



Institute of Certified Bookkeepers

Making you Count

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Bookkeepers helping Bookkeepers helping Business

February 2018

Welcome to ICB's February 2018 Newsletter for Members.



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Additional Information for Members Only

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

Best Practice Bookkeeping

- Manage ABN Connections Using myGov
- SBSCH Looks Different
- WET Has Changed – Updated Resource
- Taxing Back Payments, Commissions and Bonuses – New Resource
- Ethical Letters
- Implementing STP as of February 2018

Continued Professional Education

- Online Learning – Terminations
- ICB 2018 End of Year Workshops

From the ICB

- February 2018 eBrief for your Clients and Business

Notice of Members Meeting



All Members of ICB are invited to attend our Annual Members Meetings

To be held by webinar on [Wednesday 11th April, 2018](#) at 2:00pm (AEST), which you can [register for here](#).

Voting for all matters at the AGM will be by online voting which will open on the 28th February and close at 4pm on the 18th April.

The Online Voting can be accessed [HERE](#) (open on 28th February).

Agenda – AGM by webinar

Presentation and Receive Reports

- 2017 Financials (Balance Sheet and Profit and Loss)
- Operations and Management framework for acceptance and clarification
- Membership Statistics & other items reported
- Policy and Philosophy of ICB
- ICB Achievements
- Key Activities and Initiatives
- Government Involvement

[Download of all reports](#)

[Download of Draft Financial Reports – submitted for Audit](#)

Discussion

Proposals – Constitution Change

- [Proposed Changes in detail for discussion](#)
- [Discussion on the future appointment of Directors](#)
- Members ratification of appointment of current Directors in line with current constitution

Proposals – By Members

Members have requested the following items be presented at the Members Meeting and Discussed:

- [Network Meeting Facilitator financial support](#)
 - ▶ [A response received from a Member in relation to this proposal](#)

The AGM held by webinar allows maximum involvement by members including any required extended discussion and formal presentation of Matters brought forward.

AGM Information and Highlights Presented at Conference

The members annual meeting is also held as a series of information and highlight meetings in conjunction with our annual conference, from 2:30pm (approximately) to 3:30pm in 9 locations.

Face to Face meetings in each of 9 locations include:

- [Recognition of recipients of Fellow Membership](#)
- Recognition of Members Years of Service
- Highlights from reports
- Notification of Agenda Items that will be discussed at the Formal Members Meeting
- Notification of Items requiring Members Voting.

Conference-based meetings will highlight the following items with the detailed discussion at the formal members meeting on the 11th April. If you plan to attend the annual conference then [please click here to register for one of these events](#). You may attend only the Members Meeting Information Session at conference without being required to register for the full days conference.

The meetings held in conjunction with conference will address appropriate member issues raised by prior notice by email to celina@icb.org.au. Any topics or questions asked on the day may need to be received and responses provided at the formal webinar meeting on the 11th April.

Voting

Voting will open on 28th February and close at 4:00pm on the 18th April, 2018. (This allows for discussion of issues on the 11th and consideration before voting is finalised).

[Access the online voting form here](#)

Online Voting System: [Secure Voting Declaration by Eintech](#)

Membership of ICB is granted in accordance with our corporation documents and membership guides, explanation is provided:

- In our [Constitution](#)
- In our [membership grade explanation](#)
- In our [ICB Code of Conduct](#)

Governance of ICB - the Future

Introduction

The rather public impact of the challenges to the Governance of CPA over the last 2 years continues. This has heightened the scrutiny and review of all associations and has raised questions in a rather public format.

If you have any questions about ICB please ask.

Information is available about who we are and how we do it at

- [ICB Corporate & Legal Information](#)
- [ICB Objectives](#)
- [ICB 2017 Members Meeting](#)

ICB operates as a member based, professional association, company limited by member guarantee, not for profit and formally recognised by the Tax Practitioners Board in accordance with the TASA2009.

Recent Requests

The TPB have reviewed ICB and have concurred with the Directors proposed changes.

Changes

The current Board of Directors believe that ICB has grown so that it is time to appoint further Directors to help with the Governance, leadership and oversight of the organisation.

The Directors have reviewed the current constitution and have proposed changes to modify and enshrine the principles established by the membership of ICB over the past 11 years of our existence.

The Constitution needs to be changed to implement the governance framework discussed with members (and the TPB) over the last two years. We need 1/3 of the members to consider the proposals with 75% agreement to implement the change.

We must change to retain our recognised status.

New Directors

Following the 2018 AGM where the special resolutions to change the constitution will be considered and votes then submitted, ICB will then embark on the process to obtain nominations for the Director positions and conduct an election. We expect to conduct the nomination and election process between 18th April and 30th September, 2018.

The Constitution changes implement a revised system of

- Members nominate the number of Directors to be on the Board.
- For a person to be elected the Members must indicate their confidence in the candidate.
- Members vote the nominees into the positions.
- A director will be appointed for no more than 3 years.
- 1/3 of the Directors will retire each year.

For further details please refer to the Constitution change papers.

Directors Remuneration

You may have recently seen the disclosure of Directors remuneration levels of other associations.

The stated practical expectations of Directors of ICB is

- Attend 3 or 4 meetings in person each year
- Attend 6 to 8 meetings by webinar each year
- Other services as are agreed from time to time

The proposed constitutional changes include the purpose statement that Directors must also uphold for ICB and for their role as Directors.

In the past ICB has reimbursed the Non-Executive Directors for their time at a rate of \$50/hour.

Noting that Matthew Addison as Executive Director is a full time employee and is paid a package of \$163,500 Including Super. It is proposed that Matthew move into the position of Executive Chairman and would need to be a member elected Director.

Current Director Amanda Linton has now been appointed as CEO on a part time basis with a FTE salary package of \$127,020 Super included. Amanda commenced 2 days per week in November, has shifted to 3 days a week in 2018 with the plan being to shift to 4 days per week following the conference. The governance changes proposed includes that Amanda as CEO will be an appointed Director under the Constitution.

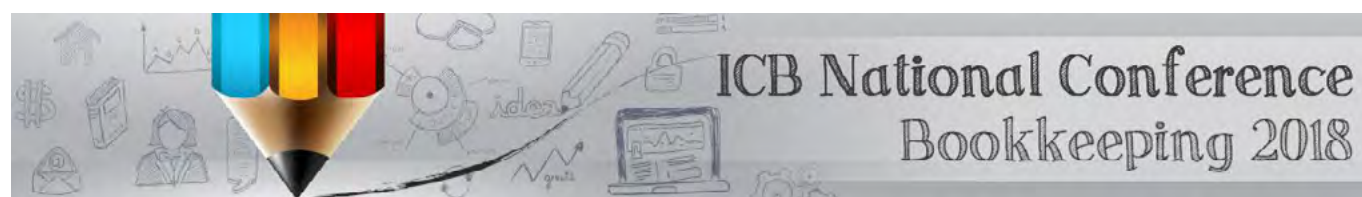
The 2018 budget allocates an amount of \$50 per hour for the involvement of the Non-Executive Directors. It is estimated that the Director involvement each year would be approximately 80 hours. It is proposed that ICB should elect a total of 6 Directors, following the change, which would not include Amanda's position as CEO.

