

Dear Vincent,

## AAT News

Welcome to the December 2020 edition of the AAT Australia's eNews & Views.

In this edition you'll find out all about:

- Celebrate the tremendous job you have done this year.
- AAT update.
- COVID-19 safe business for AAT members.
- JobMaker Hiring Credit updates.
- TPB guidance on verifying your client's identity.
- TPB reform and government response.
- JobKeeper payment extension 2 and extra time for lodgement in January.
- ATO updated payment plans.
- and more!

Check our [eNews & Views](#) page for previous newsletters.

## Celebrate the Tremendous Job You Have Done This Year!

What a year it's been! Congratulations and well done to all bookkeepers, accounting technicians and tax practitioners for getting through this year that has been so demanding for our profession. The year started with drought and bush fire disasters, moved into floods and then gave us coronavirus.

All these factors have put incredible stress and strain on business owners, and we have been at the front line of advising those businesses. Of course we are also business owners ourselves, and not only have we had to help our clients, we have had to navigate the impact on our own operations.

Such challenges have asked us to step up in ways that we didn't necessarily plan on or feel confident in, but nevertheless we did it. We have repeatedly demonstrated that we really care about our clients, their wellbeing and their business sustainability. We have diligently helped business owners to find their way during these extreme times.

We have put in countless hours of extra time for our clients that may not have been billable, we have spent endless hours reading ATO and government information to stay current and confident that we are advising clients on ever-changing business situations. We have had to face an immense increase in workload without necessarily seeing commensurate increase in income!

We can be proud of how well we have stepped up to extreme challenges that we didn't know we would have to cope with until it hit us. We have faced business owner stress and inevitably we have had to field our own strain as a result of witnessing the pressure of our clients and trying to assist.

The ATO and TPB have recognised the mental health crisis in the accounting industry. There is a great deal of free support available for business owners, (including us), and it has been exciting to see just how many initiatives have been developed that recognise the importance of mental health and wellbeing.

Remember to connect with colleagues for support. Being an accounting technician can often be a rather isolated way of working, as many of us are sole traders without staff or a team that we can easily interact with. It is important that we all have a professional network to encourage and support each other. With a group of peers, you can bounce ideas around, learn from each other and get support in difficult situations.

Make sure you take some time to look after yourself and recharge before 2021 starts, which will no doubt present new demands on our profession.

**Celebrate the tremendous job you have done this year!**

## AAT Update

### Office closure

Please note that AAT will close for a short break from 5pm Tuesday 22 December 2020 and re-open Monday 4th January 2021.

### 2020 – A Year of Change

As 2020 draws to a close we have been through a year like never before. Whilst this year has provided many challenges, there have been a number of positives from an AAT membership perspective.

In July 2020 we became part of a larger family – the IPA Group – and you now have the benefits of being part of one group, two designations, with three key benefits: greater efficiency, greater effectiveness, and greater member value.

### 2021 and Beyond

The AAT team are working hard to bring together some great new offerings in 2021, including the development of the Certified Accounting Technician qualification, to be launched in early 2021.

## COVID-19 Safe Business for AAT Members

As Australia opens up again to face-to-face interactions, many of you will be returning to some form of pre-COVID-19 business activity.

However there remain limits on what we can do and how we can responsibly interact with our clients.

Check your state government's coronavirus guidelines for information about your obligations as a contractor when visiting your clients' premises. Also check your state's worksafe website for more detailed information if you need it. Additional requirements apply for certain industries.

State government and worksafe websites provide templates to use for safety plans, checklists,

posters and contact logs.

If you are welcoming clients back into your business premises, continue to take care and promote a COVIDSafe environment. Even if you have a home office, the same rules apply to you as to a commercial business place.

**Business.gov.au** provides the following guidelines for staying safe:

- Work from home where possible.
- Ensure physical distancing of at least 1.5 metres and wear masks when appropriate/required.
- Practice and encourage good hygiene.
- Be aware of possible symptoms, get tested, isolate until cleared.
- Regularly clean your workspace and equipment.
- Have signs and posters in workspace to remind others of the risks and measures to stop the spread.

