the policy. The ICB Directors and Advisory Board are considering a proposal for it to be a required inclusion.

ICB has arranged suitable coverage with our preferred [Insurance provider IME](#).

We are now extremely reliant upon the internet and the cloud. As a bookkeeper, this means that you carry much responsibility to protect your client's data, privacy and access to banking. So for you, the thoughts around "what if" are becoming increasingly important.

The good news is that your IME/Chubb Professional Indemnity covers most of these "what if's". You can also read practical tips on [protecting your practice](#) from cyber threat.

## References

- [Detailed Information on the IME Additional Cover](#)
- [Comparison of Your Cover Under PII and the Additional Cyber Cover](#)

# Continued Professional Education

## Continuing Professional Education

ICB Events and Webinars	Classroom	Online
<p>ICB Technical Webinar - All Things: Starting Employment 10th August, 2017</p> <p>ICB Technical Webinar - All Things: Employment Types 15th August, 2017</p> <p>ICB Technical Webinar - Health and Wellbeing Part 1 22nd August, 2017</p> <p>ICB Technical Webinar - All Things: Employment Types - Casuals 5th September, 2017</p> <p>ICB Technical Webinar - All Things: Employment Types - Other Types 19th September, 2017</p> <p>ICB Technical Webinar - Health and Wellbeing Part 2 26th September, 2017</p> <p>Note: Webinars are recorded and available for members to listen to in your own time in the <a href="#">ICB Webinar Library</a></p>	<p>Xero Training Course VIC, Multi-dates</p> <p>TASA Course VIC, Multi-dates</p> <p>Getting Started with Xero Accounting Software Perth, Multi-dates</p> <p>Terminations Multi-locations, Multi-dates</p> <p>Understanding Financial Reports - including Non Reporting entities Perth, Multi-dates</p> <p>Learn Calxa in a Day Multi-locations, Multi-dates</p> <p>Budgets and Cashflow Management Perth, Multi-dates</p> <p>Xero Accounting &amp; Xero Payroll Multi-locations, Multi-dates</p> <p>MYOB Bookkeeping Multi-locations, Multi-dates</p> <p>Reckon One Certification Training Multi-locations, Multi-dates</p>	<p>Excel Training Courses Excel Courses, Online, Multi-dates</p> <p>MYOB Training Courses MYOB Courses, Online, Multi-dates</p> <p>Xero Training Courses Xero Courses, Online, Multi-dates</p> <p>MYOB News Channel Webinar, Online, Multi-dates</p>
		

## Upcoming Series of 9 Webinars - All Things Payroll (MEMBERS ONLY)

### Scope of 9 Series “All things Employment”

This series of 9 Webinars will include new information that will work through the whole cycle of employment. Each webinar will cover the various steps required, how to treat different situations and provide insight to the anomalies that cause head scratching and frustration.

The focus for you to look forward to includes:

1. The first step is from when an employee “Starts Employment”. This webinar will help you gain clarity on record keeping, the registered agreements, awards, the requirements of pay slips as well as the employer/employee obligation.
2. Moving on to “Employment Types”, covering full time and part time employees to outline the complexity of allowances, deductions from pays through to understanding workers compensation obligations.
3. The following webinar takes you onto “Employee Casuals” and the many variables of tax free threshold, superannuation and how to treat this in your software.
4. Of course there are always “Employee Other Types”, which this webinar will take you through. This includes the apprentices and trainees, overseas workers, commission based through to volunteers and trial workers.
5. As a natural progression, the excitement continues onto the important area of “Superannuation”; the thresholds, Superstream, super rates and small business superannuation.
6. The webinar series would not be complete without the inclusion of ‘All things Entitlements and Conditions’. This webinar covers annual leave and leave loading, time-in-lieu, compassionate leave, RDO’s, long service leave and all the other areas you need to know.
7. After the preparation of setting up the employee, ascertaining the terms under which the engagement has been agreed, there is of course the “Pay Cycle”. This webinar covers timesheet processing, medical certificates, payslips through to the other important aspects of running the pay.
8. There is always that pay cycle with its “Unusual Pays”. The variables of employee reimbursement, older employees, notice and final pays, LAFHA, unfair dismissal and it even covers severe weather.
9. The final webinar enables you to gain a complete picture of your journey what happens in the final area of “Ending Employment”. This webinar will include terminations, ETP, redundancy, serious misconduct providing you with clarity, information and confidence.