Any Questions

Any clarification or questions can be directed to either

- Matthew@icb.org.au
- Celina@icb.org.au (Office Manager)

Last Call for ICB Conference 2018



Last call to book for the ICB Conference 2018
Join 1357 others in registering to attend.

Host: *Amanda Linton*, Certified Bookkeeper, CEO and Director of ICB

Keynote: *Matthew Addison*, Executive Director of ICB

Agenda

Key Topics for Discussion

- The Rules have Changed: The impact of what is happening around you
- Data Security, Cyber Security, Software Security, 2FA: How to manage these security developments
- The ICB Guide on How to Implement Single Touch Payroll: For businesses and clients – the February 2018 update
- Anti-Money Laundering: It is progressing, but how will it affect you?

Technical Bookkeeping

Technical changes to GST in 2018 – A bookkeepers guide to the specifics of applying GST including:

- GST on Imports and Exports: Providing the framework of operations of importing and exporting with the GST implications for the business within Australia. Includes areas of Customers GST, Deferred GST, TradeX and Reverse GST
- Changes to GST on Low Value Goods and Digital Goods and Services: GST changes for importing low value goods and digital goods and services to Australia. Includes the debate on how does the bookkeeper know if GST has been applied?
- GST on Sharing Economy – AiRbnb and Uber: Review the sharing economy via websites and apps of ride sharing, accommodation and others. Considering how GST is applied to both income and expenses

Government in the Firing Line

- Fair Work: The actual FWO view about payslip disclosure and our recommendation
 - ▶ The FWO guidance for Bookkeepers
- TPB: Their impact during 2017 and moving forward
- ATO: Raising the standards for BAS Agents

ICB Members Interaction










- Highlighting the proposed 2018 Constitution changes
- Highlighting the reports for 2017
- Awarding Fellow Membership
- Recognition of 5 and 10 year members
- Providing an opportunity for your reflection and input into the ICB year that was and the years to follow

Pricing

Prices	
Full Member	\$330.00
Student Member	\$330.00
Non Member	\$495.00

Registration

To register for the 2018 Conference, please click the location you wish to attend.

 <p>Hobart</p> <p>Hobart Hotel Grand Chancellor 1 Davey Street, Hobart, TAS 28 February, 2018</p>	 <p>Sydney</p> <p>Sydney Waterview Convention Centre BiCentennial Drive, Olympic Park, NSW 6 March, 2018 OR 7 March, 2018</p>	 <p>Brisbane</p> <p>Brisbane Royal International Convention Centre Bowen Hills, QLD 13 March, 2018</p>
 <p>Cairns</p> <p>Cairns Pullman Cairns International 17 Abbott Street, Cairns, QLD 14 March, 2018</p>	 <p>Darwin</p> <p>Darwin Rydges Palmerston 15 Maluka Drive, Palmerston, NT 16 March, 2018</p>	 <p>Adelaide</p> <p>Adelaide Adelaide Convention Centre North Terrace, Adelaide, SA 20 March, 2018</p>
 <p>Canberra</p> <p>Canberra Ann Harding Conference Centre University of Canberra, 23 University Drive, Bruce, ACT 21 March, 2018</p>	 <p>Perth</p> <p>Perth Crown Perth Great Eastern Highway, Burswood, WA 22 March, 2018</p>	 <p>Melbourne</p> <p>Melbourne Melbourne Park Function Centre Melbourne & Olympic Parks, Batman Avenue, Melbourne, VIC 27 March, 2018 OR 28 March, 2018</p>

Presenters

ICB Team: Matthew Addison, Amanda Linton, Rick Van Dyk, Chris McComb, John Birse, Pauline Walton, as well as a panel of bookkeepers.

Timing

- 9:00am registration for a 9:30am start
- Tea and coffee on arrival
- Morning, Afternoon Tea and Lunch will be provided
- Conference will conclude at 4:00pm

Special Dietary Requirements

At the time of booking your place for the conference, we ask that you also note any special dietary requirements you might have. Please note that the venues have advised that they can only cater for **Gluten Free, Dairy Free, Lactose Free, Vegetarian** and **Pescatarian** diets. We cannot guarantee that any other special dietary requirements can be met. We require all special requests to be made at least 10 days prior to the event.

Registration Cancellation Policy

ICB Members

- Cancellations received within 30 to 14 days from the event – **Refund of \$125** and manual will be posted
- Cancellations received within 14 days of the event – **No refund**. Access to all conference resources online post-Conference. If a hard copy of the manual is required, you are able to purchase online and it will be posted to you.
- Notification of cancellation must be confirmed via email and received prior to the event.

Non ICB Members

- Cancellations received more than 14 days from the day of the event – **Refund of \$125 applies**.
- Cancellations received within 14 days of the event – **No refund**.
- Notification of cancellation must be confirmed via email and received prior to the event.

ICB Survey Results - Who Are You?

ICB Survey Results Released

Commentary is based on 780 responses received during November and December 2017.

What a surprise? 87% of our population indicate they are Female and the majority are aged between 40 and 60 with 15+ years experience. 87% are BAS Agents, and 89% will be renewing.

This survey confirms our observation that the significant influx of people into being recognised bookkeepers as a result of the BAS Agent regime (commencing in 2010 and everybody had to be fully qualified and experienced by 2015) has settled.

