



DFK AUSTRALIA NEW ZEALAND BUSINESS & TAXATION BULLETIN

keeping you informed **autumn 2019**

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ATO DISPUTE ASSIST

After the completion of a successful trial in 2017, the ATO has made Dispute Assist into permanent service.

Dispute Assist is a free service to help unrepresented and small businesses in the dispute process. They can provide support if you:

- Lodge an objection
- The objection is not being lodged by a formal representative such as an accountant or lawyer
- You indicate that you are suffering from significant or exceptional circumstances

An independent guide will provide assistance in ensuring all options to resolve the dispute have been considered, connect you with the right people and assist you to access services to help you move forward.

GIC & SIC RATES

The ATO has published general interest charge (GIC) and shortfall interest charge (SIC) rates for the third quarter of the 2018-19 income year.

The GIC annual rate for Jan – Mar 2019 is 8.94% and the SIC rate is 4.94% or later.

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**BRIAN
Woods**
CPA



**ROBERT
Wernli**
CA



**MICHAEL
Port**
CA



FIVE STEP SUPER CHECK

Superannuation does not have to be time consuming or difficult. The ATO has published the five-step super check to assist individuals manage their current super now and provide a better future in retirement.

1. Check your super statements

Always check your annual superannuation statement for your balance, contributions made during the year, any insurance cover, the fees charged and the overall financial performance of the fund.

2. Make sure your fund has your Tax File Number

This enables the ATO to provide super details for online services such as myGov, ensures the correct tax is charged on contributions and any government co-contributions can be paid.

3. Keep track of your super using myGov

On your myGov account you will be able to see super balances for all funds held and help to assist in combining funds into one preferred superannuation account.

4. Consider government contributions

If you are a low or middle income earner you may be eligible to boost retirement savings by making a personal (after-tax) contribution and the government will contribute up to \$500.

5. Put extra money into your super

Additional contributions beyond the 9.5% employer contribution can be made via salary sacrifice or a personal contribution. Remember to check the superannuation contribution caps prior to making additional contributions.

SINGLE TOUCH PAYROLL – OPTIONS FOR EMPLOYERS WITH 1-4 EMPLOYEES

From 1 July 2019, all employers are required to comply with Single Touch Payroll (STP) reporting requirements.

The STP system reports all payments from employers to employees in real time reporting which assists the Australian Taxation Office (ATO) in ensure all employers are meeting their tax and super obligations.

A statement has been released from the ATO Commissioner Chris Jordan which

details some implementation concessions which will be available to micro employers who have 1-4 employees.

Concessions to assist in the STP transition for micro employers are:

- Allowing quarterly STP reporting of payroll when prepared by a BAS agent, rather than each payroll run
- The STP start date can be anytime from 1 July 2019 to 30 September 2019
- Deferral requests will automatically be granted for any micro employer who requests additional time
- There will be no penalties for mistakes, missed or late reports in the first year
- Exemptions will be provided for employers experiencing hardship or have no reliable internet connection

There have also recently been releases from a number of software providers for Single Touch Payroll solutions for \$10 or less a month.

SINGLE TOUCH PAYROLL – WHAT IT MEANS FOR EMPLOYEES

With the introduction of STP, employees will now be able to access year to date tax and superannuation information through their personal myGov account. In addition, the year end PAYG Payment Summary will be called an Income Statement and will be available online.

The employers using STP will not be required to provide employees with a paper payment summary.

It is important to note that not all employers were required to report under STP in the 2019 financial year, and therefore they will need to provide employees with a paper PAYG Payment Summary as done in previous years.

Also in myGov, an employee will be able to see if their employer has paid all required superannuation contributions.

NEW INVESTMENT PROPERTY – GET A DEPRECIATION SCHEDULE

If you or your entity has acquired real estate during the last 12 months consideration should be given to obtaining a professional depreciation schedule for the building and other assets on the property.

A depreciation schedule can significantly increase the allowable tax deductions for the property. Please contact our staff to arrange a depreciation schedule if required.

PPSR – ARE YOUR SECURITY INTERESTS ABOUT TO EXPIRE?

The Personal Property Security Register (PPSR) commenced in January 2012 and is the national online register of an interest of an individual or a corporation against a particular asset.