This comprehensive and thought provoking series is designed to help you remove the frustration and give you the answers to the questions you always wanted to ask. Be sure to book in early!

[Register to attend here](#)

### Dates to put into your diary:

Webinar	Date
1. Start Employment	Thursday, 10th August, 2017
2. Employment Types	Tuesday, 15th August, 2017
3. Employee Casuals	Tuesday, 5th September, 2017
4. Employee Other Types	Tuesday, 19th September, 2017
5. Superannuation	Thursday, 5th October, 2017
6. Entitlements/Conditions	Tuesday, 17th October, 2017
7. Pay Cycle	Thursday, 16th November, 2017
8. Unusual Pays	Tuesday, 21st November, 2017
9. Ending Employment	Tuesday, 5th December, 2017

## Upcoming Series of 3 Webinars - Health and Wellbeing (MEMBERS ONLY)

In our everyday lives we all have demands made upon us and expectations to meet. Some are set by those around us, and many that we place on ourselves. Most of the time we manage to balance those demands well but often things can in our lives can make us feel overwhelmed and unsure of what is happening around us. Identifying the triggers that can create our stress and anxiety, and then how to manage them when they occur can determine impact they will have on our day to day life.



This three-part webinar series is designed to encourage you to look around you to help identify the warning signs that it's maybe getting all too much. How to identify what can trigger stress, anxiety and depression and some practical tips on how to manage when those triggers occur.

[Register to attend here](#)

### Dates to put into your diary

Webinar	Date
Session 1 – <i>Identifying and managing stress &amp; anxiety – what are they and what are the warning signs?</i>	Tuesday, 22nd August, 2017
Session 2 – <i>Maintaining Balance – how do we ensure that we stay well and balanced?</i>	Tuesday, 26th September, 2017
Session 3 – <i>Beyond Balance – What happens when the scales tip?</i>	Tuesday, 24th October, 2017

**\* A reminder that all ICB webinars are provided to Members as part of your membership fee.**

# ICB Network Meetings

## Upcoming Network Meetings

<b>Webinars</b>				
Online 11th August, 2017	Online 14th August, 2017			
<b>ACT</b>				
Canberra - Northside 16th August, 2017	Canberra - Phillip 8th August, 2017			
<b>NSW</b>				
Albury 25th August, 2017	Ballina 11th August, 2017	Balmain 21st August, 2017	Bathurst 15th August, 2017	Bella Vista 17th August, 2017
Bellingen 15th August, 2017	Blue Mountains 14th August, 2017	Brookvale 14th August, 2017	Central Coast 16th August, 2017	Dubbo 25th September, 2017
Hawkesbury Region 29th August, 2017	Hills Districts 16th August, 2017	Hornsby 10th August, 2017	Lower North Shore 21st August, 2017	Moorebank 2nd August, 2017
Newcastle 14th August, 2017	Newport 15th August, 2017	Orange 15th September, 2017	Port Macquarie 12th September, 2017	Randwick - Bondi 9th August, 2017
Southern Highlands 14th August, 2017	Shoalhaven 7th August, 2017	Sutherland 16th August, 2017	Wollongong 15th August, 2017	
<b>NT</b>				
Darwin 14th August, 2017				
<b>Queensland</b>				
Atherton Tablelands 16th August, 2017	Brisbane Central 17th August, 2017	Brisbane North 8th August, 2017	Brisbane South 15th August, 2017	Bundaberg 15th August, 2017
Burpengary 9th August, 2017	Cairns 4th August, 2017	Dalby 31st August, 2017	Gold Coast - AM 8th August, 2017	Gold Coast - PM 8th August, 2017
Hervey Bay 15th August, 2017	Ipswich 8th August, 2017	Logan 16th August, 2017	Moreton Bay 14th August, 2017	North Sunshine Coast 8th September, 2017
Port Douglas 11th August, 2017	South Sunshine Coast 10th August, 2017	Toowoomba 18th August, 2017	Townsville 11th August, 2017	
<b>South Australia</b>				
Adelaide West 18th August, 2017	Mt Barker 15th August, 2017	Para Hills 16th August, 2017	South Adelaide 3rd August, 2017	Unley 10th August, 2017
<b>Tasmania</b>				
Hobart 22nd September, 2017	Launceston 13th July, 2017			
<b>Victoria</b>				
Brunswick 15th August, 2017	Bulleen 8th August, 2017	Burwood 2nd August, 2017	Chadstone 7th August, 2017	Cobram 10th August, 2017
Craigieburn 8th August, 2017	Docklands 11th August, 2017	Echuca 18th July, 2017	Frankston 3rd August, 2017	Geelong 8th August, 2017
Lilydale 25th August, 2017	Macedon Ranges 19th September, 2017	Melbourne CBD 8th August, 2017	Mordialloc 8th August, 2017	Mornington 25th August, 2017
Mt Waverley 8th August, 2017	Narre Warren 8th August, 2017	Point Cook 11th August, 2017	Sale 10th August, 2017	Warragul 21st August, 2017
Yarra Valley 11th August, 2017				
<b>Western Australia</b>				
Broome TBC	Bunbury 29th August, 2017	Busselton 25th August, 2017	Cockburn Central 16th August, 2017	Geraldton TBC
Joondalup 17th August, 2017	Kalgoorlie 17th August, 2017	Melville 9th August, 2017	Noranda 9th August, 2017	Northam TBC
Welshpool 15th August, 2017				

