

Dear Member,

AAT News

Welcome to this April 2019 edition of the AAT Australia's eNews and Views. You'll find out all about:

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The instant asset write-off has been increased and extended

Businesses with a turnover of up to \$10 million can claim the full cost of the asset as a deduction up to the following thresholds and periods:

The new instant asset write-off threshold has been raised to \$30,000 and has also been extended to include asset acquisitions prior to 30 June 2020. Further to these changes, businesses with a turnover between \$10 and \$50 million can access the write-off for the purchase of new or second hand assets purchased and installed fit for use from 7.30pm on 2 April 2019 up until 30 June 2020.

- \$30,000 from 7.30pm 2 April up until 30 June 2020
- \$25,000 from 29 January 2019 up until prior to 7.30pm on 2 April 2019
- \$20,000 prior to 29 January 2019

Asset acquisitions in excess of the thresholds need to be depreciated and expenses claimed over a period of time using the small business pool or the general depreciation rules dependent upon turnover.

Note that the threshold applies to the total cost of acquiring the asset and having the asset installed and ready for usage for the purpose it was acquired.

New superannuation guarantee measures enacted

Additional surety measures within the Treasury Laws (2018 measures No.4) Bill have been enacted aiming to provide tighter protections on employees' superannuation payments. As of the 1st of April 2019:

- Employers will have access to an online Superannuation Guarantee (SG) obligations in an ATO approved online course.
- The Commissioner of Taxation may direct recalcitrant employers not meeting their SG obligation to undertake the course.
- The ATO now have powers to disclose information to employees about any outstanding superannuation and the debt recovery procedures to secure those outstanding amounts.
- The ATO have an increased number of options for collecting outstanding superannuation amounts including director penalty notices where the directors are personally held liable for the accumulated superannuation debts.

These measures compliment the real-time reporting obligations around the Single Touch Payroll (STP) legislation and will equip the ATO with information about non-compliant employers for SG purposes much sooner than has been the case.

TPB de-registers agent for overclaiming tax deductions

The Tax Practitioners Board (TPB) have put agents on notice that if they are not applying the law correctly and intentionally disregarding competent application of the relevant laws, they will be stripped of their registration.

The registration of Wollongong tax agent DW and AR McNeice and David Warren McNeice have been terminated after the TPB found that the partnership breached the Code of Professional Conduct by neglecting to provide their services competently.

The claims against the agent services largely related to overclaim expense deductions that were clearly of a personal nature and not related to earning income. Mr Michael O'Neil, CEO of the TPB said that "Mr McNiece's conduct does not accord with the TPB's view of what constitutes a fit and proper person. The decision is consistent with the TPB's role in protecting consumers and maintaining the integrity of the registered tax practitioner profession."

Tax practitioners, including BAS agents, will come across clients who would like to expense items to their business books to minimise income tax and overclaim GST input tax credits. Practitioners must apply the law correctly irrespective of their clients wishes and must not lodge any form of statement, including BAS and payroll related reporting to the Tax Commissioner where they know false claims have been made.

AAT's submission to the "Review of the Tax Practitioners Board and TASA

This week AAT provided a submission to the independent review of the TPB and the Tax Agent Services Act 2009. Some key points from the submission included:

- Importance of the TPB's independence in delivering on their role as protectors of consumers in the tax system and overseers to the integrity of tax professionals
- The importance of a strong consultative connection of the TPB with the tax agent community to remain closely abreast of the challenges facing practitioners
- Increased financial resources allocated to the TPB to empower them to ramp up their roll out of awareness in the community about who BAS and tax agents are along with the many benefits of working with them and weeding out those who are providing services to the community whilst unregistered
- Including current practitioners from the BAS agent community to the TPB board
- Reconsideration of the sharp increase in TPB registration fees and the removal of the 'registered agent not in business' fee has put pressure on agents who already have many costs related to maintaining their registration including membership fees, CPD, professional indemnity insurance etc.

A Discussion Paper will be circulated by June 2019 and a further opportunity will be afforded to provide feedback to the review chair, Mr Nick Westerink. AAT will circulate a summary of the Discussion Paper to members for input and commentary in due course.

Payroll matters: Changing the hours of work by AB Phillips

Often, work demands in a business vary and this results in changes in the workplace. Sometimes hours need to be reduced because customer needs change or some form of new technology results in modifications to routines. In the same way, hours may need to be increased because business activity has improved and more people or extra hours are needed. There are many ways to handle an increase in work.

This article is about part time employees being asked to work additional hours over their original contracted hours. How this is handled varies depending on whether other employees (assuming there are some) are full time, part time or casual in their employment and in addition, the following situations assume that employees are available to work the additional hours the business needs.

