

Institute of Certified Bookkeepers

Making you Count

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Bookkeepers helping Bookkeepers helping Business

October 2018

Welcome to ICB's October 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

- Beware of ATO Scammers
- Accrediting your skills
- Final Call - November Payroll Workshops

Best Practice Bookkeeping

- Bookkeeping for the Medical Industry – new resource
- Software IDs and STP – the Biggest Problem
- Fair Work guide to workplace privacy
- Private Expenses / Drawings / Loan Accounts
- FBT and the Private use of Vehicles

The BAS Agent World

- GST Deductibility and the ATO Industry Guides
- TPB Verifications of Practitioner Identity

From the ICB

- October 2018 eBrief for your Clients and Business

From the ATO

- ICB Consults to ATO PSRG
- ATO Data Matching – updated resource

Important News

Members Comment on ICB

Check out some of the recent feedback we have received...

- “ We at the ICB pride ourselves on providing the best experience and support to our members. We are really pleased to maintain a strong dialogue with our community and wanted to highlight some recent feedback from ICB members.
- “ I have just read the ICB September newsletter and wanted to thank all the ICB staff who work to put the information together each month. The comprehensive and quality updates are fantastic and a lot of effort must go into preparing the newsletter content (and other ICB resources).
Much appreciated
- “ Totally agree with you, I joined ICB when I was getting ready to apply for my BAS Agent registration 5 months ago. I wish I'd joined earlier as I really believe I've doubled my knowledge from 5 years of Bookkeeping in the last 5 months with the ICB membership, I can't see myself ever not being a member.
- “ I have been with them from the beginning it is the most valuable membership you will ever have 
- “ I concur with the feedback.. I learn so much and inspired to explore additional areas of knowledge.
- “ Best resources and services to members. Their customer service is excellent.

You can find other member feedback at www.icb.org.au/About/Feedback

Software is better when you use an expert to help

Software is just software without an expert adviser, software becomes a solution when the adviser ensures its practical, expedient and effective use to address the needs of the business.

Today, business is different to the way it was a mere few years ago and the way clients access services has changed. With the emergence of social media, email, instant messaging, text and media messages, VoIP, video chat and more, businesses are becoming rather overwhelmed by the substantial number of applications needed to engage with their customers. With the emergence of web-based applications for project management, integrated billing, delivery management to name just a few, businesses are struggling to know which solutions are the best given the myriad of options available to them.

This is where bookkeepers must play the central role as the trusted advisers and solutions experts to their clients. With accounting software often serving as the knowledge and management hub of the businesses, bookkeepers must be aware of the solutions that may be of benefit to their clients groups and be able to make recommendations accordingly.

Bookkeepers are uniquely placed to offer guidance impartially when others cannot.

Software is just software without an expert adviser, software becomes a solution when the adviser ensures its practical, expedient and effective use to address the needs of the business.

By acknowledging your significant application expertise and learning about the ecosystem of applications that extend upon your preferred accounting platform you are able to help address client needs as they emerge or increasingly before they emerge.

Small business owners will seek out services designed to meet their needs in the increasingly competitive markets they operate in with numerous options available, if you are not able to provide them with guidance they may seek it elsewhere so you need to avail yourself to the options. They want services that provide their businesses with user-friendly solutions to assist them in achieving their business goals. Are you able to present them with solutions that allow them to be their best, perform high quality work, analyse their performance, and bolster productivity in a reliable and robust way, and do your solutions deliver cost savings or revenue gains?

The central question to practice success is not just how to stay engaged with your clients – it is how to help them most efficiently build their business, given all the available tools and technologies. The solutions are out there and you are the trusted adviser.

Kate Carnell, the Australian Small Business and Family Ombudsman, reports

“The impediments to digital adoption include cost, not knowing where to start, fear of technology, finding the time and understanding the benefits. Scottish Pacific research indicated most business owners are focussed on the day-to-day operations and their ability to manage cash flow, rather than maximising the use of data in their businesses.

“Xero research reports businesses that use apps for finance, marketing, human resources, inventory/ordering and data management were more likely to grow. For example, a point of sale app can achieve increased revenue from better marketing, stock selection and inventory management.

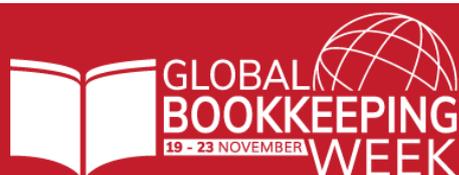
“The messages from these statistics is important. IT suppliers need to be part of the solution. They need to understand the different resources available for medium, small and micro businesses, and provide different packages and support that align with the needs and skills of business owners.

“Trusted advisers such as accountants, BAS agents and bookkeepers should expand their services to include developing growth plans for their customers, such as identifying appropriate apps, advice on e-invoicing and performing an overall digital health check.”

Resources

ASBFEO – Small business needs to embrace digital

Global Bookkeeping Week 2018



Let's #RaiseACup to raise a voice for the bookkeeping community and its integral role in small business success

Global Bookkeeping Week (GBW) will continue for its fourth year running, and be held from November 19 – 23. The aim of this initiative is to communicate with small businesses of the value in engaging with a bookkeeper, and to celebrate the bookkeeping journey and its advancement over the past years.