## July 2017 Question of the Month: Is GST Claimable on a High Ticket Gift?

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

My client is selling a property and wants to give the real estate agent's employee who completes the sale a motor vehicle as an incentive, in addition to the 7% commission payable out of the sale deposit.

How do I handle this situation? Is GST claimable on the cost of the vehicle (he intends to spend approximately \$43,000 on the vehicle)?



Let us know your thoughts here

## June 2017 Answer of the Month: WPN Employers and New Requirements for Employing Overseas Workers

Last Month we Asked You:

I have a client who employs overseas workers under a Withholding Payer Number (WPN), but they are not a business and do not have an ABN. Do the new requirements for employing overseas workers apply to WPN employers?

### ICB's Response:

A WPN employer has a legal responsibility, the same as a business employer, to comply with employer obligations such as tax, superannuation, insurance, reporting to the ATO and so on.

WPN employers must follow the same guidelines for engaging paying and taxing overseas workers, according to the type of visa and the Tax File Number declaration submitted by the worker. The employer must also issue an individual non-business payment summary at the end of each financial year.

Related to last month's Question of the Month, individuals hiring a nanny would have a WPN. Other people who have WPNs but not ABNs would be housekeepers, home-based carers and other participants in the National Disability Insurance Scheme.

As an aside, the WPN may be used as the employer identifier in meeting SuperStream obligations. When reporting, the employer number needs to be eleven digits, so an employer with an eight-digit WPN should add three zeros before their WPN to comply with the correct format.

### References

- [SBR – Withholding Payer Number](#)
- [ATO – Individual Non-Business Payment Summary](#)
- [ICB – Employing Overseas Workers](#)

### How a Small Business Owner and Bookkeeper can Work Together

What does a bookkeeper or BAS agent do? How can they assist you in meeting your obligations as a business owner? What should you expect in terms of qualifications and experience?

#### Why You Need a Bookkeeper

- To keep all of the records up to date so you can get accurate financial reports, and to assist with legal record keeping requirements.
- To help in keeping your end of year accounting bills down; by accurate processing throughout the year, there are fewer adjustments required by the tax agent.
- To avoid late penalties by making sure the GST, PAYG tax and superannuation compliance obligations are attended to.
- Free up your time so you can work on your business rather than trying to do tasks better done by an expert bookkeeper.
- Receive information about patterns, trends and cycles, areas of growth or reduction and potential issues.
- Minimise the risk of fraud by having another set of eyes overseeing your accounts and conducting ongoing auditing and assurance.
- Having someone on your side that can advise and support you in many aspects of your business – from daily operations and business systems to the big picture of how your business is performing and achieving business goals.



#### The Bookkeeping Process

- **Checklists:** these should be used for consistent professional bookkeeping.
- **Sales Processes:** this includes sales orders, invoicing, receiving payment and following up on late payments.
- **Purchase Processes:** this includes purchase orders, bills, supplier payments and inventory management.
- **Payroll Processes:** this includes the setting up employees, processing of pay runs and reporting on superannuation, PAYG tax withholding and employee entitlements.
- **Banking Processes:** this includes the reconciling all of the bank accounts, the point-of-sale systems and the credit cards used for the business.
- **Verification of Accounting Figures:** it is easy to assume that “the software is always right” but problems can occur for a variety of reasons in the accounts, and prior to preparing a BAS or other reports.
- **Reporting to the Owner:** the financial reports need to be inspected on a regular basis, providing reliable reports, commonly on a monthly and quarterly basis.