The maximum time an interest can be registered for is seven years. Therefore, unless interests have been renewed, registrations made on the PPSR in early 2012 will expire in early 2019. Registrations may be renewed prior to their expiration date, however once a registration has expired a completely new registration is required for the relevant asset.

VET FEE-HELP STUDENT REDRESS MEASURES

From 1 January 2019 the VET FEE-HELP redress scheme commenced for eligible students who incurred debts due to inappropriate conduct of their VET provider.

If you were affected, you are required to make a complaint to the VET Student Loans Ombudsman who will assess and investigate. If successful, the debt will be cancelled and any payments made towards that debt will be refunded.

It should be noted that the redress scheme only applies to VET FEE-HELP loans, not VET Student loans.

INCREASE IN SMALL BUSINESS IMMEDIATE ASSET WRITE OFF

There have been a number of changes to the rates and thresholds for the small business instant asset write off during the last few months.

The first announcement on 29 January 2019 increased the threshold from \$20,000 to \$25,000 and then a subsequent budget announcement increased the threshold further to \$30,000 and included businesses with an aggregated turnover of \$50 million. Therefore, the amount which can be

instantly deducted is determined by the date on which an asset was installed and ready for use and the aggregated turnover of a business. The applicable thresholds are listed in the table below.

The current small business asset pooling continues for all businesses with less than \$10 million turnover which provides 15% depreciation in the first year and 30% in each subsequent year. For medium sized businesses with less than \$50 million turnover, they can also access the instant asset write off for eligible assets but are not able to use pooling for other depreciable assets.

DATE ASSET ACQUIRED & READY FOR USE	AGGREGATED TURNOVER	THRESHOLD FOR INSTANT ASSET WRITE OFF
1 July 2018 to 29 January 2019	Less than \$10 million	\$20,000
29 January 2019 to 2 April 2019	Less than \$10 million	\$25,000
2 April 2019 to 30 June 2020	Less than \$50 million	\$30,000

Talk to us about your business needs today.

If you're interested in finding out more about any accounting and business advice or support, we can make it happen.

Email DFK Kidsons on

-  brian.woods@dfkkidsons.com.au
-  rob.wernli@dfkkidsons.com.au
-  dfkkidsons.com.au
-  +61 7 4031 1390

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KNOW & UNDERSTAND
ALL LEVELS OF
BUSINESS & FINANCE**

IMPORTANT: Information contained in this newsletter is not advice. Clients should not act solely on the basis of material contained in this bulletin. Items herein are general comments only and do not constitute or convey advice per se. Also, changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The bulletin is issued as a helpful guide to our clients and for their information.

DFK AUSTRALIA NEW ZEALAND FEATURE ARTICLE WHS DUE DILIGENCE – WHY WORK HEALTH & SAFETY IS ESSENTIAL FOR BUSINESSES

Every year across Australian workplaces there are 190 fatalities and close to 150,000 work related injuries. The statistics shine a light on industries and show that workplace deaths aren't just a workplace issue – but a community one. There are family members who do not go home to their families because of these workplace accidents.

The below statistics echo a growing need for companies to focus on protecting their people along with their profits and assets; and most of all ensure their people get home safely:

- 72 % of fatalities are in three industries: (Transport Postal and Warehousing (54 workers), Construction (30 workers) and Agriculture, Forestry and Fishing - 52)
- 32 % (60 workers) are killed by vehicles
- 18% (35 workers) are hit by objects
- 15% (28 workers) are killed by falls

Last year we saw a Queensland Company Director go to jail for up to 7 years for an electrocution of a worker which could have been prevented. Australia has some of the toughest laws when it comes to work health and safety along with some of the biggest consequences for Duty Officers (Company Directors) who have direct influence over work health and safety within the workplace. The national harmonisation laws and the WHS Act 2011 now have company fines of \$3 million dollars with up to \$600,000 fines for Directors and/or imprisonment up to 5 years.

When an incident occurs, the Regulator's attitude will aim to make sure the owners of companies and Directors / CEOs are directly accountable for accidents that occur and see the accident as a direct reflection on the company's safety leadership and decision making towards prioritising health and safety. Regulators are now requesting that companies have a budget for work health and safety management along with including safety and training as a line item within the profit and loss statements in order to show due diligence in meeting the WHS Act requirements.

