



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND



GREENTAYLOR
PARTNERS

2017 SEPTEMBER

Quarterly Newsletter

Green Taylor Partners



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Simpler BAS

Kylie Millington

Simpler BAS is a partnership between the ATO, software developers, tax professionals and small business associations to make GST reporting on the business activity statement easier for small businesses.

From 1 July 2017 small businesses with an annual GST turnover of less than \$10 million will have less GST information to report on their BAS and will automatically be transitioned to Simpler BAS reporting.

The only GST information required will be:

- G1 Total Sales
- 1A GST on Sales
- 1B GST on purchases

The following GST information will no longer be required:

- G2 Export sales
- G3 GST-free sales
- G10 Capital purchases
- G11 Non-capital purchases

Simpler BAS will not change how other taxes are reported (e.g. PAYG income tax instalments or PAYG tax withheld), or GST reporting cycles (monthly, quarterly or annually). For example if a small business reports quarterly, they will continue to report quarterly after 1 July 2017.

Records are still required to be kept to provide evidence of any claims made in the BAS and income tax return lodgements.

Small businesses registering from 19 January 2017 will have the option to use Simpler BAS immediately, subject to eligibility.

Small businesses that use any of the ATOs electronic lodgement options will automatically be sent a BAS with less GST information.

Small businesses that use a paper BAS will only be required to complete G1 total sales, 1A GST on sales and 1B GST on purchases. Sections where information is no longer required can be left empty.

Accounting software such as MYOB and XERO will support the Simpler BAS method of reporting. These software providers should provide instructions on how to set up bookkeeping for Simpler BAS.

It is important to note that while Simpler BAS will become the default GST reporting method for small businesses, moving to Simpler BAS bookkeeping setting is optional.

The ATO has also made a number of changes to their processes and procedures:

- The GST worksheet will be removed.
- The annual GST information report will no longer be required to be completed for 2016–17 and beyond. Previous years outstanding reports will no longer be required.
- From 1 July 2017 the ATO will accept prior BASs to 1 July 2017, containing only the following information: G1 Total sales, 1A GST on sales and 1B GST on purchases.
- From 1 July 2017 the ATO's compliance staff will not seek information in relation to classification of:
 - GST-free sales (export and other)
 - Capital/Non-capital purchases
- GST reporting method elections, including instalments, will no longer be made via the BAS. They will instead be automatically rolled over at the end of the year. You can call the ATO on 13 28 66 to change your GST reporting method or contact our office for help.
- The way the BAS is presented on the Business Portal will change. In addition to incorporating the Simpler BAS changes, the Business Portal dashboards will resemble the ATO Online format to make BAS lodgment quicker and easier.

If you have any questions regarding the introduction of the Simpler BAS reporting method please feel free to contact one of the accountants at Green Taylor Partners or visit the following Australian Taxation office website [https://www.ato.gov.au/Business/Business-activity-statements-\(BAS\)/Goods-and-services-tax-\(GST\)/Simpler-BAS/](https://www.ato.gov.au/Business/Business-activity-statements-(BAS)/Goods-and-services-tax-(GST)/Simpler-BAS/).



GTP Tid Bits

- Good luck to Hannah McIlree (Noradjuha Quantong), Kathryn Bowles (Harrow Balmoral) and Sally Hateley (Natimuk United) for the Horsham District League netball finals.
- Carmen Munro finished up at GTP on the 2nd of August 2017 and we wish her and her family all the best as they embark on new adventures!



Acorns
Matt Richardson

A few months ago at one of our weekly “War Stories” sessions, an investment concept called Acorns was highlighted to the accounting group.

Acorns is basically a financial service which helps you invest your “spare change” through the use of a mobile app.

It can be set up in a few minutes on your phone and some of the features include:

- a personalised investment portfolio;
- no commissions;
- no account minimums;
- fractional investing;
- ability to make once-off or regular investments.

The “spare change” concept occurs through the ability to use “round ups” on transactions on your nominated bank account(s) to add to your investment. Eg if you have a transaction in your account for \$5.34, Acorns will use 66 cents as a “round up” to add to your investment. Your investment is generally made up of up to seven ASX listed ETFs (Exchange Traded Funds), each with different investment approaches. These investments are subject to the normal investment risks such as volatility.

I am currently trialling this investment and have nominated 2 bank accounts for my “round ups” as well as adding \$10 per week. I have been doing this for a few weeks and it is building up quickly. The mobile app is simple but will show you every transaction contributing to your investment each day, as well as your investment performance and history.