This year ICB will not only celebrate bookkeepers, but we will also explore and eliminate the misconception that the [bookkeeping industry is becoming obsolete](#). With this aim in mind, ICB have developed a short industry insights survey to help understand the current perceptions towards the bookkeeping industry, and whether business owners truly understand the role (and value) of today's bookkeeper.

Have your say in the ongoing discussion

We are proud to lead this celebration of bookkeepers alongside our partners, members and supported businesses. We have a fantastic week lined up to bring bookkeepers together, demonstrating the global presence and significance of this progressive community. We're encouraging you to take some time during Global Bookkeeping Week, to celebrate your own personal growth and the achievements you've made as a bookkeeper.

“ *Global Bookkeeping Week serves to acknowledge and celebrate the work of good bookkeeping. Whether your bookkeeper is yourself, on your team or a contracted professional; good bookkeeping is at the core of every good business. Good bookkeeping anticipates business needs and implements the most efficient technology and business solutions best suited for that business.* - Matthew Addison, ICB Executive Chairman

Watch this space as we release a series of events and promotions we will be rolling out in preparation for celebrating all things bookkeeping! [#GlobalBookkeepingWeek](#)

Global Webinar

Wednesday 21 November 9am-5pm

Open for all bookkeepers (including non-members and students) join us for a Global Webinar covering everything from practice management, social storytelling, technical bookkeeping support and much more! [Full agenda to be released shortly. Click here for details and to register.](#)

Free Network Meetings

Various dates through November

Throughout November all bookkeepers can attend a local Network Meeting for FREE. This is a great opportunity to come along and see how engaging and supportive these groups are. [Click here to find a Network Meeting near you.](#)

Meet the ICB Team

Thursday 22 November 10am-12pm

ICB would like to extend an invitation for members to join us at our head office in Ringwood for a social coffee and chat. Finally put a face to all of the support and member service crew you will have spoken to on the phone or via email. Don't worry if you live too far out, as we will have a webinar open for you to still join us virtually. [Please make sure you register here to RSVP your attendance.](#)



WIN A \$50 VOUCHER!

Let's have some fun, get creative and #RaiseACup to bookkeepers throughout the week. Post a photo on social media of yourself, your clients or even your pet raising a cup and you will automatically enter the draw to win a \$50 voucher.

Make sure to tag @icbaustralia (Facebook) or @ICBAustralia (Twitter) and use the #GlobalBookkeepingWeek and/or #RaiseACup tags to enter.

Best Practice Bookkeeping

Changes to Modern Awards

The Fair Work Commission has varied a number of awards as part of its Modern Award Review. The changes affect rules about casual conversion, minimum engagement periods and rostering arrangements. You can check the changes to your award in the Fair Work Commission's schedule of determinations.

Casual conversion – change to permanent

Importantly, a five-member Full Bench of the Commission provided a decision concerning part-time and casual employment in response to its review of modern awards.

As part of its decision, the Commission shall include a model clause into over 80 modern awards which did not previously include a casual conversion clause. The new clause enables casual employees to seek convert from casual to full-time or part-time employment, subject to certain rules and restrictions.

The model clause incorporates a requirement that all casual employees subject to the awards are to be given a copy of the model clause during the first 12 months of the employee's term of engagement with the employer.

The casual conversion clause allows a casual worker to become a part-time or full-time employee if:

- a qualifying period of 12 calendar months is met;
- the casual employee must have engaged in work with a pattern of hours on an ongoing basis over the required 12 month interval which may continue to be worked on a full-time or part-time basis without the need for significant adjustment.

The changes took effect from the first full pay interval on or after 1 October 2018.

Changes to minimum engagement periods

Please note that minimum engagement terms are now in effect: the minimum amount of time an employer may work during each shift.

This seeks to make the process of scheduling and rostering staff more fair. Employees cannot be called in for 20 minutes of work, they need to be allocated the minimum number of hours. This prevents a staff member driving an hour only to be told they are not needed after a few minutes of work.

It is important to note that the minimum engagement term is different within each award. Eg In the fitness award if you are level 2, 3, 3A or 4A then minimum engagement is one hour otherwise it is three hours except for student trainers.

Minimum wages in the General Retail Industry Award

Minimum wages in the [General Retail Industry Award 2010 \[MA000004\]](#) have been increased by 3.5%. The increase to wages will apply **from the first full pay period on or after 1 July 2018**.

See the [Annual Wage Review 2017-2018 decision \[2018\] FWCFB 3500](#) for more details.

Examples for modern award increases

The following examples show how the increase in wages applies to adult employees in classification level 4, which may include:

Employees engaged in managing a defined section or department, supervision of up to 4 sales staff (including self), stock control, buying and ordering requiring the exercise of discretion as to price, quantity and quality etc.

For advice about which award applies to you and your classification level please contact the [Fair Work Ombudsman](#).

Full-time (weekly rate)

Previous	From 1 July 2018	Increase per week
\$809.10	\$837.40	\$28.30

Full-time and part-time employee hourly rates for ordinary hours

Note: calculated on the basis of 38 hours per week.