### **Duties under Work Health and Safety (WHS) Laws**

The WHS laws require a business owner or employer to take care of the health, safety and welfare of your workers, including yourself and other staff or contractors as well as clients, customers and visitors to your workplace.

This includes a work environment that is without risk to health and safety, providing adequate facilities and monitoring the health of workers and the workplace conditions to prevent illness or injury. There are duties to workers; other people in the workplace; to maintain the workplace and facilities; to provide information, training, instruction and supervision; and a duty to consult workers.

In the COVID-19 working environment, this means you must eliminate or minimise the risk of exposure to COVID-19 if reasonably practicable.

Visit the Safe Work Australia COVID-19 webpage [Duties under WHS laws](#) for full details.

### **Record Keeping for Contract Tracing**

Check your state's rules. In Victoria for example, if you spend more than 15 minutes with anyone (at their business or yours), you need to record the details of the person.

The minimum information required is first name and contact number. The information should be retained for 28 days and then destroyed.

If your state offers a free QR code app for contact tracing, consider using this to make it easy, however manual records are acceptable.

### **Do You Need a Plan as a Contractor?**

Yes, you do. Again, check your state's guidelines. Here is an example from the Victorian guidelines:

### **Do I need to have a COVID-19 Safe Plan?**

Every Victorian business that is open must have a COVID-19 Safe Plan.

To ensure compliance random spot checks are underway in metropolitan Melbourne and in regional Victoria.

Failure to comply can result in an on-the-spot fine of up to \$9,913 and up to \$20,000 for serious offences.

## **Are subcontractors required to develop and adhere to their own COVID-19 Safe plan or that of the workplace they are visiting?**

Subcontractors must complete their own COVID-19 Safe Plan for the worksite they are working on, even if that worksite is shared with another employer.

There may be some site-specific elements of a COVID-19 Safe Plan that a subcontractor is not able to fill out themselves if they do not manage the site (such as screening and collecting records of all site visitors). In such instances, it is recommended that the subcontractor adopt the site-specific elements of the main employer or operator of the worksite to ensure that they are consistent.

## **Help Your Clients with Their Plan**

For many business owners, setting up and maintaining a COVID-19 Safe plan may be an added chore they don't need, or they may not even realise the extent of their obligations.

Consider offering this as an extra service to your clients in order to help them comply and stay current in accordance with your state's requirements for a COVID-19 safe work environment.

[Business.gov.au Keeping you and your employees safe](https://www.business.gov.au/keeping-you-and-your-employees-safe)

[Business.gov.au Coronavirus information and support for business](https://www.business.gov.au/coronavirus-information-and-support-for-business) (includes industry specific information)

[NSW COVID-19 Safe](#)

[QLD COVID-19 Safe Businesses](#)

[VIC COVID-19 Safe workplaces](#)

[TAS COVID-19 Safety Plans](#)

[SA COVID-19](#)

[WA COVID-19 Business tools and information](#)

[NT Coronavirus Business Guidelines and Safety Plans](#)

## **JobMaker Hiring Credit**

The JobMaker Hiring Credit has now been passed as law. The scheme has been created as an incentive for businesses to employ job seekers aged 16-35 years.

The scheme subsidises an increase in the number of employees for the year from 7 October 2020 to 6 October 2021.

To receive payments, an employer must prove an increase in eligible employee headcount in each JobMaker period. The final JobMaker period ends on 6 October 2022 (one year after the final date to employ new people).

The credit is available for a maximum of 12 months from the employment start date, from \$100 to \$200 per week for eligible employees based on their age.

Registration for the scheme opened on 6 December.

BAS agents can register employers for the scheme via the ATO online services via the business menu, in the same section as JobKeeper is managed.

## **Eligibility**

Once registered, eligible employers can claim the JobMaker Hiring Credit payment for each JobMaker period from 1 February 2021.