#### You and Your Bookkeeper Working towards Success

A professional bookkeeper concentrating on the required regular tasks to manage your business in a financial and accounting capacity, can also provide trusted guidance and valuable insight into areas of your business impacting your results. This will allow you to focus on providing quality goods and services to your customers and lead you towards continued success.

### What's New this Month from ICB

New and updated resources for July 2017

- [Business Information Sheet – Single Touch Payroll](#)
- [What is Payroll Tax?](#)
- [Review and Reconcile Payroll Tax](#)
- [Termination Pays 2017–2018](#)

Other news for July 2017

- [Fairwork Statement about Employsure](#)
- [ATO Certainty for Stakeholders who Rely on ATO Systems](#)

[Click here to view the latest news for the month.](#)

[ICB Q&A Space](#) – You can check out all the latest threads here.

Feel free to ask your questions regarding any issue you may be having or if you require clarification, we are here to help. The [Latest Updates](#) lists all the topics in order of replies.



## Products and Solutions

### ATO Update on Single Touch Payroll for Practitioners

What you need to know about Single Touch Payroll (from the ATO) is outlined below including dates to be aware of.

On 1 July 2017, a limited release of Single Touch Payroll began for a small number of digital service providers and their clients. Between July and October 2017, Single Touch Payroll will operate with limited functionality to this group. From October 2017 additional functionality will be available and digital service providers will be able to start releasing Single Touch Payroll products over time.

They will most likely stagger their releases and will let their clients know as solutions become available. Once available, employers can choose to start reporting through Single Touch Payroll early.

The ATO is continuing to work with a cross section of industry representatives to develop timely and accurate information for employers. There is updated web content is now available.

Over the next three months, the ATO's focus is to support intermediaries and digital service providers with information about Single Touch Payroll, including key dates. The ATO is proposing to write to all employers with 20 or more employees during September to inform them of their reporting obligations under Single Touch Payroll.

We recommend that you start thinking about how your clients will be impacted by Single Touch Payroll and how you can support their transition. The ATO can provide you with a range of tools and resources to support you and your members.

The following timeline sets out what is happening and when you can expect to see more:

- June 2017 – we added the menu option “Manage Employees” to the portals.
- July 2017 – Single Touch Payroll will be operating with limited functionality for a select number of employers.
- September 2017 – we will write to all employers with 20 or more employees to inform them of their reporting obligations under Single Touch Payroll.
- October 2017 – you will start to see an increase in the release of Single Touch Payroll solutions by digital service providers to employers.
- 1 April 2018 – employers will need to do a headcount of the number of employees they have to determine if they need to report through Single Touch Payroll.
- From 1 July 2018 – Single Touch Payroll reporting will be mandatory for employers with 20 or more employees.

## ICB Information and Resources for You Now

- Business Information Sheet
- Status report
- Single Touch Payroll landing page
- Edition 1 (January 2017) of the ICB Single Touch Payroll Guide

## 7 Things You're Looking Forward To...

### 7 Things You're Looking Forward To

(that you didn't necessarily know you were looking forward to)



By Alistair Nestor, MYOB

Each year, Partner Connect surprises us with its emotion and passion. I'm not sure that an outsider would expect that of a software event, but that's what happens.

It's the people who attend that bring that passion, of course. With a roomful of the very people who sit at the heart of business in Australia.

Last year was life affirming. What happens this year? Here's my list of what to watch for:

#### 1 – MC – Michael Crossland

Michael was the hit of Partner Connect 2016. His story moved a room to tears. This year he joins us in Alice Springs only, so there's one chance to experience Michael's joyful, moving take on life.

#### 2 – Keynote – Amanda Gore

This quote gives you an idea of Amanda's impact:

"I have been a member of MDRT for 29 years and have seen some of the best speakers in the world. None have ever received three standing ovations like Amanda Gore."

President, Million Dollar Round Table

Amanda combines scientific information—based on the latest psychology and neuroscience—with a truly hilarious presentation. You will leave Amanda's presentation feeling connected and inspired to bring joy to your work – every day.