Day	Previous	From 1 July 2018	Increase per hour
Monday to Friday	\$21.29	\$22.04	\$0.75
Saturday	\$26.61	\$27.55	\$0.94
Sunday	\$41.52	\$39.67	-\$1.85
Public holiday – all hours	\$47.90	\$49.59	\$1.69

Casual employee hourly rates for ordinary hours

Day	Previous	From 1 July 2018	Increase per hour
Monday to Friday	\$26.61	\$27.55	\$0.94
Saturday	\$28.74	\$29.75	\$1.01
Sunday	\$41.52	\$40.77	-\$0.75
Public holiday – all hours	\$53.23	\$55.10	\$1.87

Employees may be entitled to various overtime rates and allowances which are not included in the tables above. The Fair Work Ombudsman [Pay Calculator](#) can assist with calculating wages and allowances.

Sunday penalty rates were reduced in the [Penalty Rates decision \[2017\] FWCFB 1001](#). A further decision [\[2017\] FWCFB 3001](#) put transitional arrangements in place which reduce the Sunday penalty rates over 3 years.

Make sure your ABN is not Deregistered

Is it time that you updated your details?

Evidence of carrying out an enterprise

Specific activities indicate that you are engaging in a business; and this entitles you to retain an ABN:

If commencing a new business, consider the following, have you taken a structured approach to business planning, and risk management, for example buying inventory and other business like decisions.

Are you operating to make a return and maintaining records. Do you keep organised records and operate in a regular and consistent manner?

Are you a business or merely an employee

When completing your income tax return, ensure that you declare income at the business labels correctly.

Remember to lodge your business activity statements (BAS).

Don't forget to **update or cancel** your ABN to reflect changes in your enterprise.

Failure of one or more of these may be the reason behind your ABN cancellation. The ABR will issue a letter outlining the reasons for deregistration. Alternatively, you can review your status at the **ABN Lookup** to make sure.

Updating or cancelling your ABN

You have a responsibility to keep your ABN details up to date. You can update your details online or by contacting the ABR. If your business structure changes you may need to cancel your ABN.

Update your ABN details

It is important to update your information within 28 days of becoming aware of any changes to your ABN details.

Cancel your ABN

If you are no longer entitled to an Australian business number (ABN), it is important that you cancel it.

Changing your business structure

If your business structure changes you may need to cancel your ABN and apply for a new one.

Probation Periods – new resource

Putting staff on Probation

Employers can put their employees on a probation period (also known as a probationary period) to assess if employees are suitable for the role and business. The employer decides on the length of the probation period. It can range from a few weeks to a few months at the start of employment.

Employee entitlements on probation

While on probation, employees continue to receive the same entitlements as someone who isn't in a probation period. If hired on a full-time or part-time basis, an employee on probation is entitled to accrue and access their paid leave entitlements such as annual leave and sick leave.

If an employee doesn't pass their probation, they are still entitled to receive notice when employment ends and have their unused accumulated annual leave hours paid out.

Minimum employment terms

While the relevant Act, Fair Work Act 2009 does refer to concepts such as unfair dismissal this does not mean that a staff member cannot be dismissed. During or after a term of probation a staff member may be dismissed.

The act does not refer to probation it refers to a minimum employment term, and this minimum term overrides any actual or implied term in an employment contract.

Therefore, employees only become protected from unfair dismissal after they have completed their minimum employment term. The minimum term differs depending on the number of employees of the company.

The term is 12 months for companies with fewer than 15 employees

The term is 6 months for companies with greater than 14 employees

This means that even if the employment agreement states that the term of probation is 3 months the minimum term for the purposes of unfair dismissal is 12 months for small companies and 6 months for larger companies as noted above. This means that employees are protected from unfair dismissal after 12 months.

Lawful or Unlawful dismissal

This does not mean that a staff member cannot be deemed to be unlawfully dismissed before either term. Reasons for unlawful dismissal that are not moderated by term include on the basis of a protected attribute, because of taking an action consisted with lawful rights, such as joining a union.

Often there are a number of lawful reasons fore the dismissal of an employee.

These include poor punctuality, or the inability to follow reasonable instruction for example.

Giving notice

During the first 12 months of employment a minimum of 1 week must be provided as notice in the event of dismissal. This does not apply to casual staff or non full time staff.

Think a mistake might have been made in relation to an entitlement?

Mistakes can happen. The best way to fix them usually starts with talking.

Check out the [Fair Work Help resolving workplace issues](#) section for practical advice on:

- figuring out if a mistake has been made
- talking to your employer or employee about fixing it
- getting help from Fair Work if you can't resolve it.

GST Free Supplies by NFP Entities

What are NFP GST-free activities?

If your client is an endorsed charity, their supplies are GST-free if they provide them for nominal consideration. An endorsed charity must be registered with the Australian Charities and Not-for-Profits Commission, it must also be endorsed by us to access these GST charity concessions.

Consideration means all payments, both monetary and non-monetary, made for the supply, regardless of who makes the payments.

An endorsed charity will make a supply for nominal consideration where the consideration received satisfies any of the following tests:

- less than 75% of the GST-inclusive market value for supplies of accommodation
- less than 50% of the GST-inclusive market value for supplies other than accommodation.