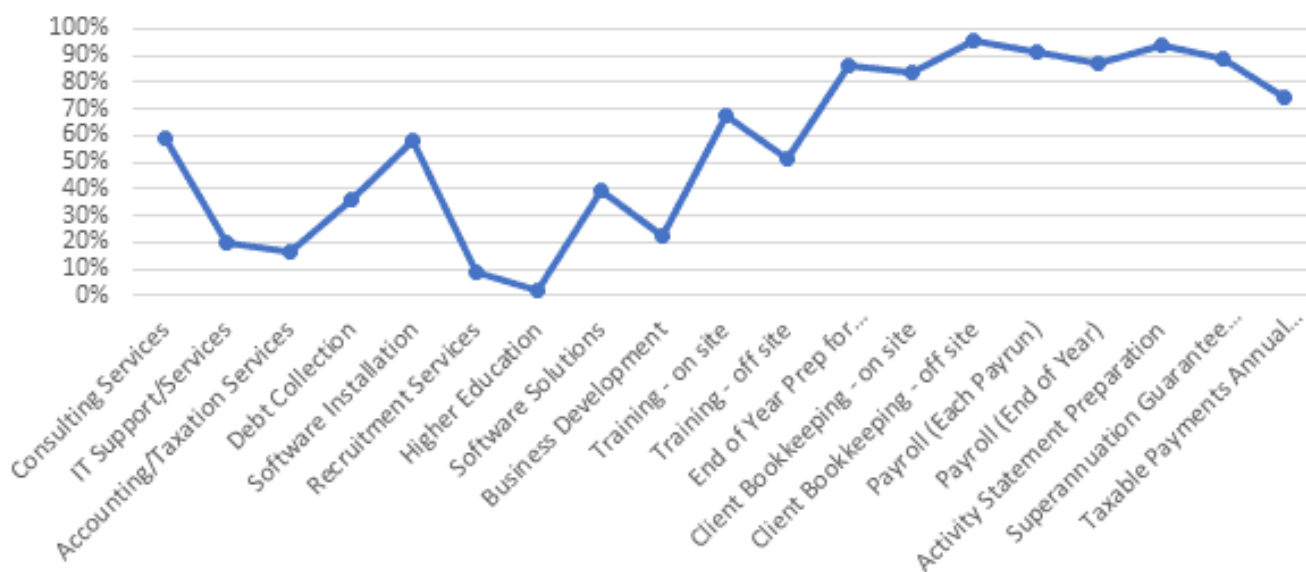
But: The community of professional Certified Bookkeepers continues to grow. We are increasingly qualified, we stay connected to our preferred software and we are keeping more than the required amounts of Continuing Education.

The development of the “multi-person” bookkeeping practice is happening. More people indicating they have full time employees, more people indicating they have part-time employees, substantially more people indicating they have full time contractors and a growth in part-time contractors. Overall 48% of respondents are working within a multi-person practice compared to 46% previously.

The type of work performed remains consistent. Only a minor tweak to increase the amount of “on-site” bookkeeping work performed by 84% of the community, and off-site also increased by 1% to 95%. Debt Collection work has increased to 36% of the population.



Q15. What services do you and/or the business provide?



The trend of businesses allowing you to access their information remotely or to be cloud based (whether they understand what that is or not) continues to grow.

Client word of mouth referrals remains the best form of business acquisition.

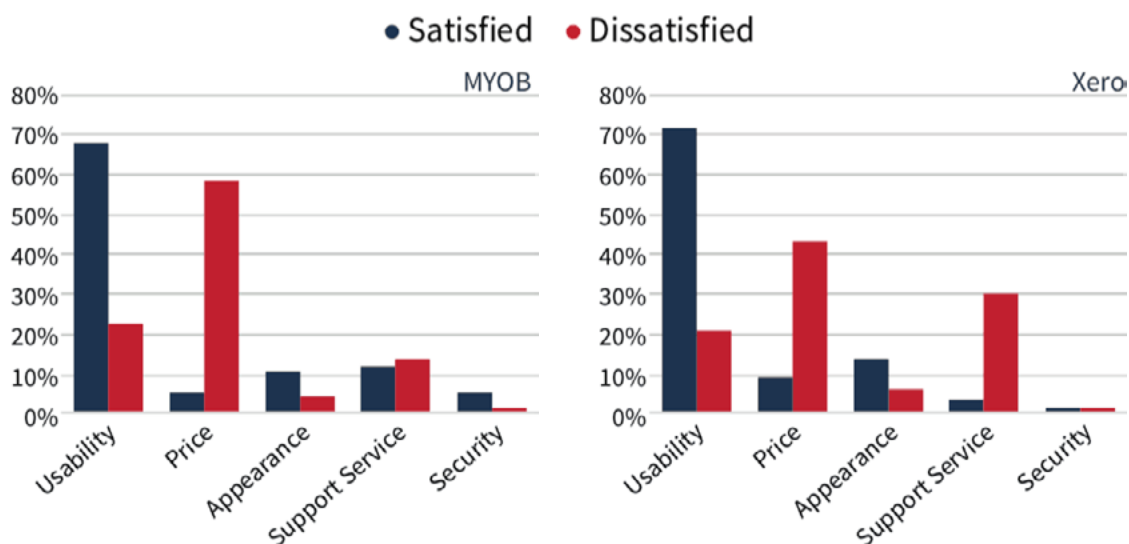
51% of Bookkeepers help the business “advising the business on which awards apply to employees”.

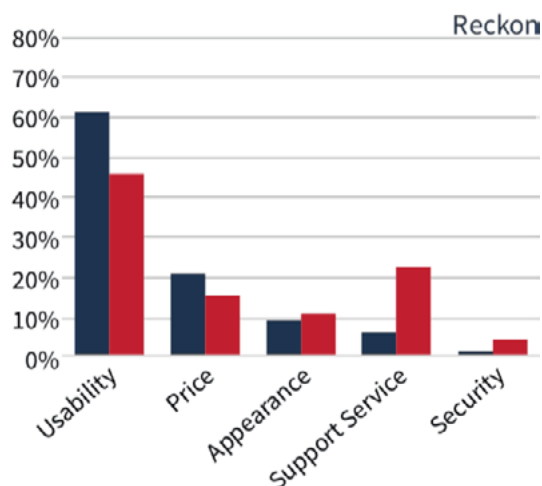
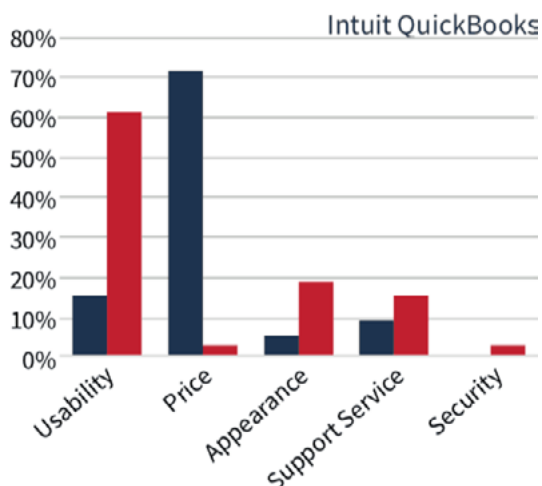
Only 64% indicate they use an Engagement Letter. A decline on previous surveys, which is not a good sign.

91% of us use the BAS Agent Portal from the ATO. 80% of us blame the client for late information being the reason BAS isn’t lodged on time.

