



Burnett Business Centre
accounting tax and financial services
it's all about you

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BBC Newsletter March 2020

What times we are living in at the moment. There is so much important news that we need you to know. We strongly encourage our business clients to read this newsletter in full, however there is important information here too for our individual clients, superfunds, and financial planning clients.

There is a lot to take in, so if you need any help understanding how this might all affect you, please contact us and we'll do our best to assist.

We talk about the current Coronavirus issues, including how BBC has planned to initially respond to it, as well as detailing the Government stimulus measures and response.

Employers have some important and significant award changes to contend with. The SGC Amnesty is also finally here, but there is a massive sting in the tail that you need to know about.

We are now at Tax Planning time. There are lots of reasons why having an interim review with us is a good idea. If you could benefit we encourage you to not delay in getting us your information.

We also talk some tech matters now that myGovID is taking over from Auskey, and about some tech updates at BBC including some planned possible phone outages.

There are a few new faces at BBC as well, so we've included some updates about the BBC Team.

If you'd like to speak to a professional about any of these issues, please [contact one of our team today](#).

Coronavirus (COVID-19) Issues

By now you should have received plenty of other information and commentary about the current Coronavirus pandemic.

This is a significant global event that will affect each and every one of us. As PM Scott Morrison says "Whatever You Thought 2020 Was Going to Be About, Think Again!"

Please follow the advice of the health authorities, particularly when it comes to practicing good hygiene, and seek medical advice if you have any symptoms. You can find more information at www.health.gov.au. Another useful government site www.healthdirect.gov.au/coronavirus also includes a Symptom Checker tool that you might find useful.

Read More: www.health.gov.au/news/health-alerts/novel-coronavirus-2019-ncov-health-alert

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BBC Plans

Burnett Business Centre is actively taking steps to ensure the safety of our team members and our clients in response to the spread of the current Coronavirus. We are also committed to ensuring the continuation of our operations through this time. While we are taking precautionary measures, should the need arise, we have plans in place that will minimise disruptions and ensure the safety of ourselves and those around us.

Various teams will work exclusively from a variety of locations. In this way, in the extreme instance that some staff are placed into quarantine, the other staff members will still be available to take over those roles.

Our Kingaroy office will be staffed with a permanent small team who will not attend the Nanango office for a number of weeks. Various staff members are also able to work from home remotely and will do so exclusively for a period.

The financial planning team will be permanently based in the Fitzroy Street building, which we have isolated from the main office.

To access the Financial Planning team, you will need to come down the path (that is next to the main reception door) to the covered verandah section. You can then turn right to access the back door of the Fitzroy Street building. The Financial Planning team will greet you there.

These measures will mean we can continue to effectively operate in the event of extreme circumstances.

Appointments

Due to these changes, you may not be able to make an appointment in your preferred location, whether that is our Nanango or Kingaroy office. We thank you for your understanding.

We ask that anyone who is at risk, according to the official advice, does not attend our offices. If you have travelled overseas or had contact with a confirmed COVID-19 case in the 14 days prior to your appointment, or if you are generally feeling unwell, we ask that you notify us by phone so that we can make suitable arrangements.

We are well equipped to be able to conduct phone appointments where required. We are also extending our capability to conduct video appointments (see later article).

Advice for Employers

Our employer clients will also be facing similar issues. We recommend you read these articles from [Cooper Grace Ward](#) and from [FairWork Australia](#).

www.cgw.com.au/publication/coronavirus-what-are-my-obligations-as-an-employer/ and www.fairwork.gov.au/about-us/news-and-media-releases/website-news/coronavirus-and-australian-workplace-laws)

If you need assistance specific to you, please contact us.

Also see the information below about the government support available.

You might also find a tax planning appointment this year is more important than ever – see the later article.

Government Stimulus/Tax Benefits

The federal government is working hard to keep the economy ticking over in the face of these unprecedented disruptions. Some of the tax related measures, which we must stress are yet to be legislated, include:

- The Small Business instant asset write-off threshold will be increased from \$30,000 to \$150,000 from 12 March 2020 until 30 June 2020. The aggregated turnover threshold to access these measures will also be increased from \$50 million to \$500 million until 30 June 2020.
- For higher cost equipment, or for those businesses that do not use the Small Business depreciation rules, a new investment incentive will be available from 12 March 2020 through to 30 June 2021 that will operate to accelerate certain depreciation deductions. Businesses with a turnover of less than \$500 million will be able to immediately deduct 50% of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost. As announced, this measure is proposed to only apply to **new** depreciating assets first used, or installed ready for use, by 30 June 2021.
- Tax-free payments of up to \$25,000 for eligible small and medium businesses (i.e., with a turnover of less than \$50 million that employ staff) based on their PAYG withholding obligations.
 - These payments will be benchmarked to 50 per cent of the amount withheld on employees' salary and wages, up to a maximum payment of \$25,000.
 - Eligible businesses that pay salary and wages will receive a minimum payment of \$2,000, even if they are not required to withhold tax. This will occur on the first eligible activity statement lodgement during the period.
 - The measure will be delivered by the ATO as a credit in the activity statement system from 28 April 2020 upon businesses lodging eligible upcoming activity statements. Employers who lodge their BAS on a monthly basis will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 lodgements, while quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020.

These measures will have a start date from 12 March but will be subject to the passage of legislation. Shadow treasurer Jim Chalmers has apparently since said that Labor "will not stand in the way" of the government's measures. We however still urge you to exercise caution in making big investment decisions to take advantage of these measures until they are legislated.

The Queensland State government is also offering a new loan facility of up to \$250,000, interest free for the first 12 months, to support businesses to retain their staff. The previous six month payroll tax deferral will now be open to all businesses that currently exceed the \$1.3m payroll tax threshold. More info can be found at www.qrida.qld.gov.au and www.osr.qld.gov.au.

Tax Office provides Administrative Relief

The ATO will provide administrative relief for some tax obligations for people affected by the Coronavirus outbreak, on a case-by-case basis. Businesses impacted by the coronavirus are encouraged to contact the ATO Emergency Support Info Line on 1800 806 218 to discuss relief options including:

- deferring by up to four months the payment date of amounts due through the business activity statement (BAS, including PAYG instalments), income tax assessments, FBT assessments and excise
- allowing businesses on a quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to
- allowing businesses to vary Pay As You Go (PAYG) instalment amounts to zero for the April 2020 quarter; businesses that vary their PAYG instalment to zero can also claim a refund for any instalments made for the September 2019 and December 2019 quarters
- remitting any interest and penalties, incurred on or after 23 January 2020, that have been applied to tax liabilities, and
- working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low-interest payment plans.

You can find more information at this [ATO website](#).

www.ato.gov.au/Individuals/Dealing-with-disasters/In-detail/Specific-disasters/COVID-19/

Government to Provide Some Wage Subsidies and Cash Payments

The federal government will also provide wage subsidies to support the retention of apprentices and trainees. Employers with less than 20 full-time employees may be entitled to apply for Government funded wage subsidies amounting to 50% of an apprentice's or trainee's wage for up to nine months from 1 January 2020 to 30 September 2020. The maximum subsidy for each apprentice/trainee is \$21,000. Importantly, where an employer is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice. It is proposed that employers will be able to register for the subsidy from early-April 2020.

The federal government will also provide tax-free payments of \$750 to social security, veteran and other income support recipients and eligible concession card holders. It is estimated that around half of those who will benefit will be pensioners. These payments will commence to be automatically made from 31 March 2020.

More Information

Until we see the legislation, these links appear to have the most detailed information available.

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Support_for_business_investment.pdf

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Assistance_for_businesses.pdf

https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Assistance_for_households.pdf

or go to <https://treasury.gov.au/coronavirus>

[This business.gov.au website](#) also provides some good summaries.

www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business

Employer Matters

Annualised Salary Award Changes

A significant change to Modern Awards will commence on 1 March 2020 (**with no grace period**), with the implementation of the new annualised wage provisions in many Awards.

The new provisions are set to affect 22 awards including:

- farm workers under the pastoral and horticultural awards
- office staff under the clerks – private sector award
- white-collar professions under the Banking, Finance and Insurance Award and Legal Services Award
- Hospitality workers under the Restaurant Industry Award and the Hospitality Industry General Award
- Health professionals and Pharmacists under the Health Professionals and Support Services Award and Pharmacy Industry Award
- And more...