This information enables you to compare the consideration received for a supply against benchmark market values to determine whether your organisation's supplies are made for nominal consideration.

An endorsed charity can also use the cost of supply test which is where the supply is less than 75% of the cost to the endorsed charity for supplying something.

Benchmark market values versus actual market values

Benchmark market values are amounts that the ATO consider are reasonable GST-inclusive market values for accommodation, board and quarters and meals. The ATO publish updated benchmark market values each year. If you have actual market values through a valuation you need to use them to assess whether your goods or services are provided for nominal consideration. If the market valuation is less than four years old, you cannot use the benchmark market values unless the [transitional arrangements for market valuations](#) apply.

Eligible organisations and supplies

You may be able to use benchmark market values if you are an endorsed charity and you supply one of the following types of supplies:

- supported accommodation and community housing (long-term accommodation rates)
- crisis care (short-term and long-term accommodation as appropriate)
- accommodation in a retirement village that doesn't meet the definition of 'retirement village' in section 195-1 of the GST Act (long-term accommodation)
- residential housing (long-term accommodation)
- meals on wheels, charity soup kitchens meals or meals to the frail, homeless or needy (meals).

If you are eligible to use the benchmark market values but choose not to, you must use the market value guidelines or get a market valuation.

How to use the benchmark market values

The benchmark market value for each supply type is the GST-inclusive market value.

- You cannot average the benchmark market value when your organisation provides different service types or provides services across a range of locations, for example:
- you cannot use short-term accommodation benchmark market values for a capital city and other country centres to arrive at an average value for all short-term accommodation

you cannot use long-term accommodation benchmark market values for a one bedroom unit, a two bedroom unit and a three bedroom unit in the same building to arrive at an average value for all accommodation in that building.

References

- [ATO – GST free benchmark values](#)

The BAS Agent World

ATO Crackdown on Higher Risk Agents

The ATO is focused on higher risk agents

While most practitioners take their professional obligations very seriously, there are a small group who do not and their actions impact on the rest of you. We are increasing our efforts to address the behaviour of higher risk/reckless agents who predominantly prepare returns for individuals.

Over 22,000 tax practitioners prepare returns on behalf of clients that are individuals. In the individuals segment, we are paying particular attention to around 500 of these agents who present a higher risk to the integrity of the system.

This group of agents represents over one million clients. These are not the agents making inadvertent errors. This group demonstrates deliberate and persistent non-compliance that includes:

- knowingly taking positions contrary to established law
- acting recklessly in relation to the correctness of their client's returns
- deliberately over-claiming deductions
- engaging in other fraudulent activities, in some instances.

The ATO sophisticated data analytics have been fine tuned to identify concerning patterns of behaviour in real time as tax returns are lodged. Where agents exhibit these behaviours, the ATO commonly see similar concerning practices extended to the way they manage their business and their personal affairs. For example, they are more likely to be avoiding their own tax obligations and we often see a mismatch between the income they report and the lifestyle they lead.

These practices do not meet the professional standards of your association or the vast majority of your colleagues. Backed by additional government funding, we are increasing the scale and scope of our activities in this space. The ATO will be taking firmer action to correct this behaviour and bring these agents to account.

If you are one of those 500, you can expect the ATO to be in touch. This year alone the ATO will be closely scrutinising the affairs of 150 agents. These reviews will not only involve client audits but will extend to your personal tax affairs and that of your business.

And, it will not stop at a review. Where practitioners are obstructive or slow to change their practices, the ATO will continue to monitor their behaviour until such time as it improves. If there is no material improvement, steps will be taken to legally restrict their operations and if necessary, remove them from the system. This includes:

- imposing a requirement to lodge work-related expense schedules
- stopping all returns at pre-issue for review or audit
- holding and reviewing all returns for intensive verification before issuing refunds
- removing accesses to the ATO systems such as the Tax Agent Portal and lodgment services
- applying director penalty notices
- referring them to the Tax Practitioners Board
- criminal investigation and prosecution where practitioners or their clients display blatant disregard of the law including fraud on the Commonwealth.

The recent funding provided in the 2018–19 Federal Budget demonstrates the seriousness with which the Australian Government views egregious behaviour by tax practitioners and the risk they pose to willing participation in our tax system. The ATO will continue to work with you to address these issues and ensure a level playing field for practitioners who are trying to do the right thing.

The following two case studies are examples of how the ATO are detecting and dealing with higher risk/reckless agents. The ATO will provide regular updates on how their higher risk/reckless agent program and the outcomes of their work.