#### 3 – The MYOB Road Map

What's the plan? Where's AccountRight Live heading? What's next for Essentials?

Is multicurrency coming soon? Why should I care about the MYOB dashboard?

Dale Dixon and friends will explain all.

#### 4 – Meeting Friends, Old and New

One thing I know is that "Partner Connect" is a joyful experience. Partners break from their day-to-day to catch up, compare notes, make plans, laugh, cry, share a drink, and laugh some more.

#### 5 – The Partner Program

It's been a long time coming. It's had to be to make it bulletproof for what's planned!

Now it's here. So what now?

Program Manager, Mereki Nieman, takes you behind the scenes to unlock value in the new partner program (and give you some peeks into what's to come).

## 6 – The Team Excursion

Whether it's a day out at the local event, or a long weekend in Alice Springs, "Partner Connect" represents a wonderful opportunity to get away with the team.

A couple of days of intensive learning and information sharing coupled with sightseeing and entertainment. Don't underestimate the impact a trip like this can have on team morale and engagement.

## 7 – Circles of Success

There is something new for Partner Connect 2017 – Four (4) intensive sessions with your peers and finding opportunities through shared experiences.

This is hands-on, high value content focussing on growth strategies, client transition opportunities, add-on knowledge and more.

MYOB Partner Connect 2017 focusses on your success. Walk away inspired and prepared for what's to come.

## Reference

- [Book now – www.myob.com/partnerconnect](http://www.myob.com/partnerconnect)

## Businesses Exposed to Bad Debts

### Businesses encouraged to review customers as court actions rise

New research shows that nearly 1 in 2 Australian businesses are leaving themselves vulnerable to bad debt by not performing credit checks on their existing customers.



In a survey conducted by Australian credit bureau CreditorWatch, business owners, accountants and credit professionals from small to large-scale businesses were asked questions in relation to their credit management responsibilities.

Whilst 72% of all respondents claimed they always performed credit checks for new customers, almost half (45%) said they never performed routine checks for existing clientele.

The survey findings coincide with the release of CreditorWatch's latest quarterly Small Business Risk Review. The analysis of aggregated and trade payment data, sourced from over 50,000 active bureau members, shows that an increasing number of businesses were taken to court over outstanding debt in the second quarter.

**Table 1 – Court Actions and Dollar Amount**

	Quarterly Year on Year (%)					
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
QLD Court Actions	-6%	-18%	-50%	-40%	-36%	26%
QLD Dollar Amount	-26%	-19%	-57%	-44%	-74%	28%
NSW Court Actions	-4%	-19%	2%	3%	7%	13%
NSW Dollar Amount	-4%	-18%	-1%	12%	16%	36%
SA Court Actions	-14%	-2%	-26%	-28%	64%	57%
SA Judgment Amount	18%	108%	-57%	-29%	76%	-27%
VIC Court Actions	-9%	-4%	-11%	17%	21%	19%
VIC Dollar Amount	-5%	4%	-2%	16%	24%	22%
WA Court Actions	99%	42%	175%	113%	32%	227%
WA Dollar Amount	226%	117%	205%	107%	-14%	183%

*Data sourced from courts around Australia. Slight variations may occur due to time lags in accessing total monthly figures.*

Managing Director at CreditorWatch, Colin Porter says “Whether you are a sole trader or large enterprise credit manager, if you are responsible for managing credit on behalf of a business, you should be performing checks on all customers.”

“Even a long-time customer with whom you have built a good relationship could be subject to court proceedings with other companies. When your customer is a bad debtor to someone else, this is a warning sign that you too are at risk,” adds porter.

### **Other Key Findings from the CreditorWatch Survey**

- The majority of sole trader and micro business respondents cited chasing payment as a frustrating and uncomfortable experience whereas SMEs said it was mostly time consuming. Unsurprisingly, those respondents answering on behalf of large corporates and enterprises claimed it was an easy practice.
- 86% of respondents felt most comfortable trading with a company from a risk perspective over a sole trader, partnership or trust.

[View the Small Business Risk Review Q2 2017 Report](#)

#### **About CreditorWatch**

CreditorWatch is a commercial credit reporting bureau with over 50,000 customers, from sole traders to ASX listed companies. CreditorWatch provides credit risk information on any entity in Australia and assists creditors by monitoring and sending alerts for risk indicators that may affect a debtor’s repayment ability.