There are strict eligibility requirements for employers. The business must register for the scheme, operate a business in Australia with an ABN, must be registered for PAYG withholding and must not claim JobKeeper or other wage subsidies at the same time. The business must also be up to date with all tax and GST returns and satisfy other conditions for making a claim including hours worked by the new employee.

### Claims

Once registered and accepted, payroll information must be reported through Single Touch Payroll and a claim form for each period must be completed before any payment of the subsidy can be paid.

Claims must be made by the due date for each period; there will not be any back payment of amounts the business may have been entitled to if the claim is not submitted within the time frame.

### Bookkeeping for JobMaker

JobMaker payments are assessable as ordinary income for the business, are not subject to GST and do not need to be included in the activity statement.

For accrual reporting businesses, the credit will be recognised at the date of claim. For cash reporting businesses, the credit will be recognised at the date of receipt of payment.

Create a separate income account in order to allocate JobMaker Hiring Credits.

[ATO – JobMaker Hiring Credit](#)

[ATO – Eligible employers](#)

[ATO – Conditions for making a claim](#)

[ATO – Register for JobMaker Hiring Credit](#)

[ATO – JobMaker Hiring Credit key dates](#)

## TPB - Verify Your Client's Identity

There has been recent discussion about how to check the identity of a new client when you only interact with them remotely. The TPB is drafting a practice note that will address issues faced by tax practitioners when dealing with prospective clients.

It's easy to take it for granted that someone you meet in person is honest, however you do need to check the identity of new clients regardless of whether you engage with them in person or online.

Under the TPB Code of Professional Conduct an agent must take reasonable care to ascertain a client's state of affairs and to ensure tax laws are applied correctly. What constitutes 'reasonable care' is different according to the situation with your client. Relevant factors include the terms of engagement, the complexity of services being offered and the client's circumstances and level of knowledge.

The TPB Code of Conduct does not specifically provide guidelines around verifying a person's identity, however it is becoming increasingly important to know your client and perform an identity check in order to minimise the chance of identity fraud and cybercrime. This applies especially to new clients, but you are within your rights to perform an identity check for existing clients if you notice unusual changes or transactions.

It is the obligation of a registered tax or BAS agent to ascertain that a new client is a genuine taxpayer and that they are who they say they are.

## Proof of Identity Checks

The ATO provides information for tax practitioners to verify an individual's identity. Depending on the situation, the following documents can be used:

- Photo identification such as passport, driver's licence or government identity card.
- Birth certificate or citizenship certificate.
- Notice of assessment from the ATO, Medicare card or recent bank statement.
- Tax file number
- Residential address and contact details

Visit the ATO practice administration webpage for full details of [Proof of identity checks](#) for new clients, existing clients and online interactions with new clients.

[TPB – Code of Professional Conduct Reasonable Care](#)

## TPB Welcomes Reform Announcement

An independent review of the Tax Practitioners Board began in early 2019. The review was completed late last year, and the government has now released its response to the recommendations for reforms to the *Tax Agent Services Act 2009* and the Tax Agent Services Regulations 2009.

The TPB Chair, Mr Ian Klug, has said he is “pleased that the announcement by the Assistant Treasurer recognises the critical role of the TPB...” The reforms aim to reduce red tape for practitioners, promote community confidence and set higher standards for the tax profession.

Other items in discussion are the level of independence from the ATO, TPB accountability, ensuring education requirements are relevant, strengthening eligibility requirements to ensure high standards of ethical and professional behaviour and expanding the publicly available information about registered agents.

The [government supports](#) most of the review's recommendations. Industry bodies will now engage with the government in a process of consultation to develop the proposed reforms for implementation from 2021 onwards.

[TPB – Reform announcement](#)

## JobKeeper Payment Extension 2 – Extra Time for Lodgement

Phew! We can all take a break over Christmas and New Year after all. The ATO has extended the deadlines for both the December monthly declaration and the second extension period.

December declarations are due by **28 January 2021**.

The wage condition for payments made between 21 December and 3 January has been extended to 4 January 2021.