Continued Professional Education

Continuing Professional Education

ICB Events and Webinars	Classroom	Online
<p>ICB 2018 Payroll HR Workshops Multi-locations, Multi-dates</p> <p>ICB 2019 Conference Multi-Locations, Multi-Dates</p> <p>ICB Technical Webinar - Superannuation Charge Statement and Amnesty Online, 1st November, 2018</p> <p>ICB Technical Webinar - Surviving Christmas and Holiday Processes Online, 6th December, 2018</p> <p>Introduction to Digital Signatures for Bookkeepers Online, 7th December, 2018</p> <p><i>Note: Webinars are recorded and available for members to listen to in your own time in the ICB Webinar Library</i></p> 	<p>ATO Open Forums for Practitioners Multi-locations, Multi-dates</p> 	<p>ICB Exclusive: Effortless Book-keeping with Receipt Bank Webinar, 27th November, 2018</p> 

ICB Network Meetings

Upcoming Network Meetings

Webinars				
Online 9th November, 2018	Online 12th November, 2018			
ACT				
Canberra - Northside 21st November, 2018	Canberra - Phillip 13th November, 2018			
NSW				
Albury 2nd November, 2018	Ballina 14th December, 2018	Balmain 12th November, 2018	Bathurst 20th November, 2018	Bellingen 20th November, 2018
Blue Mountains TBC, 2018	Brookvale 10th December, 2018	Central Coast 21st November, 2018	Dubbo 3rd December, 2018	Hawkesbury Region 27th November, 2018
Hills Districts 14th November, 2018	Hornsby 8th November, 2018	Lower North Shore 19th November, 2018	Moorebank 7th November, 2018	Newcastle 19th November, 2018
Newport 11th December, 2018	Orange 30th November, 2018	Port Macquarie 20th November, 2018	Randwick - Bondi 14th November, 2018	Shoalhaven 10th December, 2018
Southern Highlands 12th November, 2018	Sutherland 21st November, 2018	Tweed Coast 14th November, 2018	Wagga Wagga 23rd November, 2018	Wollongong 23rd October, 2018
NT				
Darwin 12th November, 2018				
Queensland				
Atherton Tablelands 7th November, 2018	Brisbane Central 15th November, 2018	Brisbane North 13th November, 2018	Brisbane South 20th November, 2018	Bundaberg 18th December, 2018
Burpengary 21st November, 2018	Cairns 16th November, 2018	Dalby 22nd November, 2018	Gold Coast - AM 13th November, 2018	Gold Coast - PM 13th November, 2018
Hervey Bay 14th December, 2018	Ipswich 13th November, 2018	Logan 21st November, 2018	Moreton Bay 12th November, 2018	North Sunshine Coast 9th November, 2018
Port Douglas 16th November, 2018	South Sunshine Coast 8th November, 2018	Toowoomba 9th November, 2018	Townsville 9th November, 2018	
South Australia				
Adelaide West 16th November, 2018	Mt Barker TBC, 2018	Para Hills 14th November, 2018	South Adelaide 8th November, 2018	Unley 15th November, 2018
Tasmania				
Hobart 23rd November, 2018	Launceston 22nd November, 2018			
Victoria				
Brunswick 20th November, 2018	Bulleen 13th November, 2018	Burwood 7th November, 2018	Chadstone 12th November, 2018	Cobram 1st November, 2018
Docklands 7th December, 2018	Echuca 23rd November, 2018	Frankston 8th November, 2018	Geelong 20th November, 2018	Greenvale 13th November, 2018
Macedon Ranges 30th November, 2018	Mitcham TBC 2018	Mordialloc 20th November, 2018	Mornington 23rd November, 2018	Mt Waverley 13th November, 2018
Narre Warren 27th November, 2018	Sale 9th November, 2018	Warragul 19th November, 2018	Wyndham 9th November, 2018	Yarra Valley 9th November, 2018
Western Australia				
Balcatta 12th November, 2018	Broome 23rd November, 2018	Bunbury 27th November, 2018	Busselton 9th November, 2018	Cockburn Central 21st November, 2018
Geraldton 16th November, 2018	Joondalup 11th December, 2018	Mandurah 19th November, 2018	Melville 21st November, 2018	Midland 14th November, 2018
Northam 29th October, 2018	Welshpool 20th November, 2018			

October 2018 Question of the Month: Identification documents for new clients

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

As a bookkeeper you have just signed on a new client. You've done all your due diligence and have a signed engagement letter in hand.

Before you commence work with them, the client has asked you to provide them with documents including a Police Check, a copy of your drivers licence and a copy of your passport. Do you provide this information to them? Why/Why Not?



Let us know your thoughts here

September 2018 Answer of the Month: Revising quarterly to monthly BAS

Last Month we Asked You:

A Business is moving from quarterly to monthly BAS from 1st October. The Tax Agent has requested the September BAS (received mid Sep), to be lodged early for July and August (for client to get a refund) then a revised BAS completed to included September details. Can this be done?

ICB's Response:

The ATO asserted that “We treat a revised activity statement as an [application to amend an assessment](#). If we accept your revised amount in full and the amendment is made within the period of review, the revised statement will be taken to be a notice of amended assessment. The date of effect of the amended assessment is the day we adjust your running balance account.”

The ATO asserts that “it is not what should be done and is not ideal”.

Moreover, businesses do have the right to make revision of Activity Statement, however the contents of the above link need to be noted. Also, depending on the nature of the revision, timing of the revision and the outcome, it does flag the business for further questions/investigation.

Other Things Happening in the World

Wage Subsidies for Hiring a Job Seeker

Discover the benefits of hiring a job seeker.

Are you looking to expand your practice? There are a number of benefits associated with hiring a job seeker. Significant wage subsidies have been put in place to encourage greater employment.

Financial Incentives

What financial incentives are available?