I love the concept, because you really don’t miss the money going out of your bank account. I believe I can keep the discipline so hopefully in a few years’ time, using “the eighth wonder of the world” (compound interest - see Peter Cramer’s blog), I’ll be able to use this investment for something special!



Payroll Tax and
 Regional Employers
Karen Grainger

Starting from 1 July 2017, regional employers who pay at least 85% of Victorian taxable wages to regional employees, are eligible for a lower payroll tax rate of 3.65%.

To be classed as a regional employer you need to be based in regional Victoria. This is determined by where your business address is and if your ABN is registered at a regional address.

This also includes employers based in large regional areas which such as Geelong, Ballarat, Mildura, and Bendigo.

If you are an employer based in both non-regional and regional parts of Victoria, this is determined by where the business address is registered.

For grouped employers, each member of the group is individually assessed for the concession regardless where the other members of the group are located.

For those who meet the criteria are to self-assess their eligibility to use the reduced rate.

The current limit where you are required to register and pay payroll tax is monthly wages of \$52,083.

Registering for payroll tax with the State Revenue Office is a simple process. Penalties and interest may apply if you fail to register.

Payroll tax is self-assessed and if your payroll is over the limit in the month you are required to pay payroll tax. An annual reconciliation is required at the end of each year.

If you require any assistance with meeting your payroll tax obligations, please contact your trusted adviser at Green Taylor Partners.



GTP Anniversaries

- 18th September - Kerry Schultz (11 years)
- 3rd November - Daniel Blay (9 years)
- 22nd November - Shane Bryan (7 years)



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Unclaimed Money – State Revenue Office Victoria

Kylie Millington

Millions of dollars every year are left unclaimed and stored in the Victorian Money Database, waiting to be collected by its owners.

Agencies such as businesses, gaming venues and betting agencies lodge these unclaimed amounts with the State Revenue Office.

Unclaimed money can include any amount that is \$20 and over, such as:

- Share dividends
- Salaries and wages
- Rent and bonds
- Debentures and interest
- Proceeds from a sale

The following link, the Victorian Money Database is an online tool which enables users to search for any unclaimed amounts owing to them since 1997. <https://www.e-business.sro.vic.gov.au/eBusiness/UnclaimedMoneys/>.

An application form will need to be lodged via the Victorian Money Database in order for individuals and businesses to recover any unclaimed money. Supporting documents such as current Australian proof-of-identity and documents that links you to the address recorded on the database will need to be included within the application. The following link provides guidance on how to make a claim <http://www.sro.vic.gov.au/node/630> . Claims will usually take up to four weeks to process.

Lodging unclaimed money - Businesses

It is a legal obligation for all Victorian businesses and trustees holding \$20 or more that hasn't been paid to an owner, to record and keep that money for at least 12 months and then lodge these amounts with the State revenue Office Victoria. These businesses include companies, partnerships, co-operatives, local councils, public hospitals, law practices and housing societies.

Unclaimed money held by businesses must be lodged by 31 May each year with the State Revenue Office Victoria. The lodgement must include entitlements (minus any reasonable expenses) that are at least 12 months old as of 1 March of the current year. The following link provides guidance on how entities can lodged unclaimed money <http://www.sro.vic.gov.au/business>



Funny Dodgy Tax Stories

Tracy Richardson

Some “creative” accounting/taxation moments for your enjoyment.

1. Log book doesn't pass if you're out of the country!

The ATO looked a little further into the car related travel per an individual's log book only to find that the taxpayer was actually out of the country at the time some of the travel was recorded. Whoops – claims were disallowed.

2. Overseas work conference didn't quite happen!

A medical professional made a claim for attending a conference in America and provided an invoice for the expense. The ATO investigated and found that the individual was still in Australia at the time of the conference! Aha so that is why our passports are important??!!

3. Deduction incurred to avoid distractions not yet a saleable argument!

A taxpayer attempted to claim the cost of renting a property (other than his main residence) because he required peace and quiet for uninterrupted study which he could not have in his own home. The cost of renting was \$57,000!! The individual also tried claiming the cost of storage for their books - Another \$7,000. The actual course he was studying cost \$1,200. No deductions were allowed!

4. Deductions of \$9,000 for wine & related travel was a no-go!

A wine expert working at a high-end restaurant took annual leave & went to Europe for a holiday. He claimed \$000's in air-fares, accommodation, tour expenses, \$9,000 on wine etc. This was based on the fact he'd visited some wineries. His claims were disallowed when his employer confirmed the claims were private in nature....