From 4 January, the second JobKeeper extension period begins. The decline in turnover forms must be submitted by **31 January 2021**, and the same date applies to meet the wage condition for fortnights starting on 4 January and 18 January.

## JobKeeper Payment Extension 2

The rates of payment will change from 4 January and drop to \$1,000 per fortnight for Tier 1 employees or business participants, and \$650 per fortnight for Tier 2.

Businesses may be eligible for JobKeeper extension 2 even if they were not eligible for extension 1.

## BAS Agents Next Steps

- Review clients who were on the original JobKeeper scheme, even if they did not qualify for extension 1.
- Schedule time now to assess the actual turnover of the December quarter and compare to December 2019.
- Note all clients that may require an alternative test.
- Liaise with business owners to check hours worked for all employees – classify into tier 1 or tier 2 payment.
- Finalise monthly/quarterly accounts as soon as possible after end of December to assess eligibility for extension 2 from 4 January to 28 March 2021.
- Remember to keep all records to verify hours worked by employees and business participants and also to keep workpapers to prove decline in turnover.

Reread the [AAT October](#) newsletter for more details on the alternative turnover test and employer obligations.

## JobMaker Hiring Credit Information for Tax and BAS Agents

The ATO has published a handy [fact sheet](#) for business owners that informs them of all the information required by a tax or BAS agent.

Give this fact sheet to your clients to let them know what you require.

## ATO Updated Payment Plans and Online Services Instructions

The ATO has updated their payment plan service to allow for greater flexibility in tailoring client payment plans to their needs.

Registered agents can set up payments plans in online services, without needing to contact the ATO specifically, so long as the existing debit amount is less than \$100,000 and they have not defaulted on a payment plan for the relevant account more than twice in the past two years.

When you set up a plan, the ATO will suggest a default plan based on similar business circumstances, however, you have the ability to vary this default plan.

Visit the ATO tax professionals [Accounts and payments](#) webpage for full instructions on how to set up payment plans for clients for activity statements and super guarantee in online services.

[ATO – Updated payment plans](#)

### **Tax avoidance taskforce highlights 2019-2020.**

The tax avoidance taskforce audits some of the biggest taxpayers in Australia. The ATO has raised \$4.3 billion in liabilities and collected \$2.5 billion in cash audits for the 2019-2020 financial year. The multinational anti-avoidance law has resulted in an additional \$8 billion of taxable sales.

### **Victorian Small Business Digital Adaptation Program now open for registrations until 28 February 2021.**

Eligible Victorian businesses (including sole traders and micro businesses) can apply for a rebate of \$1,200 to cover access to digital products affiliated with the program. Suppliers include MYOB, Xero, Shopify, Square space and others to be added. Check eligibility and register for the program [here](#).

### **NSW Out and About or Dine & Discover vouchers.**

NSW residents will receive four \$25 vouchers to use at participating eligible NSW businesses in the hospitality industry. To be eligible, businesses must be registered as COVID-19 Safe. If you have clients in this industry let them know [how to participate in the scheme](#).

### **Inappropriate insolvency advice red flags.**

The ATO reminds business owners that there are some unqualified advisors out there taking advantage of business owners who may be in financial trouble by offering untrustworthy advice about insolvency preparations. Encourage your clients to speak to their tax agent, a lawyer or registered liquidator for trustworthy advice. Red flags to be aware of include unsolicited advice, advice to transfer assets to a third party without payment, refusal to put advice in writing, or offers to deal with liquidators on your client's behalf. Also be aware of potential illegal phoenix activity that may be part of the unqualified advice.

### **Fair Work Ombudsman interactive employer tool.**

The FWO has released an [interactive tool](#) that provides tailored information based on responses to questions. Employers who need general help with reopening, scaling up operations or adapting the workplace will find this tool useful and easy to use.

### **Australian Small Business Advisory Services.**

Business.gov.au administers [ASBAS](#), which offers small business and sole traders low cost, high quality advice on a range of effective small business solutions. Get advice on digital tools, websites and online selling, social media and digital marketing, using small business software and online security and privacy. Not just for your clients! Consider checking out the services for yourself, especially if you are just starting out. Services are offered in each state. First session is free and thereafter at \$60 or less for a range of services.