Your business can get up to \$10,000 (GST inclusive) when you hire a new employee who is either:

- 15–24 years of age
- an Indigenous Australian
- 50 years of age and over

Your business can get up to \$6,500 (GST inclusive) when you hire a new employee who is either:

- 25–29 years of age
- a principal carer parent
- a person registered with an employment services provider for 12 months or more

Wage subsidies are paid by your employment services provider to your business over six months. You can set the payment schedule to suit your needs. Your provider can also discuss with you the option of a kickstart payment where you can get 40 per cent of the total wage subsidy amount four weeks after hiring a new employee.

Experienced Workers

Hire a **mature age worker** (50 years of age or over) and get a wage subsidy of up to \$10,000 (GST inclusive). Wage subsidies are paid to you over a six month period, and you can negotiate how often you get payments.

Young Job Seekers

Hire an eligible **young job seeker** (aged 15–29) and get a wage subsidy of up to \$10,000 (GST inclusive). Wage subsidies are paid to you over a six month period, and you can negotiate how often you get payments.

Indigenous Australians

Hire an eligible **Indigenous job seeker** and get a wage subsidy of up to \$10,000. Wage subsidies are paid to you over a six month period, and you can negotiate how often you get payments.

Principal Carer Parents

Hire an eligible job seeker who is a **parent** and get a wage subsidy of up to \$6,500. Wage subsidies are paid to you over a six month period, and you can negotiate how often you get payments.

Long-Term Unemployed

If you hire an eligible job seeker who has been **unemployed for at least 12 months**, you could receive a wage subsidy of up to \$6,500. Wage subsidies are paid to you over a six month period, and you can negotiate how often you get payments.

Eligibility

You can access a wage subsidy if:

- you have an Australian Business number
- you have not previously received a wage subsidy for the same person
- you are not an Australian, state or territory government agency
- the person you hire meets the eligibility requirements for the wage subsidy
- the position you offer is expected to be ongoing and for 20 hours or more per week, averaged over the six months of the wage subsidy agreement
- the work complies with employment standards for the position (for example, is suitable work and pays as a minimum the national award wage)

Wage Subsidies are available to eligible participants in [jobactive](#), [Transition to Work \(TtW\)](#) and [ParentsNext](#) Intensive Stream. The Restart Wage Subsidy is also available to Participants in Disability Employment Services (DES) and the Community Development Programme (CDP).

All Wage Subsidy placements must average at least 20 hours per week over the 26 week wage subsidy period. Employment must also comply with [National Employment Standards](#). Jobs can be full-time, part-time or casual. Apprenticeships and traineeships are also eligible for a wage subsidy, along with other financial incentives available to employers under the [Australian Apprenticeships Incentives Program](#).

Paid work trials can form part of a wage subsidy agreement, excluding those funded by the Employment Fund. Employers who decide to hire an individual who has completed a National Work Experience Programme may also be eligible for a wage subsidy.

Note: *Some jobs are not eligible for a wage subsidy, including work that displaces an existing employee, commission-based, subcontracting or self-employment positions, and work for an immediate family member.*

Initial Payments

As noted, you may also be able to receive a 'kickstart' payment of up to 40 per cent of the total wage subsidy after four weeks of a job starting.

How can I apply?

Contact an employment services provider within 12 weeks (84 days) of your new employee's start date to apply for a wage subsidy. [Search now](#) to find your local provider, or call the Employer Hotline on 13 17 15. Call charges apply for calls to '13' numbers from mobile phones.

How do I manage a wage subsidy?

A wage subsidy agreement consists of one head agreement with individual schedules attached for each new employee. Agreements are easily viewed and managed online or with the free jobactive Employer App available from [iTunes](#) and [Google Play](#).

Further Information

Each wage subsidy is targeted to assist those who need it most. Please talk to your employment services provider to check eligibility.

You can find an employment services provider at jobsearch.gov.au/service-providers.

You can also call the Jobseeker Hotline on **13 62 68** or the National Customer Service Line on **1800 805 260**.

References

- [jobactive – Wage Subsidies](#)
- [jobactive – Looking to hire staff?](#)
- [jobs.gov.au – Financial incentives](#)

Fair Work Case – Crust Pizza Franchisee

FWO takes Crust pizza franchisee to Court

The Fair Work Ombudsman has commenced legal action in the Federal Circuit Court against a Crust Gourmet Pizza Bar franchisee in **Melbourne**, alleging it underpaid seven employees a total of \$35,725.



After receiving a request for assistance from an employee, inspectors investigated the **Cheltenham** Crust outlet owned by Desire Food and company director and part-owner Chern Ming “Rick” Lee.

The Fair Work Ombudsman alleges that this employee had been underpaid a range of minimum entitlements under the Fast Food Industry Award 2010 between October 2013 and May 2016. Alleged underpayments total \$30,416 and arose from a failure to pay minimum ordinary hourly rates, casual loadings, annual leave entitlements, a special clothing allowance and penalty rates for night-time, weekend and public holiday work.

The investigation found similar alleged breaches for six other employees with underpayments ranging from \$20 and \$2,481 between May and August 2017.

The Fair Work Ombudsman also alleges that Desire Food and Mr Lee breached workplace laws by providing inspectors with false and misleading records that showed employees had been paid higher rates than was actually the case.