In general we are still happy (91% vs 93% last year) with our software, but not as happy with the partner programs (an 8% swing down to “Neutral”). When we asked the feature you are most satisfied with and dissatisfied with for each software company, the responses to our strategic partners differed: MYOB, Reckon, and Xero all received significant positive “Usability” votes, with Intuit QBO receiving a strength vote in “Pricing”. MYOB and Xero both received negative “Price” responses, with Reckon and Intuit QBO suffering on usability.

For each software program you have used over the past 12 months, please select the feature you are most satisfied and dissatisfied with:





MYOB remains the dominant software.

Phone support by the software companies is preferred, with Online Webinars followed by Video (recorded) as the preferred training.

Financial Benchmarks

50% have fewer than 20 clients

7 day terms for payment is the overwhelming expectation

Charge rates

- There is a popular price point for Bookkeeping between \$50 to \$70 per hour
- The price point of \$100 to \$150 for BAS exists but is still overwhelmed by the same rate as for Bookkeeping
- High end consulting has a more regular (but only 20% of responses) charge of \$100 to \$150

There has been very little shift within the last 3 years.

The community is swapping from hourly-based fees, but it is still the majority of billing practices (54% down from 61% last year). Noting that 30% indicate they do a combination of Fixed Fee and Hourly.

- [Read the full survey results here](#)

Fair Work - Submit Online Queries

How Do You Submit an Online Enquiry with Fair Work?

The Fair Work Ombudsman does actually have an option for online enquiries that not many of us are aware of. This option allows you to submit an online form, and Fair Work will then respond in writing within 3–4 days.

Registering with Fair Work

It is necessary to register with Fair Work prior to being able to use the online option.

The purposes for you to register include:

- Ensuring that your information is kept secure
- Enabling a quicker response from Fair Work
- Keeping the replies received from Fair Work. This is important as it becomes an online paper trail.

Once you have registered you will be able to:

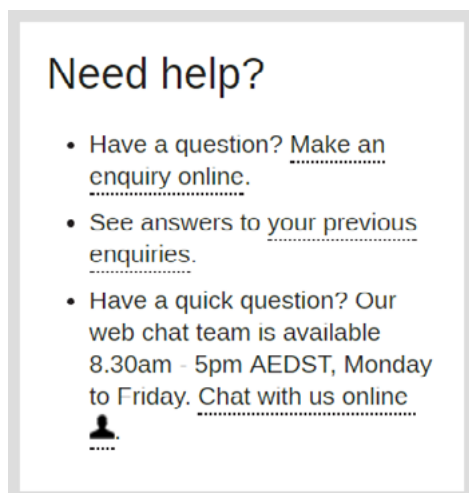
- Access the webchat to ask questions
- Submit an enquiry which may have more detail regarding the workplace matter or issue
- Save (and access to) any results from the pay, shift, leave and redundancy calculators
- Create favourite pages on the site for easy access. An example of this includes award summaries.

How to Register

To register, follow these simple steps:

1. Go to the Fair Work Online Enquiries page: [Fair Work Online Enquires](#)
2. Select “Register” in the far right hand side of the page. This will bring up a quick and easy form to complete.
3. Once you have registered, it will take you to the “My Account” page, which has different sections for you to review, with applicable links to specific areas covering:
 - ▶ My News – latest new
 - ▶ Webchat
 - ▶ Resource recommendations
 - ▶ Paying employees
 - ▶ Managing leave and time off
 - ▶ Ending employment
 - ▶ Getting the best out of their business
4. On the right hand side you have the “Need Help” section, to select when making an online enquiry.
5. Click on the “Make an Enquiry” online link and complete the form...

Below are some screen shots to assist this process.



- “My Enquires”
 - click this link to see previous enquiries you have made. (A new enquiry can be sent from this area as well).

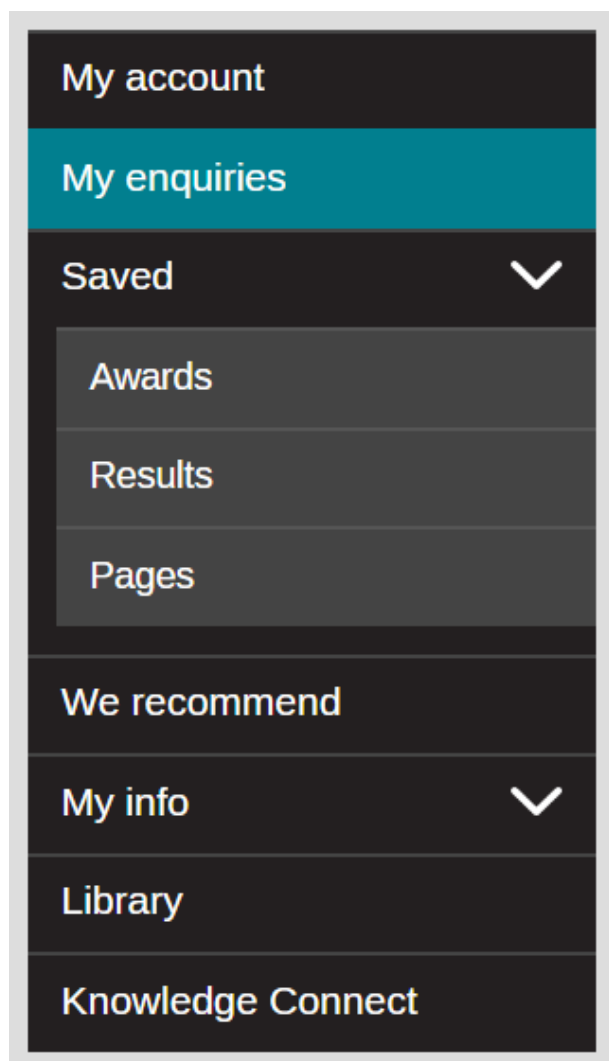
My enquiries

If you've already made an enquiry it will be listed below. When you see 'advice provided' under the status, click on the enquiry number to view our response.

Enquiry No.	Channel	Created date	Last updated	Status	Need more info?
-------------	---------	--------------	--------------	--------	-----------------

No enquiries found

- See your saved items; such as award set
- Other information includes:



References

- [Fair Work – Online Enquires](#)
- [ICB – Fair Work and HR Matters](#)

New Single Touch Payroll and Superannuation Laws

The following law changes are for consultation prior to being considered by Parliament.