If you are affected, you will need to:

- Notify employees in writing of the annualised wage payment to them
- Identify which clauses in the Modern Award that are being satisfied by the annualised wage
- Specify an 'outer limit' of the hours that would attract penalties or overtime, which the employee may be required to work over a pay period or roster cycle for the annualised wage
- Keep detailed records of the employee's actual start and finish times (including any unpaid breaks) and require employees to sign off, or acknowledge, that the record of hours is correct for that pay period or roster cycle.
- Make payments to employees for any additional hours worked outside of the 'outer limit' within the pay period or roster cycle: this payment must be separate to the annualised wage within that period
- Put in place a process to document an annual reconciliation (each 12 months from the commencement of an employee's annualised wage arrangement) to ensure the annualised wage paid to an employee is at least equal to the amount that would have been paid under the Modern Award. This will include an annual calculation of the entitlements the salaried employee would have received, should they have been employed as an hourly rate employee.
- Reconcile and pay any shortfall within 14 days of this comparison being made.
- Update contracts where required

This is just a general outline of the model clauses. It is important that employers read, in detail, the model clauses in the Modern Awards that apply to their employees.

Businesses that are non-compliant with the new laws are exposed to Fair Work fines, with maximum penalties of \$63,000 per breach for businesses and \$12,600 per breach for individuals. Penalties for failure to comply with the terms of a Modern Award can technically occur even in instances where no underpayment has been made.

Is there anything else you can do? Apparently the Fair Work Commission has confirmed that the model annualised wage clauses do not affect an employer's ability to enter into common law annual salary arrangements that set-off Modern Award entitlements. Cooper

Grace Ward lawyers advise that the law regulating the drafting, implementation and enforcement of common law set-off clauses is complex. It is essential that employers obtain advice about this option before relying on them instead of the annualised wage arrangement under a Modern Award.

[This article from Cooper Grace Ward contains more information.](#)

[\(www.cgw.com.au/publication/changes-to-modern-awards-have-commenced-with-major-changes-to-the-use-of-annual-salaries-starting-in-march/\)](http://www.cgw.com.au/publication/changes-to-modern-awards-have-commenced-with-major-changes-to-the-use-of-annual-salaries-starting-in-march/)

General Retail Award Scheduled Increases

If you are a retailer who employ casuals under the General Retail Award then remember that Saturday rates have increased by 5% from 1 March. See [this article from Workplace Central](#) for some more information, as well as our [earlier blog post](#).

[\(www.workplacecentral.com.au/blog/casual-penalty-rates-for-the-general-retail-industry-award-2010-have-increased/](http://www.workplacecentral.com.au/blog/casual-penalty-rates-for-the-general-retail-industry-award-2010-have-increased/) and www.bbuscentre.com.au/retailawardchangesnov18/)

SGC Amnesty is here...finally!

Finally the SGC Amnesty that was proposed some years ago is a reality. But there is a massive sting in the tail.

The good news is you can correct any Super Guarantee shortfalls for quarters up to 31 March 2018 (all the way back since 1992) without incurring the normal non-deductibility and admin fees. This will only apply so long as you lodge AND pay the amount in full by 7 September 2020. The 10% nominal interest charge will continue to apply on the base SG amount from the start of the offending quarter until the SGC form is lodged.

Those that have already lodged forms and paid the amounts owing since the backdated amnesty start date of 24 May 2018 will get refunds of the admin fees, and will be entitled to amend your 2018 or 2019 ITR's to claim a deduction for the paid amounts. If you think you are now entitled to additional deductions then please contact us.

The **massive** sting in the tail is that if you do not self-correct any Super

Guarantee shortfalls for any quarter up to 31 March 2018 and the ATO then audits you for some reason, the amount you will have to pay will double!

For example, if you are still to pay \$1000 of super for the December 2017 quarter, then if the ATO raises the issue, you will have to pay double (\$2000) as well as the 10% interest charge and admin fees. And the entire amount will be non-deductible.

And don't forget that all it takes to be on the ATO radar is an employee who thinks they may have been short-changed something. You may not consider even \$100 to be an issue, but a former employee might think it is worth a simple phone call to the well-publicised complaints number.

SGC is different to tax in that there is no amendment period (until a form is lodged that is). If the ATO finds you have an issue and wants to audit every quarter back to 1992 then they can.

You also need to be careful for quarters where you have paid late. Even if you pay in full, if you are even a single date late then you should have lodged an SGC Form with the ATO and incurred the various penalties applicable. If the ATO were to audit one of those quarters, they would be forced to double the initial amount payable before applying the late payment offset. For example, if you had a \$10,000 super guarantee bill and paid it one day

late and the ATO audits that quarter, they will be forced to increase the super guarantee to \$20,000 before giving you a credit for the \$10,000 you paid.