For full time employees, working extra hours is overtime and whilst this best utilises the skills and abilities of an employee, it does potentially result in an employee being more tired when working extra time and also entails extra costs.

For casual employees, working extra hours is often something they are seeking and a casual will generally readily accept additional hours as this will result in increased income.

A part time employee is quite similar to a full time employee in that they have originally agreed to work hours less than those of a full time. Full time employees work 38 hours a week, on average, and work regular hours each week.

Part time employees are very similar and work less than 38 hours a week, on average,

but typically work regular hours each week. Because of this arrangement, they are entitled to the same benefits as a full-time employee but on a pro-rata basis.

Casual employees do not receive the same entitlements as full time and part time employees but their hourly rate is about 25% higher to compensate for this lack of entitlements or benefits of working in a permanent role.

When full time and part time employees commence, we establish working arrangements. These working arrangements are called a roster and the intention is that the roster results in a regular pattern of hours of work each week. In the case of a part time employee, each modern award contains a requirement that the initial roster for the part timer is included in their employment contract. Whilst a roster can be varied by agreement or under the terms of the modern award, the intention is to afford stability for full time and part time employees with their work patterns.

The best arrangements are based around full time and part time employees working consistently the core hours of the business and these hours are supplemented with casual employees working hours to fill extra gaps or needs of the business.

Here is an example to help illustrate. A new part time employee commences (let's call the employee Melissa) and her hours of work are established at 22 hours per week (Monday to Thursday 8 am to 2 pm with 30 minutes for lunch each day). These hours suit both Melissa and her employer.

Melissa's expectation is that she will work this arrangement consistently, possibly indefinitely. Part time employees agree to their hours of work based on external factors like responsibilities for children or helping an aged relative. In this example, Melissa and her employer agreed on these hours to suit her child's school needs and to help Melissa avoid paying after school care – her 2 pm finish let's her get to her child before needing after school care.

Fortunately for her employer, business grows and a need emerges for extra hours to be worked. Her employer assumes Melissa can work extra hours and expects Melissa to work them. The assumption that Melissa can work the extra hours should not be made by the employer without first consulting with her. Melissa's reasons for working the roster set up relate to factors that have nothing to do with being available to work extra hours.

Rosters can only be varied by agreement or under the terms of the modern award. Despite this, Melissa is not able to work extra hours simply because her availability and personal circumstances prevent her from doing so. Remember, the key ingredient in managing any increase in hours is the employee's availability to work extra time. There is no point in demanding the employee to work if they simply cannot do so. If the employer insists, our current laws mean that the employer could be discriminating against the employee on the grounds of responsibility as a parent as well as other grounds covered in anti-discrimination throughout Australia.

Imagine this, Melissa is actually a single Mum and relies on a relative to take her child to school because she actually lives 45 minutes drive from work and needs this support. By forcing the employee, Melissa in this case, to work extra hours is actually detrimental to Melissa despite the extra income because it results in her needing to change her duties for her child possibly including after school care; the change does not give Melissa any financial gain at all.

Rostering employees is not an easy task, but it does require sound logic, good consultation with employees and serious consideration of the factors raised by employees. Whilst increasing the hours of existing employees may appear to be a good solution - skill retention and utilisation are key factors in increasing hours of work - using current casual employees or even hiring and training new employees are better options. If an employer is not sure how long the extra hours are needed, then the engagement of anyone new should be as a casual.

The National Employment Standards (NES) also includes the proper handling of requests for flexible working arrangements and this simply means that demanding employees work extra hours is not good management practice and will potentially result in employee turnover and loss of skills and abilities.

Best management practice is to always attempt have a blend of full time, part time and casual employees available to serve your customers, even if your business is very small.

Needing advice and help?

If you would like assistance with understanding the arrangement of work, modern award terms or optimising your workforce, the team of advisors at AB Phillips can assist you with practical advice and support.

For support and assistance, please contact our team of advisors at AB Phillips, Monday to Friday between 9:00 am and 5:00 pm AEST by phone on 1300 208 828 or email advice@abphillips.com.au.

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Join our Facebook Discussion Group

Feedback from members indicates that community is very important to accounting technicians. In response the AAT Team has established a Facebook group especially for AAT members to join in an online community and discuss your successes and your not-so-successes, ask questions, give support to your colleagues and enjoy networking with your peers. We will be posting articles, information pieces, event details plus more. Click through here to join in today:

[AAT Facebook Group](#)

Continuing Professional Development

- [Berwick - Narre Warren Discussion Group Meeting](#)
- [Adelaide's NEW Discussion Group Meeting](#)
- [All Matters EOFY Roadshow - Adelaide](#)
- [FBT Exemptions - Recording accessible until May 31st 2019](#)

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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