Superannuation Guarantee – Non Payment

The intended commencement date appears to be 1st July, 2018

1. The ATO can “issue directions to an employer” who isn’t paying their SG
 - ▶ To take an approved course relating to SG obligations
 - If they don’t \$1050 penalty
 - Additional penalties can also apply up to \$4200 (first offence) and up.
 - ▶ To pay unpaid and overdue SG (this is a legal thing to ensure the commissioner can take action legally and proactively rather than waiting until someone dubs in an employer or an employer self-assesses. The existing law isn’t quite as open to the ATO taking action).
 - If they don’t follow the payment direction penalties of \$10,500 and/or 12 months prison
 - ▶ Will apply to any outstanding SG as of the start date of the new law

Note the law is drafted such that the Direction by the ATO to an employer to pay the SG is actually a direction to pay the SG Charge amount. Remember that as soon as an amount of SG is late (subject to some concessions: Late Payment Offset) it becomes a SG Charge amount and is supposed to be paid to the ATO and is no longer a tax deduction.

In our view we would have liked to see the Government take a new approach. Many employers may be incentivised to backpay Super if there was any upside. Currently paying old Super is fraught with only negative repercussions: it is subject to penalties, admin penalties, interest and is not a tax deduction. There is a huge incentive to stay under the radar and not look. What if the law still requires that payment, still requires the payment in time and applies interest when late automatically, but the payment and interest are deductible.

We would still like to see the admin penalty regime in place (non-deductible) and for it to be applied upon the repeat offenders etc.

The new provisions “directions to pay” have been applied to the existing SGCharge regime.

Administration of the SGCharge is extremely burdensome on any employer who may seek to catch up and comply. We are disappointed that the proposed legislation does not overhaul the administration. We hope and have made representation to the ATO for that redesign of SGCharge administration.

Allow disclosure and repayment plans for SGC

The legislation should empower the commissioner to engage the employer in setting an agreed disclosure and negotiated repayment plan for outstanding Super.

If the Employer Doesn’t Pay – the ATO Will Tell the Employee

The proposed legislation allows the ATO to tell employees if their employer has not been paying their SGC.

In real terms we thought this was about Single Touch Payroll and the information that will be made available through mygov accounts to individuals. Under STP the employer must report every payday the wages, the tax and the amount of super accrued. The Superfund will be reporting the amount of super that has been paid. The ATO will display all that information on mygov, and to employers and their agents through the portals and software (if we can ever get agreement on the system).

The provisions allow the ATO to tell employees if they see a failure by an employer or suspect a failure by an employer to pay the required SG amounts.

Single Touch Payroll Enhanced and refined

This proposed law:

- Extends STP reporting to **all** employers. (no more headcounts of over 20)
- Requires the reporting of Salary Sacrificed amounts (watch for future info. We believe the provisions are illfounded and do not provide a solution to the problem. They are also a dramatic increase to the regulatory red tape burden)
- Sets 1st July, 2019 as the new implementation date (it looks like substantial employers must still start by 1st July, 2018 but the changes give the ATO the ability to defer)
- Removes the obligation on employers to report the amount of Super they have **paid**.
Note this is not removing the employers obligation to report how much super they should pay (the amount of obligation accrued) but the subsequent payment.
- Superfunds (APRA regulated funds, not SMSF) will now have to report the amount of Super received for each employee from each employer.
- Allows the ATO to provide information about individuals, including TFNs and SuperFund info, to the employer.

This law is open for comment until mid February.

As mentioned ICB have opposed the section of the proposed law that badly imposes an obligation to report the “sacrificed” amount of a salary package.

Change Your Client Banking Details

The ATO receives over 46,000 calls per year that take on average 10.5 minutes in relation to changing the bank account details for activity statement refunds.

This function can be achieved through digital interactions on the Portal/ATO Online.

Financial Institution Account Details

You can use the BAS Agent Portal to enter, update or delete clients' financial institution account details for any active activity statement roles. These tasks can be performed through the Client details screen.

We will only pay tax refunds into a recognised financial institution account located in Australia.

The account provided must be held by one of the following:

- the client, either solely or jointly
- the client's registered BAS agent
- a legal practitioner acting as trustee or executor for the client.

When adding or updating financial institution account details, **you must provide:**

- a BSB code – six numbers
- an account number – between one and nine numbers
- a full account name – name of the entity that the account is held by; this must be the name of one of the following:
 - ▶ the business entity
 - ▶ the entity jointly with other entities
 - ▶ the registered tax agent of the entity
 - ▶ the legal practitioner acting as a trustee or executor for the entity.

To update financial institution account details, standard AUSKey users must have been given functional authorisation by an Access Administrator through Access Manager.

If you intend to make a refund request for a client using the portal, first ensure their financial institution account details are up to date.

See also:

Detailed help on financial institution account details is available on [Portal Help](#):

- [About financial institution details](#)
- [Add or update financial institution details](#)

Reference




- [ATO – Financial institution account details](#)

Unacceptable Behaviour by Agents to the ATO

The ATO also has an unprofessional agent behaviour strategy. If an agent is aggressive or threatening, a note is recorded on the system and the recording of the call is reviewed. A warning letter may be issued, and access to services may be restricted. A senior ATO executive will make contact with the tax or BAS agent to discuss the behaviour. The ATO stressed that unacceptable behaviour from tax and BAS agents is extremely rare.

Continued Professional Education

Continuing Professional Education

ICB Events and Webinars	Classroom	Online
<p>ICB Conference 2018 Multi-locations, Multi-date</p> <p>ICB Technical Webinar - Business Series - Understanding Your Costs Online, 1st March, 2018</p> <p>ICB Technical Webinar - Business Series - Working With Clients Online, 8th March, 2018</p> <p>ICB Technical Webinar - Back Payments and How to Process Online, 20th March, 2018</p> <p>ICB Technical Webinar - Business Series - Growing Your Business Online, 29th March, 2018</p> <p>Note: Webinars are recorded and available for members to listen to in your own time in the ICB Webinar Library</p> 	<p>Intuit's Get Connected Multi-Locations, Multi-Dates (March 2018)</p> <p>Budgeting and Cashflows on Calxa Perth, 4th April, 2018</p> <p>Budgets and Cashflow Management Perth, 6th April, 2018</p> <p>Understanding Financial Reports - including Non Reporting Entities Perth, 23rd March, 2018</p> 	<p>Quickbooks Online Product Update Webinars Webinar, 13th March, 2018</p> <p>QuickBooks Online Advanced Certification QuickBooks Courses, Multiple Dates</p> 

Intuit's Get Connected Event Series

Get a taste of Intuit's Get Connected event series in your local area.

Join like-minded accountants and bookkeepers over breakfast or lunch as you learn about the latest trends and simple tactics to increase your firm's productivity and win new clients.

Move to the cloud, market your practice and stand out – with QuickBooks.