In case you were wondering, the extra amount goes to the government and not to the employees super...

If you have any concerns about your Superannuation Guarantee obligations up to 31 March 2018, then please contact us urgently to discuss how best to proceed.

More info can be found at www.ato.gov.au/sgamnesty.

STP (Single Touch Payroll) Reminder

Most employers should now be using Single Touch Payroll, or at least made their plans about how to do so. Penalties will start to apply from 1 July 2020 for the small to medium employers who started this year. Those that only employ associates will need to start reporting during the 2020/21 financial year, however no penalties will apply until next 1 July.

If you need help getting STP compliant, please contact us urgently.

Be prepared for the Taxman this Financial Year

Now is the time to start thinking about whether you could be paying less tax this financial year.

The tax planning process is a great opportunity to assess how your business is going, to make sure you meet all your obligations, and be in the best possible position for tax time.

With your assistance we can:

- forecast your tax position
- make use of planning opportunities before it is too late
- take full advantage of government Coronavirus measures so you can play your part in stimulating the economy
- consider using drought tax elections
- consider utilising the accelerated depreciation rules before they are scheduled to change on 30 June 2020 (unless they are again extended)
- make sure you don't get caught out by the non-commercial loss rules
- ensure Division 7a loan repayments, associated wages, etc are all paid prior to year-end
- determine trust distributions and partner salary agreements prior to the 30 June deadline
- consider using the SGC Amnesty, and determine if you have already qualified for deductions you may not have been expecting
- maximise business potential; and
- ensure all necessary obligations have been met prior to the end of the financial year.

We will shortly send you a separate email (and/or mailout) and 2019/20 interim checklist to assist you in putting together your records. Keep an eye out at for our email and for a copy of the checklist which you'll be able to find at www.bbuscentre.com.au/tax-factsheets.

MyGovID taking over from Auskey

If you currently use an Auskey to log-in to ATO systems for your business, then you will need to set up a replacement MyGovID for when Auskey stops working at the end of March.

Don't get confused with myGov – at the moment that has nothing to do with a myGovID.

See www.mygovid.gov.au for more info, but we've included some basic instructions here:

1. Download the MyGovID from your mobile phone (smartphone) or tablet store. Free from the Google Play Store or the Apple App Store. Type mygovid all as one word and it should pop up.
2. Once installed, open the app and follow the prompts. Enter an email address personal and unique to you when prompted.
3. You will need to verify your identity with a licence and medicare card (or there are some other options).
4. That's it!

You can then link up your business in the Relationship Authorisation Manager (<https://info.authorisationmanager.gov.au>). If you have trouble with this step, or you have a trust with a corporate trustee, then call 1300 287 539 and select option 3 to get assistance linking up.

Some more info can be found on the following links.

Factsheets

- [Set up your new access to the Business Portal \(myGovID and RAM\) fact sheet](#)

Videos

- [How to link your business in RAM](#)
- [How to create new authorisations using RAM](#)
- [How to import AUSkey users in RAM](#)
- [How to accept an authorisation in RAM](#)
- [How to manage authorisations in RAM](#)

(go to www.bbuscentre.com.au/mygovidbasicguide/ to get the clickable links)

BBC Phone and Computer System Upgrades

We are installing a new phone system on Friday 27th of March. There may be some phone outages after 3pm on Friday so thank-you in advance for your patience.

We do not anticipate any issues after that, but we will not be taking appointments on the following Monday (30th March) just in case there are some issues still to resolve. Again if you have trouble getting through to us on Monday 30 March please be patient and try again a little later.

We are also upgrading our terminals and moving to triple monitors, as well as installing dedicated video conferencing facilities and some software to assist in collaboration. Looking forward to it.

Our NBN connections have been running smoothly for several months now and we are enjoying the better speed, capacity and reliability.

Team Update

Since our last newsletter we have welcomed several new staff members – Christina Newman and Natasha Herbohn who are working with our accounting teams and Melissa Mitchell who is working in Financial Planning.

La Tesha Herbohn will be leaving us soon to move out of the district. We wish La Tesha all the best.

Melissa Wakely has rejoined us as a qualified accountant, and Melanie Medcalf will shortly be returning from Maternity Leave as well. Welcome back Melissa and Melanie.

Jessica McConnell has recently completed her commerce university degree, Krystle Perrett has completed her Masters Degree in Financial Planning, and Michelle Calvert has sat what we are sure will be her final CPA exam. Congratulations everyone.