## ANZ - Cash is King

ANZ is a proud sponsor of ICB supporting the professional development of Bookkeepers in Australia.

### **ANZ understands that for a small business owner, cash is king.**

From EFTPOS terminals to Internet payment solutions, ANZ has a variety of products and services to help you receive payments anytime, anywhere.



- **ANZ FastPay® Next Generation** allows you to securely process card payments using your iPhone, iPad or Android™ device wherever you are.
- **ANZ BladePay™** is a payments solution designed to help businesses in the hospitality industry (and soon to be retail) run more smoothly and deliver a better customer experience.
- No matter what your business size, our **EFTPOS terminals** make it easy to process card payments. Choose from a basic low cost terminal, full service integrated terminal for detailed reporting, or a portable terminal for payments on the go.
- Accept and process card payments online or over the phone quickly with our **Internet payment solutions**.

ANZ ensures you have access to your money quickly, with **same day settlement** for EFTPOS sales, including weekends and public holidays with an ANZ business account.

To find out more about the products and services available to you and your customers, call ANZ Merchant Services on **1300 366 988**. You may also connect with one of our Small Business Specialists via the **ANZ Small Business Locator Tool** or alternatively:



Visit your nearest ANZ branch



Visit [anz.com](http://anz.com)



Call the Small Business Banking Team on 1800 469 725

### **Are you interested in receiving regular news and insights from ANZ to help you run and grow your business?**

Register to receive the ANZ Small Business in Focus e-Newsletter today at [The ANZ Small Business Hub](#).

ANZ FastPay® Next Generation, ANZ BladePay™ and ANZ merchant terminals are only available to approved merchants. ANZ business account required for ANZ FastPay® Next Generation. Terms and conditions, and fees and charges, and settlement times apply to the use of ANZ FastPay® Next Generation, ANZ BladePay™ and ANZ merchant terminals. Use of ANZ FastPay® Next Generation and ANZ BladePay™ requires a cellular or wireless internet connection. Temporary service interruptions may occur.

Any advice does not take into account your personal needs and financial circumstances and you should consider whether it is appropriate for you.

**Australia and New Zealand Banking Group Limited (ANZ) 2015 ABN 11 005 357 522 AFSL 234527**

## Use Fast Key Codes When Talking to the ATO

The ATO has provided Fast Key Codes (FKC) for their phone services to assist in finding the right phone number for the topic that the call is referring to. By using the Tax Agent and BAS agent fast key codes, it will allow the keying ahead without having to listening to the whole message.

Prior to making the call to the ATO ensure that the following is accessible:

- Registered Agent Number (RAN)
- Proof of Identity (POI)

The guide is sectioned by relevant topic:

- Account Information
- Activity Statements
- Debt and Payment
- Lodgement
- Practice Administration
- Registration
- Letters – alternative phone service
- General phone services

While there are transactions and information available online, the BAS Agent fast key codes will provide a more efficient method to resolving the purpose of the call.

- To Phone the Registered Agent Hotline – **13 72 86**  
(This is for **Registered Agents** only)
- All FKC's are lists in the BAS Agent Guide (an ATO resource) [which you can download here](#), or see below:



Topic	FKC
<b>Account Information</b>	
For Activity Statements	
<ul style="list-style-type: none"> <li>■ Account balance</li> <li>■ Explanation of accounts</li> <li>■ Replacement cheques</li> </ul>	<p>1251</p> <p>1251</p> <p>1251</p>
Bank details (FID) – update (BAS only)	113
Failure to lodge and other penalties	1222
Withholding variations, section 15-15 (vary an individual PAYG rate of withholding)	123
<b>Activity Statements</b>	
For assistance with completing an activity statement	141
Respond to our request to contact activity statement exceptions	142
<b>Debt and Payment</b>	
Payment arrangements, general interest charge remission requests, and demands or notices about tax debts	122