Choose from 22 locations across Australia. Register for free [here](#)

ICB Network Meetings

Upcoming Network Meetings

Webinars				
Online 9th March, 2018	Online 12th March, 2018			
ACT				
Canberra - Northside TCB	Canberra - Phillip 13th March, 2018			
NSW				
Albury 9th March, 2017	Ballina 13th April, 2018	Balmain 12th March, 2018	Bathurst 17th March, 2018	Bella Vista TBC
Bellingen 20th March, 2018	Blue Mountains 12th March, 2018	Brookvale TBC	Central Coast TBC	Dubbo 26th March, 2018
Hawkesbury Region TBC	Hills Districts 14th March, 2018	Hornsby TBC	Lower North Shore 19th March, 2018	Moorebank 4th April, 2018
Newcastle 16th April, 2018	Newport 17th April, 2018	Orange 9th March, 2018	Port Macquarie 13th March, 2018	Randwick - Bondi 14th March, 2018
Southern Highlands 12th March, 2018	Shoalhaven 9th April, 2018	Sutherland 21st March, 2018	Tweed Coast 7th March, 2018	Wollongong TBC
NT				
Darwin 12th March, 2018				
Queensland				
Atherton Tablelands TBC	Brisbane Central TBC	Brisbane North TBC	Brisbane South 20th March, 2018	Bundaberg 17th April, 2018
Burpengary 21st March, 2018	Cairns TBC	Dalby TBC	Gold Coast - AM TBC	Gold Coast - PM TBC
Hervey Bay 17th April, 2018	Ipswich 10th April, 2018	Logan 21st March, 2018	Moreton Bay 12th March, 2018	North Sunshine Coast 9th March, 2018
Port Douglas 9th March, 2018	South Sunshine Coast 8th March, 2018	Toowoomba 16th March, 2018	Townsville 9th March, 2018	
South Australia				
Adelaide West 16th March, 2018	Mt Barker TBC	Para Hills 14th March, 2018	South Adelaide 5th April, 2018	Unley TBC
Tasmania				
Hobart 30th March, 2018	Launceston 15th March, 2018			
Victoria				
Brunswick 20th March, 2018	Bulleen 13th March, 2018	Burwood 7th March, 2018	Chadstone 5th March, 2018	Cobram 1st March, 2018
Craigieburn 13th March, 2018	Docklands 13th April, 2018	Echuca TBC	Frankston 8th March, 2018	Geelong TBC
Lilydale TBC	Macedon Ranges 17th April, 2018	Mitcham 8th March, 2018	Mordialloc 20th March, 2018	Mornington TBC
Mt Waverley 6th March, 2018	Narre Warren 20th March, 2018	Sale TBC	Warragul TBC	Wyndham 9th March, 2018
Yarra Valley 9th March, 2018				
Western Australia				
Broome 9th March, 2018	Bunbury 10th April, 2018	Busselton 6th April, 2018	Cockburn Central 21st March, 2018	Geraldton TBC
Joondalup 15th March, 2018	Kalgoorlie 15th March, 2018	Melville 14th March, 2018	Noranda 14th March, 2018	Northam TBC
Welshpool 20th March, 2018				

February 2018 Question of the Month: Accruing leave on NIL fortnightly pay

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

An employee has taken long service leave through the Construction Industry Portable Long Service Leave Scheme. This has been paid out by the portable long service leave fund.

A NIL fortnightly pay for this employee is being recorded to keep a record of this in the payroll system. Does this employee still accrue leave and sick entitlements during this period?



[Let us know your thoughts here](#)

January 2018 Answer of the Month: Overtime for Xmas casual

Last Month we Asked You:

I have had a casual employee over the Xmas break. They have worked the main days from 27th December through to the 5th January. Do I pay overtime for all of this period? Is there casual loading included?

ICB's Response:

While the (draft) decision was made by Fair Work on 12th December, the inclusion of overtime for casuals does not come into effect until the first full pay on or after 1st January, 2018.

This however, only affects certain Awards and the first thing to do is to check what award the employee is relevant to. Each Award will vary based on the conditions of employment, the general hours worked per pay period and any other circumstances that need to be included specific to that employee.

Therefore in the scenario of this question – no casual overtime penalties would be in effect as the days crossed with December and January. However, if the employee pay had covered from the 1st January to the 7th January, then overtime rates would apply if the Award advises to do so.

Whenever a change has been made to the conditions of pay it is important to be across the Award, what is stated with Fair Work and speak with a HR professional for further clarification.

References

- [Fair Work – Changes to casual & part-time entitlements in some awards](#)
- [Fair Work Commission Decision](#)
- [ICB – Casuals Now Get Overtime Pay](#)

Other Things Happening in the World

Visit ICB at the Accounting Business Expo



Visit the ICB stand (but only for those of you not at the ICB conferences in Canberra and Perth).

Accounting Business Expo is Australia's largest annual business event, bringing together over 4,000 professionals like you – hungry for the advice, proven strategies, and connections that can help you optimise your business right now and prepare it for the future.

Free to attend, vendor neutral and independently run, Accounting Business Expo is committed to providing you with a completely impartial perspective of everything that is new and next in your profession.

With a wealth of free education, incredible content, cutting-edge solutions, live demos and enhanced networking opportunities, **this is the mother of all events!**

You cannot afford to miss it!

- [Event Overview](#)
- [Register Here \(for free\)](#)

Fair Work Breaches and Court Cases

Fair Work Compliance Actions

\$121,000 Fine for Underpayment

"Noting that the Fair Work Ombudsman had previously advised Mr Pulis that labourer rates must be paid if an apprenticeship arrangement is not registered, Judge Riethmuller found that the underpayment of the employee was deliberate."

Fair Work Ombudsman Natalie James said the conduct could only be described as deliberate.

"It is simply unacceptable to exploit any worker in such a way and the conduct is even more abhorrent when you consider the response the worker received for doing nothing more than asking for what he was lawfully entitled to," Ms James said.

[Read the Fair Work Ombudsman media release in full](#)

Employer Did Not Keep Records

In an email to a Fair Work inspector, Hu stated that *"During the past few years, I did not do the records and other things properly, because I am too busy and lazy"*.

Ms James says employers should be aware that the Fair Work Amendment (Protecting Vulnerable Workers) Act 2017 has now come into effect, which means a reverse onus of proof can now apply when the Fair Work Ombudsman pursues legal action in relation to underpayments that have occurred since the commencement of the Act.

"We welcome these changes," Ms James said.

“Now, employers who don’t meet record-keeping or pay slip obligations and can’t give a reasonable excuse will need to disprove allegations in wage claims made in a court,” Ms James said.

“If an employee claims they have been underpaid and the employer didn’t keep the right records, make those records available, or give them a pay slip, the employer may need to prove that they did pay the employee correctly or gave them the right entitlements.”