So, what can companies do to ensure they don't fall victim to some of the heavy fines and imprisonment that come under Work Health and Safety laws?

Organisations that want to be proactive and ensure they are not exposed need to start with the following steps:

Step 1: Conduct a WHS Gap Analysis

This process will assist an organisation in identifying their WHS compliance gaps and whether or not their existing systems, procedures / process along with the physical work environment complies with health and safety requirements.

Businesses would then need to come up with a corrective action plan to fix these gaps. In most cases what we have identified with our clients is they don't have a systematic approach to managing work health and safety (which organisations are required to have by law).

Step 2: Develop a WHS Management System (Policies and Procedures)

There are Australian / New Zealand standards such as AS/NZ4801 – OHS Management Systems and International Standards – ISO45001 – OHS Management which provide criteria which is endorsed by legislative requirements to assist organisations in developing work health and safety policies and procedures around some of the below areas required by businesses:

WHS Inductions – Setting WHS expectations for all workers and contractors for hazardous work activities that your organisation undertakes. Provision for safe operating procedures on hazardous equipment or Personal Protective Equipment (PPE) requirements.

WHS Risk Management – Undertaking documented Workplace Inspections, risk assessments, audits, job safety analysis and Safe Work Method Statements to identify, assess and control hazards and risks within the workplace.

WHS Consultation Arrangements – Establish and document a meeting forum between management, workers and any stakeholders or contractors in order to discuss and resolve safety issues that arise within the workplace. These safety issues, concerns and any safety decisions made at these meetings should be communicated with all staff.

WHS Incident Reporting and Provision for Emergencies – Businesses need to have incident reporting procedures in place in the event of an emergency, medically treated or lost time incident. More serious 'notifiable incidents' need to be reported to the Regulator. These procedures must be documented and communicated to all workers within the business.

WHS Records – When incidents occur, businesses are always required to have

We make it happen!



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EXPERIENCED PROFESSIONALS**

evidence of providing workers with information, instruction and training relating to WHS requirements. Hence, records of WHS inductions, inspections, meetings, incident reporting and provisions for emergencies are all crucial for ensuring a compliant and safe workplace.

Step 3: WHS Implementation

So now that businesses have WHS systems, policies and procedures in place – what next?

Well, we need to develop a WHS implementation plan or set of corrective actions to start implementing our systems and procedures across the business. This will start with obtaining buy in from senior management teams on our new systems and procedures. Then proceeding to train operational managers and leaders in the WHS system and safety expectations. Further implementation activities may include: inducting staff, scheduling WHS inspections, audits, creating registers of equipment/maintenance checks and testing and tagging along with WHS hazard identification and mandatory compliance training for all staff.

Step 4: WHS Audits (WHS System Performance)

Once systems and procedures are implemented within an organisation its

important to continually try and improve safety performance by conducting scheduled WHS Audits to test and measure the effectiveness of the WHS management system. Any gaps identified through WHS audits can be noted as corrective actions for improvements to be prioritised by the business and escalated to relevant stakeholders.

Once organisations have addressed basic legal compliance, they can progress from a vulnerable and reactive state to developing a proactive safety culture. This may involve raising the bar in terms of safety performance and focusing not just on compliance, systems and procedures but looking at reflective safety behaviours displayed by workers within the workplace. This is a strong indicator that company's safety mission, vision and values along with culture are being absorbed by the workplace.

WHS can be confusing (and sometimes a minefield!), so careful consideration should be given to the level of support needed from external or inhouse WHS professionals. Having the right systems in place will not only avoid fines and accidents, but will form the foundation needed to support growth into the future.

By Ben Chinwah. Ben is the Director of Benchmark OHS Consulting.

DFK AUSTRALIA NEW ZEALAND FINANCE ARTICLE FINANCE INDUSTRY DEVELOPMENTS

2019 HAS HERALDED IN A TUMULTUOUS SHAKE-UP OF THE FINANCE INDUSTRY

The release of the recommendations made by the Royal Commission in February, while declaring to improve consumer outcomes, if implemented, will in fact make getting a home loan harder, with fewer choices and will be more expensive. The banks will make even more profit that will not be passed onto the consumer. On behalf of ourselves and all mortgage brokers we urge you to contact your local politician and impress the importance of keeping this industry alive.