Further alleged breaches include not paying for meal breaks and a transport allowance, failing to engage casual employees for a minimum of 3 hours, not issuing pay slips, failing to issue pay slips that complied with the *Fair Work Regulations 2009* and failing to adhere to frequency-of-pay laws.

All seven Crust employees worked as delivery drivers or pizza makers and at least three of these employees were living in Australia on student visas. One was 17 when the alleged conduct occurred.

“The Fair Work Ombudsman has taken a fast food franchisee to court today because we have a strong focus on protecting the workplace rights of vulnerable workers in Australia. We are conscious that age, language and cultural barriers, a lack of awareness about workplace entitlements and a reluctance to complain can create difficulties for some workers,” Fair Work Ombudsman Sandra Parker said.

“More broadly, it is a priority for the Fair Work Ombudsman to ensure that fast food, restaurant and cafe workers receive their correct wages and entitlements. Improving workplace compliance across the sector will help to eliminate the unfair competitive advantage gained by employers who underpay staff,” Ms Parker said.

Desire Food Pty Ltd faces penalties of up to \$63,000 per contravention and Mr Lee faces penalties of up to \$12,600 per contravention. The FWO is also seeking court orders for Desire Food to commission and report on an audit of its compliance with workplace laws, and undertake workplace relations training for managers.

Note: *Desire Food and Mr Lee no longer own the Crust Cheltenham store. The Fair Work Ombudsman makes no allegations against the current owner.*

From the ICB

Membership Benefits

There are a number of benefits that are exclusive to ICB members, in addition to recent benefits packages added to the pool of benefits we have highlighted such as Employment Innovations support and ICBenefits rewards there are a number of benefits that you may avail yourself to such as ICB email addresses, the network meetings and webinars just to name a few. Its time to revisit these benefits to see how they will boost your productivity and your practice.

- [ICB Membership Benefits](#)

What's New this Month from ICB

New and updated resources for September 2018

- [Paid Parental Leave \(PPL\)](#)

Other news for September 2018

- [ATO chases Super Guarantee](#)
- [SBSCH clarifies payment T and Cs](#)
- [Trading Names Remain until 2023](#)
- [ATO SMS to fix bank details](#)
- [ICB Speaks to the ATO about BAS Agent things](#)
- [ATO talks to ALL employers on STP](#)
- [Casuals entitled to leave, or not?](#)
- [TPAR for Couriers and Cleaners \(ATO update\)](#)



[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.

From Strategic Partners

Is Paper Holding Your Bookkeeping Practice Back?

Written by Gal Thompson from [Secured Signing](#).

Digital and automation have become popular business buzzwords and it makes sense why. Who wants to spend all day printing and scanning paper and completing repetitive tasks that can easily be automated?

Technologies like digital signing by [Secured Signing](#) give organisations better ways to finalise contracts and build customer relations.



We will highlight 3 easy ways you can use digital tools to help you save time, cut costs and enable growth in your bookkeeping practice.

Improve productivity

Process makes perfect. **It's a fact:** businesses with clearly defined processes perform better. The thing with technology-based applications is this: digital tools streamline processes that are already working well. According to a [Forrester survey](#), more than 40% of business leaders adopt digital tools to improve efficiencies. So, if you've got a well-structured workflow, implement automations on the routine, repetitive tasks.

Automate follow ups to avoid costly contract delays

How much time do you spend finalising a contract? Add on the time it takes to chase down a signature, and you're looking at days – even weeks – wasted. Not only that, but poor contract management – including missed deadlines – can end up costing you up to 40% more for supplied services, according to [estimates from KPMG](#). The beauty of a digital-based platform is that it will send out the reminders for you, so you never miss a due date again. If you need to get a document signed, state your due date and the system automatically sends out reminders for you until the task is complete.

Reduce delays with data accuracy

One of the biggest problems with the paper-based processes is the potential for human error. Incomplete documents or incorrect information can add weeks onto the process, and they can be costly. **More than 30%** of the costs related to contacts can be reduced if you eliminate contract inaccuracies.

Document management can be a time-consuming process, but it's the backbone of your bookkeeping practice. If you don't embrace digital tools, you may get left behind with outdated processes that block growth. Finding the right digital signing solution lets you automate routine, resource-intensive tasks, so you can focus on adding value and pushing the business forward.

Ready to ditch paper? [Get started today with a free trial of Secured Signing.](#)

From the ATO

Understanding ATO Risk Categories

How the ATO identify and categorise the top 100

The ATO risk assess each large public and multinational business at the economic group level. The ATO consider an economic group to include all Australian-based entities under a direct or indirect Australian or foreign majority controlling interest.

Top 100 clients are initially identified based on the size of their Australian operations. Other factors the ATO consider include income tax, GST or excise paid and the influence the client may have on their market segment.

The ATO provide top 100 clients a risk categorisation for income, goods and services, excise, and petroleum resource rent taxes.

The categorisation is based on a point in time assessment of a client's:

- consequence of potential non-compliance – based on business size and influence
- likelihood of non-compliance – transparency, behaviours and tax compliance risks.

The ATO use their professional judgment to make this assessment. The factors the ATO consider for likelihood and consequence vary for each tax product and the amount of information and interaction the ATO have with each client. The ATO consider both quantitative and qualitative measures.