But note, once again: *“The contraventions occurred despite the Fair Work Ombudsman having previously put Hu on notice, during investigations in 2012 and 2014, of the need to comply with record-keeping and pay slip obligations under the Fair Work Act.”*

[Read the Fair Work Ombudsman media release in full](#)

References

- [ICB – Fair Work Ombudsman Case Studies](#)
- [news.com.au – Plumbing boss slugged with huge \\$121k penalty for ‘outrageous exploitation of a young person’](#)
- [Fair Work – \\$121,000 penalty imposed for “outrageous exploitation of a young person”](#)
- [Fair Work – Being “too busy and lazy” to keep records results in \\$43,200 in penalties for massage parlour operator](#)

From the ICB

What’s New this Month from ICB

New and updated resources for February 2018

- [2018 BAS Agent Lodgement Program](#)

Other news for February 2018

- [Diploma in Payroll](#)
- [SBSCT Closes 19th February](#)
- [Upcoming Tax Professional Webcast](#)
- [The New Cert IV](#)
- [Registering for STP](#)

[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.



Xero Roadshow Report

Xero Roadshow Melbourne 2018

Thank you Xero, for putting together another great event for your Partners in Melbourne (and throughout Australia). It was obvious that a lot of thought had been put into the format and content of this year's Roadshow with a theme of giving your Partners and their Clients back one of their most valuable resources – Time.

Instead of the usual exhibitor stands, the emphasis was on networking with Xero ecosystem partners in their Branded T-Shirts; mixing with participants and providing helpful information.

The main presentation was broken into 5 topics:

- Unlocking client services with Xero HQ
- Making tax digital, safe, secure and online
- Working remotely with clients
- Managing time, projects & expenses
- Supercharging small business with Xero's financial web

Each of the presenters moved quickly away for the Powerpoint slides to show actual Xero transactions to illustrate features and productivity tips. This made the content real and illustrated the ease of maintaining client communications with the ASK option and client management through alerts in Xero HQ. While some of the new features such as Projects and Expenses will add to the monthly cost of using Xero, new innovations such as the NAB integration with Xero will further streamline the payment of outstanding accounts, and Xero's integration with the ATO's digital tax platform will reduce time taken to lodge Tax returns.

The opportunity to become a Xero Champion by completing the upcoming Live Webinars and showing your product knowledge was also explained, helping partners gain best practice techniques in making the most of Xero features. Special mention should be made of the roadshow publication given out that celebrated those that have built their business with Xero.

Xero now have a large enough user base, with over 1 million subscribers, to be able to provide meaningful statistics on the health of business in Australia through the Xero Small Business Insights. By subscribing to this free service supported by KPMG Enterprise we can be better informed about small business health that puts business performance in perspective.

Kind regards

John Birse FICB

Director ICB (Australia)

IME - Remember Cyber Insurance

When the Chips are Down – Remember Cyber Insurance

Leading computer chip manufacturers recently confirmed that their chips contain a feature that makes them vulnerable to hacking, which could allow hackers to steal sensitive data. Hackers are aware of this and exploit it to access your computer, smartphone or tablet.

This means that an unauthorised party may read your or your clients' sensitive and personal information in your computer system's memory such as passwords, encryption keys, or sensitive information open in applications. There is rising global speculation about the severity of the issue including potential performance impacts on servers and public cloud environments.

Installing software updates can fix these vulnerabilities and help keep you secure. Two critical vulnerabilities in CPU processors have been identified – codenamed Meltdown and Spectre. While Meltdown can be patched, no such fixes currently exist for Spectre.



Systems Affected

Intel, Microsoft, Apple, AMD, Google, ARM and Linux Kernel.

Intel provides chips to about 80% of desktop computers and 90% of laptops worldwide.

These system vulnerabilities are another reminder why it is important to implement security patches and updates immediately they are available.

It is also a timely reminder to seriously consider purchasing Cyber Insurance which Insurance Made Easy has arranged for all ICB Bookkeepers in the event your computer systems are hacked.

Insurance Solution for ICB Bookkeepers from IME

For as little as \$151 a year (with a \$1,000 excess) you can avail yourself of up to \$50,000 cover for Cyber related costs if you are hacked.

Key Covers of Your Cyber Insurance Policy

- **Breach of Privacy**

Covers a Privacy Wrongful Act in addition to any breach of professional duty as a bookkeeper. Broader cover with access to Cyber specialists who are on hand to guide you through what could be a stressful time. I.T. experts who forensically investigate the extent of the Privacy breach. Legal experts to guide you on how best to notify your customers about the breach including Public Relations experts who have an understanding of how to prepare required crisis communications and protect your business reputation.

- **Network Security**

Own incident response expenses for initial investigation of circumstances which may result in a claim, e.g. you have identified a suspicious and potential Malware issue before any claim has occurred.

- **Cyber Extortion**

Insurer will pay Cyber Extortion ransom or reward related to a creditable threat made by a 3rd party against you. Such as a potential release of sensitive data, corrupt data, crypto locker or to introduce malware to your systems.

- **Data Loss Assets**

Broader triggers included cost to remove malware and reconstruct data. Data can be held on the insured's system or by an independent contractor (i.e. in the cloud).

- **Cyber 24-hour Emergency Assistance Line**

Full access to a 24/7 call centre including a free 30 minute consultation with cyber experts to guide you through this potentially stressful time. Should you need on going assistance they will appoint an Incident Response Manager who will co-ordinate the necessary experts to manage the cyber event which has occurred.

- Complimentary access to the **Chubb eRisk Hub®** to help you prevent and respond to a cyber event. Simply go to the E-RISK learning hub website, <https://eriskhub.com/chubb> and enter the code 11823 to access the following valuable services.

- ▶ **Incident Roadmap** – A checklist of activities to undertake in the event of a data breach.
- ▶ **News Centre** – Up-to-the-minute links to articles, blogs, events, and information.
- ▶ **Learning Centre** – Recent articles and white papers on a wide range of cyber topics.
- ▶ **Risk Management Tools** – Tools to assist you in managing cyber risk internally.
- ▶ **E-Risk Resources** – Links to experienced providers of cyber risk management and breach recovery services.

IME are just a phone call away!

Contact one of our dedicated Insurance Specialists today for more information on our Cyber Insurance policy for ICB Bookkeepers. Call **1800 641 260**



James Gillard
Managing Director

2018 BAS Agent Lodgement Program

Activity Statements

Note the change to the December Monthly → 21 February

Table: BAS Agent Concessions – Monthly Lodgment Obligation

Monthly lodgment obligation	Due date	BAS agent concession for lodgment and payment if lodging by the BAS Agent Portal, PLS or ECI
Activity statement	21st of the following month	n/a The electronic lodgment and payment concession does not apply to standard monthly activity statements
December activity statement	21 January	21 February – December monthly business activity statements for business clients with up to \$10 million turnover who report GST monthly and lodge electronically using a registered agent.