## AAT Australia Member Events

### **Tech Talk: The Importance of Client Communication for Bookkeepers with BOMA**

COVID-19 has massively impacted clients' expectations of their advisors. Discover what these changes mean for you and how you can respond and ensure you build and maintain great relationships with your clients. We'll also take a look at the BOMA marketing platform which specialises in digital marketing for accountants and bookkeepers.

 Thursday 28 January 2021

 12:30pm - 1:30pm AEDT

 BOMA

 Free for AAT Members

 Online (Recorded)

 Total CPD Hours: 1

BOOK NOW

### In case you missed it – listen to the Tech Talk recording of LinkedIn for Bookkeepers

Learn about the value of LinkedIn for professionals. This Tech Talk focusses on updating your LinkedIn profile so that you can be found easily and build your online network. Learn some easy steps you can take to improve your profile.

WATCH NOW

### Online Discussion Groups

For those who are not already part of a regular group, join an online discussion group to chat about current news and industry topics.

These informal discussion groups also provide a forum for bookkeepers to put questions to fellows in the industry, share information and stay supported and connected with colleagues.

 Thursday 21 January 2021

 5:00pm - 6:00pm AEDT

 Jo Voight

 Free for AAT Members

 Online (Not Recorded)

 Total CPD Hours: 1

BOOK NOW

 Wednesday 3 February 2021

 4:00pm - 5:00pm AEDT

 Eric Ohlson

 Free for AAT Members

 Online (Not Recorded)

 Total CPD Hours: 1

BOOK NOW

### AAT Australia Bookkeepers Support Group

Join the [AAT Australia Facebook](#) group for sharing information and getting help from colleagues. Talking with colleagues can really help us work things out, whether it's a curly bookkeeping question or whether it's needing a sounding board for help with a difficult situation; you don't have to operate in total isolation.

## What is Going on in the Industry?

### IPA Podcast

Andrew Conway discusses events of 2020 that have left a lasting impact on the accounting profession.

Listen [here](#).

### MYOB Small Business Boot Camp

An online program offering resources for business plan, value proposition, creating partnerships and looking at cost structure. The content is tailored to industry type and business structure.

Check it out [here](#).

### ATO Tax Professionals Conversations Webcasts

Thursday 25 February 2021 2:00pm AEDT

No need to register – select the [webcast page link](#) at the start time to join. Recordings and transcripts of previous conversations are available.

### ATO Open Forums

Upcoming ATO Open Forums are now being offered online.

Check the [ATO Open forums](#) webpage for December sessions focussing on digital services and system updates.

- There are also dedicated sessions for BAS agents to discuss the recent updates to BAS services.

### ATO Tax inVoice Podcast

Keep updated about the latest tax and super information. The latest instalment is [Episode 29: JobKeeper Extension Part 2 - Keeping JobKeeper fair](#), discussing the ATO and Fair Work Ombudsman are working together to keep JobKeeper fair.

### ATO TV

Handy [ATO TV videos](#) on a range of topics that may be useful for you or your clients. Includes short videos on topics such as managing authorisations in RAM, and longer videos on more complex topics such as WET or GST at settlement.

### TPB Webinars

Upcoming Tax Practitioners Board free webinars for registered agents.

- Wednesday 16 December 1:00pm AEDT – Outsourcing and offshoring: factors to consider when entering into arrangements.
- Wednesday 16 December 3:00pm AEDT – Keeping it confidential: understanding obligations around confidentiality of client information.

Visit the [TPB webinars webpage](#) to register for the webinars.

Visit the [TPB YouTube](#) channel for recordings of all previous webinars.

## Feedback

AAT welcomes your feedback. Please share your thoughts and ideas, let us know what your concerns are as well as the support and CPD that you need, so that we can deliver the best possible outcome for all of our AAT community. [Contact us](#)



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