Top 100 clients receive an annual letter from the Commissioner advising them of their risk categorisation. These clearly outline the categorisation and basis of this for each applicable tax, what this means for them and how the ATO intend to engage with them over the next 12 months.

Risk categories

The ATO use three risk categories:

- key taxpayer
- key taxpayer with significant concerns
- higher risk.

Key taxpayer

A key taxpayer generally has a lower risk level relative to other clients in the top 100 population and no significant history of adjustments from the ATO. This does not mean they have no risks and that the ATO would not have any disputes or differences of opinion on the tax outcomes intended by law.

Compared to higher-risk clients, a key taxpayer would be proactive in advising us of issues, allowing us to work with them on a resolution. They would not seek to conceal issues, instead providing full and true disclosure of significant and potentially controversial tax positions and engage cooperatively in seeking a resolution, keeping us informed of their decisions and actions.

As a key taxpayer, the ATO take a particularly close interest in your risk management and governance frameworks to mitigate tax compliance risks.

If a potentially contestable matter is identified, the ATO will work with you to resolve it and evaluate your compliance with the law.

The ATO are less likely to use their formal powers to obtain additional information, although the ATO may do so if the ATO are unable to obtain the information and evidence needed to form a view in a timely manner.

Key taxpayer

XYZ Ltd have always taken an open, transparent and cooperative approach to their tax obligations. They are also conservative in their tax planning.

Their tax team purposefully engages with us during their income tax pre-lodgment compliance reviews (PCR) and GST and excise engagements.

This includes giving us a business update, walkthrough of their lodged returns and GST integrity of business systems (IBS) issues annually.

Key taxpayer with significant concerns

Key taxpayers with significant concerns may have multiple identified risks and/or have economic outcomes that don't appear to be reflected in their tax outcomes.

Clients in this category will have more complex risks with larger amounts of tax at risk than clients in the key taxpayer category. However, the ATO would generally still expect the relationship with the client to be positive.

The ATO work closely with clients in this category to improve their future risk categorisation. For example, the ATO would meet with the client to discuss a treatment plan to lower their risk rating.

Key taxpayer with significant concerns

ABC Ltd has been involved in complex arrangements resulting in income tax risks on which the ATO have issued taxpayer alerts and public guidance. They also have a tendency to litigate matters and are not willing to settle tax disputes.

Higher risk taxpayer

A higher risk taxpayer may have multiple complex and structural risks across different parts of the tax law. They typically exhibit behaviours including poor or inconsistent engagement with the ATO, not meeting deadlines for information requests, and are sometimes late in meeting their tax obligations.

Governance of tax risk is often poor and tax is a dominant factor in making business decisions for higher risk taxpayers. They do not consistently seek ATO advice on major transactions with significant tax implications.

A higher risk taxpayer may have a structure that appears unnecessarily complex or may enter into arrangements that objectively make little sense other than for the tax benefit.

The ATO continuously review higher risk taxpayers. Their activities may include comprehensive audit and other intensive risk assessment approaches. The ATO aim to identify and understand risks and communicate their concerns as early as possible. This allows the client to make informed choices about their compliance approach.

For higher risk taxpayers that are not open and transparent with us, the ATO are more likely to use their formal powers of information gathering.

Higher risk taxpayer

AusCo takes an aggressive position on an established tax scheme that operates in conflict to an ATO published position.

AusCo does not engage with us and is not transparent in its dealings. They have insufficient corporate governance processes to prevent aggressive tax positions being taken.

Given AusCo's general behaviour and the nature of the arrangement the ATO would undertake a full audit of their tax affairs to fully understand the tax risks.

ATO Handover Checklist for NFPs

Navigating a complex regulatory environment can be challenging for NFP organisations. With limited resources, and constraints on time, it is often the case that NFP clients find it difficult to address compliance challenges. Are you presently working with clients in this situation? If so, why not avail them to the ATO NFP checklist?

Use this checklist when your client's not-for-profit organisation is changing the administrator of its tax affairs – for example a treasurer, office bearer, or employee involved in the tax administration of your organisation. The checklist will help your client's organisation hand over its tax affairs to the new administrator.

The checklist will assist them with the four key aspects of the handover.

- Updating authorised contacts
- Facilitating the physical handover of documents
- Facilitating access to online systems
- Updating legal information

To access the resource to distribute to your client, click on the following link – or download the pdf [directly from here](#):

- [Handover checklist for not-for-profit administrators](#)

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 November 2018 – 9.00pm AEDT	Sunday 4 November 2018 – 9.00am AEDT
Friday 9 November 2018 – 11.30pm AEDT	Monday 12 November 2018 – 7.00am AEDT
Saturday 1 December 2018 – 9.00pm AEDT	Sunday 2 December 2018 – 9.00am AEDT

Additional Maintenance: Quarterly Major Systems Release

Start Time	End Time
Saturday 8 December 2018 – 2.30am AEDT	Monday 10 December 2018 – 7.00am AEDT

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

ICB Membership Statistics

5,876 Members at 30 September 2018

4,051 Members maintain Fellow, Member, Associate, Affiliate and Educator Membership. ICB also has 14 Accredited Training Provider Members and 1,811 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.

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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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