Topic	FKC
<b>Lodgement</b>	
Confirmation and information about lodgement of activity statements	1311
Lodgement program issues	132
Respond to lodgement notices from the ATO	133
<b>Practice Management</b>	
Tax Practitioner Services	
■ Practice support, complaints resolution, issues management, complex administrative issues	32
■ Natural disaster assistance	5
Tax Agent Portal (including BSP/BAS agent view)	
■ Assistance including access, technical difficulties, functions and navigation and general digital certificate advice	33
■ Digital certificate technical help including system specifications, installation and reissuing	35
Website navigation assistance – <a href="http://www.ato.gov.au">www.ato.gov.au</a>	33
<b>Registration</b>	
Register for	
■ GST and PAYG withholding	113
■ Fuel tax credits	114
Cancel registration for	
■ GST, PAYG withholding, luxury car tax, wine equalisation tax	113
■ Fuel tax credits	114
<b>Tax Law and Advice – General Enquiries</b>	
Goods and services tax (GST)	23
PAYG instalments and withholding	211
Fuel tax credits	114
Natural disasters	5

## References:

- To access the complete guide: [BAS Agent Fast Key Codes](#)
- For more information on Fast Key Codes: [BAS Agent Phone Services](#)
- For more detailed legal and policy information: [ATO Website](#)

## ATO Phone Stats

### Telephony service standard performance statistics\*

\* as at the close of business on 17th July, 2017

From 1 July 2017 the ATO received approximately:

- 448,160 inbound calls to the general queues;
- 67,405 to tax practitioner queue; and
- achieved service commitments of:
  - ▶ General taxpayer calls – 81% of calls answered within 5 minutes
  - ▶ Tax practitioner calls – 91% of calls answered within 2 minutes.

Calls received have a wait time of 27 seconds and typically are resolved in about 12 minutes for the Agents phone lines.



## Commissioner Talks to the Press Club

Below are very selective extracts taken from the ATO Commissioner's recent speech (5th July) to the National Press Club.

"As you may know, the lead up to this Tax Time has been different to years past, with the ATO experiencing unprecedented and unplanned outages in December, February, and just last week. These outages were highly unusual and disruptive for the users of our systems, particularly the tax profession, and the superannuation and software industries.

"I wish I could give an iron-clad guarantee that all systems will work 100% of the time. But that is not reality when you are talking about very large and complex systems. And while we believe we have done everything we can, and expect things will go smoothly, we are ready to respond quickly if there are any hiccups or unexpected outages.

"We are well aware that if we are to offer and encourage the use of digital services, then we have to have our systems available when people need them.

"The ATO will also continue with administrative reforms under our Reinvention Program, such as:

- ▶ earlier engagement, greater transparency and cooperation with clients and partners
- ▶ prevention and early warning, rather than correction and 'gotcha'
- ▶ more sophisticated use of data for both service and compliance purposes
- ▶ increased digital service offerings and streamlined interactions
- ▶ better appreciation of, and empathy for taxpayers, and
- ▶ a sensible risk management framework.

"I want instead, to support mindsets where people feel more positive about their total tax experience – satisfied with their interactions and confident that the ATO is taking action against those who are not paying what they should."



### Reference:

- [Full speech can be reviewed \(or watched\) here](#)

## ATO Portal Maintenance

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.

### Regular Planned System Maintenance

Start Time	End Time
Saturday 5 August 2017 – 10.00pm EST	Sunday 6 August 2017 – 7.00am EST
Saturday 2 September 2017 – 10.00pm EST	Sunday 3 September 2017 – 7.00am EST
Saturday 30 September 2017 – 10.00pm EST	Sunday 1 October 2017 – 7.00am EST

For more details regarding BAS Agent portal maintenance, [click here](#).

## ICB Membership Statistics

**5,305 Members** at 30 June 2017

3,751 Members maintain Fellow, Member, Associate, Affiliate and Educator Membership. ICB also has 16 Accredited Training Provider Members and 1,538 Student Members.

## ICB Supporters and Sponsors



Please note that, in between newsletter issues, articles may be published straight to the Latest News section of the website.

The Institute of Certified Bookkeepers complies with the Spam Act 2003 and we have a documented [Spam Policy](#) on our website. You can unsubscribe from ICB newsletters and updates [here](#).

ICB's Newsletter contains news articles, links and regular sections that we feel will be of interest. If there is anything that you would like to see, whether a regular feature or a one-off, please let us know. Email your ideas to [admin@icb.org.au](mailto:admin@icb.org.au)

**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.

The newsletter of ICB is designed as information and resources for Bookkeepers with clients and also bookkeepers in employment.

The content of the newsletter maybe relevant in part or in whole to other publications or other purposes.

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Kind regards,  
ICB Newsletter Team

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