Table: BAS Agent Concessions – Quarterly Lodgment Obligation

Quarterly lodgment obligation	Original due date	BAS agent concession for lodgment and payment if lodging by the BAS Agent Portal, PLS or ECI
Quarter 4, 2016–17	28 July 2017	25 August 2017
Quarter 1, 2017–18	28 October 2017	25 November 2017
Quarter 2, 2017–18	28 February 2018	n/a The Quarter 2 lodgment due date is more than eight weeks after the end of the quarter, which is similar to the electronic lodgment concession available for the other three quarters. As a result, lodgment concessions are not available for Quarter 2.
Quarter 3, 2017–18	28 April 2018	26 May 2018
Quarter 4, 2017–18	28 July 2018	25 August 2018 To be confirmed when the BAS agent lodgment program 2018–19 is developed

Payment Summaries

Table: Lodgment Dates for the PAYG Withholding Payment Summary Annual Report

Lodgment due date	Reports for
14 August 2017	either: <ul style="list-style-type: none">■ large withholders (annual withholding more than \$1 million)■ payers who do not have registered agent involvement in preparing the report
30 September 2017	payers who have registered agent involvement in preparing the report and have either: <ul style="list-style-type: none">■ one or more arm's length payees■ only closely held payees but did not meet the compliance test
Due date of payer's tax return	payers, including personal services income (PSI) entities, who have tax agent involvement in preparing the report and both the following apply – they: <ul style="list-style-type: none">■ have only closely held payees■ meet the compliance test and notify us of any additional eligible clients by 27 September 2017

Closely Held Lodgment Concession

If your client is eligible for the closely held lodgment concession we will email you – if you have eligible clients but we haven't contacted you, you can submit a request form.

Eligibility

Payers who have only closely held payees and who meet the compliance test will be eligible to access the closely held lodgment concession, allowing registered tax agents to lodge their report by the due date of the payer's tax return.

To be eligible for the concession this year, your client must have:

- only closely held employees
- lodged their PAYG withholding payment summary annual report 2016 by 30 June 2017
- lodged their 2016 tax return by 30 June 2017, and not received a failure to lodge on time (FTL) penalty for that return
- registered for PAYG withholding.

A closely held employee is one who is a non-arm's length employee.

This means they are directly related to the entity from which they receive payments, for example:

- family members of a family business
- directors of a company
- shareholders or beneficiaries.

The closely held lodgment concession does not extend to BAS agents. The latest date that a BAS agent can lodge the PAYG withholding summary annual report on behalf of their clients is 30 September.

This concession also does not apply to large withholders. They must still lodge by 14 August 2017.

Registered agent involvement is when the tax agent or BAS agent has provided advice to help their client prepare the PAYG withholding payment summary annual report (including checking the report to ensure it is completed correctly) or prepares the report.

Closely Held Lodgment Concession Request Form

If you have clients who have not been granted the concession but you believe they are now eligible to receive it, you can request the concession for them by adding their name and Australian business number (ABN) to the closely held lodgment concession request form.

You must submit the *Closely held lodgment* concession request form by **27 September 2017** (or the next business day). We will not process requests we receive after this date.

We will review the eligibility of all the clients in your request and notify you of the outcome.

If you do not notify us by this date and you lodge their annual report after 30 September 2017, we may apply an FTL penalty which may be remitted if extenuating circumstances exist.

You can also use the closely held lodgment concession request form to:

- request a review of a decision to not grant the concession
- advise us of clients who are no longer eligible for the concession and the reason why.

Next Steps:

- [Closely held lodgment concession request form](#)

Reference

- [BAS agent lodgment program 2017–18](#)

ATO Wants to Know the Cost of Doing Any Tax

There is political speak about “limiting” the amount someone can claim for “managing their tax affairs”. The ATO already requires various disclosures on the amount that is claimed.

[Changes to the tax return labels may require a new account in the chart of accounts](#)

- [Based on the ATO definitions explained here](#)

From a bookkeepers point of view: Do we dissect every element of what the accountant does or the Bookkeeper does in order to disclose the amount of “Tax Management”? What is tax management?

Is it everything to do with BAS, PAYGW, GST, Income Tax?

If so then the figure might be all encompassing.

If not then it seems like an unnecessary additional disclosure.

Impact for Bookkeepers: Leave it to the tax agent to make this special disclosure.

If the accountant wants a dissection in the chart of accounts, that also makes sense.

Then we need to ensure a common understanding of what is coded where.

If the business begins to incur “Litigation” costs or “Interest” to the ATO then they should be separately identified.

GST Performance Report

GST Administration Performance Report – 2016/17

- \$59.8b GST raised
- \$2.9b GST from compliance activities

- 2.7m GST registrants
- 10.3m original BAS processed
 - ▶ 93.2% of monthly BAS lodged and 83.5% were on time
 - ▶ 85.3% of quarterly BAS lodged and 73.5% were on time
 - ▶ 77.5% lodged electronically
- BAS related payments of \$260.1b

Voluntary compliance ratio: The VCR measures the number of taxpayers who completely meet all their obligations for the financial year.

- Percentage of taxpayers who have only had one late lodgment or payment: 83%

It costs the ATO \$682.4m to administer GST.

- \$5.6b of GST debt of which \$3.8b is considered collectible
- On-time payment rate of 88.2%
- 98% of new ABR registrations finalised within 20 days

Compliance Research

- GST is becoming increasingly embedded and normalised as part of business
- engagement of intermediaries is a strong determinant in perceived ease and ability to comply with GST requirements
- technology and automation continue to play a significant role in supporting compliance
- non-compliance is largely viewed as unintentional but is seen to be inevitable
- the cash economy is the main forum for deliberate non-compliance, with values and beliefs around this continuing to drive acceptance, or at least casual tolerance.

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.

Planned System Maintenance

Start Time	End Time
Saturday 3 March 2018 – 9.00pm EDT	Sunday 4 March 2018 – 9.00am EDT
Friday 23 March 2018 – 11.30pm EDT	Monday 26 March 2018 – 7.00am EDT
Saturday 7 April 2018 – 9.00pm EST	Sunday 8 April 2018 – 9.00am EST
Saturday 5 May 2018 – 8.00pm EST	Sunday 6 May 2018 – 8.00am EST

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

ICB Membership Statistics

5,592 Members at 31 January 2018

3,955 Members maintain Fellow, Member, Associate, Affiliate and Educator Membership. ICB also has 15 Accredited Training Provider Members and 1,622 Student Members.

ICB Supporters and Sponsors



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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

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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