Looking back 12 months

In the last year we have had to deal with tighter lending practices, lenders independantly increasing out of cycle interest rates and APRA reducing access to interest only loans (that subdued investor activity and increased the pace of the property downturn).

All of this, plus higher costs of living and a national wage freeze, have put financial pressure on most households.

If that's not enough, if there is a change of government, the potential shift in the Labor Party's negative gearing policy (limiting it to new housing) as well as halving the 50% capital gains tax discount to 25%, will further affect the property market landscape and will hurt all property owners, not just investors.

To ensure all appropriate safeguards are in place before the 2019 federal election in May, we are recommending a full and urgent review of your investment properties as a precaution against the effects of a potential change of government.

If you are intending to purchase an investment property or change your owner occupier house to an investment property, you should access our help before May to utilise all the legislative benefits that are currently in place.



**WE TREAT OUR
CLIENT'S BUSINESS AS IF
IT WERE OUR BUSINESS**

Talk to us about your business needs today.

If you're interested in finding out more about any accounting and business advice or support, we can make it happen.

Email DFK Kidsons on

✉ brian.woods@dfkkidsons.com.au
✉ rob.wernli@dfkkidsons.com.au
@ dfkkidsons.com.au
☎ +61 7 4031 1390

UPCOMING KEY DATES & DEADLINES

28 APRIL 2019	Superannuation Guarantee Contributions due for payment for January – March 2019 quarter
15 MAY 2019	2018 Income Tax Return lodgement required for all entities not required earlier. Companies and super funds required to pay 2018 income tax.
21 MAY 2019	April 2019 Monthly Activity Statement due for lodgement and payment
26 MAY 2019	January – March 2019 Business Activity Statement due for lodgement and payment
28 MAY 2019	Payment required for 2019 Fringe Benefits Tax Return
5 JUNE 2019	2018 Income Tax Return lodgement for all entities who are non-taxable or due a refund in prior and current year
21 JUNE 2019	2018 Income Tax Returns for individuals and trust due for lodgement and payment if not lodged earlier
25 JUNE 2019	May 2019 Monthly Activity Statement due for lodgement and payment
28 MAY 2019	2019 Fringe Benefits Tax Return required for lodgement
30 JUNE 2019	Payment of all superannuation contributions prior to this date to be considered as 2018-2019 contributions
30 JUNE 2019	End of 2019 Financial year
1 JULY 2019	All employers required to be Single Touch Payroll compliant contributions

FOR MORE INFORMATION & FUTURE NEWSLETTERS

For more information on anything contained in this bulletin please telephone or email to our details below.

DFK KIDSONS – NORTH CAIRNS & MELBOURNE

For further information or enquiries about any of the latest business and taxation topics discussed in this newsletter, please contact the Directors and team at DFK Kidsons.

General Enquiries: brian.woods@dfkkidsons.com.au

DFK KIDSONS – NORTH CAIRNS

A Level 1, 345 Sheridan Street, North Cairns, QLD, 4872

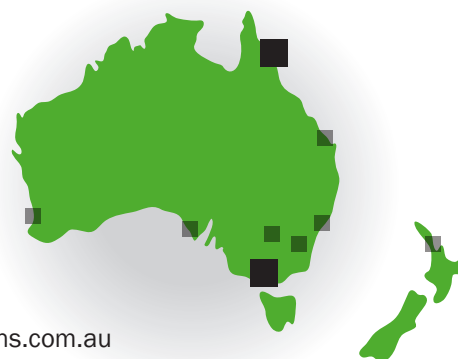
P PO BOX 548 North Cairns, QLD, 4870 **T** +61 7 4031 1390 **F** +61 7 4031 1490

DFK KIDSONS – MELBOURNE

A Level 6, 30 Collins Street, Melbourne, VIC, 3000

P Level 6, 30 Collins Street, Melbourne, VIC, 3000 **T** +61 3 8899 6199 **F** +61 3 9650 5751

dfkkidsons.com.au **brian.woods@dfkkidsons.com.au** **rob.wernli@dfkkidsons.com.au**



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