5. The famous – paid for it in cash!!

The taxpayer purchased some tools from gum-tree with his “gambling winnings” to the tune of \$17,000. When the ATO queried evidence of the purchase, the tools had already been sold & the taxpayer's workmates could not recall seeing the taxpayer use the tools. Alas, the purchase invoice had also been lost and no evidence could be found of the original gum tree listing. Deduction disallowed!!

6. Nice Shearing Shed!

A taxpayer put in quite a substantial claim for a newly built shearing shed. The ATO arrived to view the shed only to be told they were standing in it (they were standing in a kitchen of a brand new house!)



What you need to know about Single Touch Payroll

Shane Bryan

Single Touch Payroll (STP) is set to change the way just over 100,000 employers report salary and wage payments to the ATO for about 13 million employees.

A further 700,000 employers may choose to voluntarily embrace this streamlined reporting standard.

Safe to say, this could be pretty big.

So what do you need to know before 1 July next year?

What is STP?

It's a government initiative to simplify business-reporting obligations.

Single Touch Payroll is a reporting change for employers with 20 or more employees.

Employers will need to report payments such as salaries and wages, PAYG withholding and super information electronically through to the ATO directly from their payroll solutions at the same time they pay their employees.

What does that mean, I hear you ask? It means at the end of the financial year these employers won't need to complete payment summaries for their employees as the payroll information would have been reported to the ATO in real time throughout the year.

It means a raft of payments which needed to be done manually can now be done automatically.

STP will become mandatory for all employers with 20 or more employees.

However, employers with fewer than 20 employees will also have the option to adopt STP if they so choose.

Key dates

The official start date for STP is 1 July 2018.

But before that, on 1 April 2018, employers will need to do a head count of their employees.

If they have more than 20 employees on that date, they'll need to make sure their payroll software is STP-enabled from 1 July.

The ATO is working with a small number of employers right now on a "limited release" of STP – and you can expect to hear more from software providers such as MYOB & Xero during the preparation stage.



Small Business Instant Asset Write-Off

Jess Sluggett

Prior to the release of the Federal Budgeting in May it was expected the instant asset write-off threshold of \$20,000 would reduce to \$1,000 after 30 June 2017.

Good news! The Government announced in the Budget that the \$20,000 threshold will be extended for another twelve months, now ending on **30 June 2018**.

The write-off provides a great tax planning opportunity for small businesses to invest in low-value plant and equipment and gain a tax benefit in the first year.

Here are some points to keep in mind to access the write-off:

- ❖ The cost of the asset, including freight and other installation costs, but excluding GST must be less than \$20,000 (an asset costing \$20,000 would not qualify!)
- ❖ The asset must be in place and ready for use by the end of the 2018 financial year
- ❖ Watch out for vendors promoting the purchase of assets over \$20,000 in parts, or multiple payments under \$20,000, to access the write off. The Tax Office are watching for these arrangements!

Talk to your adviser at GTP about how your business can benefit from the instant asset write off.

Changes to the issuing of Invoices & Statements

As part of our electronic communication at Green Taylor Partners, moving forward we will now deliver our invoices and statements via email.

For our office to access these details on your file could you please provide your current email address and contact details or if you simply need to update your details please call or email our office on 5382 4761 or advice@greentaylor.com.au



Draft legislation in the super world!

Natasha Gardner

'Downsizer' Contributions

What is a Downsizer Contribution?

- ❖ From 1 July 2018, people aged 65 and over will be able to make an additional non concessional contribution into their superannuation of up to \$300,000 from the proceeds of selling their home.
- ❖ Contribution must be made 90 days after your home changes ownership
- ❖ Exclusive of NCC cap, TSB cap, work test, age limits.

Eligibility

- ❖ Sale of any dwelling in Australia, provided it has been owned for 10 years
- ❖ Must have been owned by you or your spouse for 10 years
- ❖ The dwelling only needs to be your main residence for some portion of your ownership period
- ❖ NO provision that you actually have to downsize your home – you are free to move into any living situation suitable for you

NOTE: that the age pension test will now apply to the amounts contributed to superannuation so careful financial advice **MUST** be taken.

A superannuation fund may choose not to accept downsizer contributions so individuals must check with their fund first.

First Home Super Saver Scheme (FHSSS)

What is the FHSSS?

- ❖ From 1 July 2017, an individual can make a maximum contribution up to \$15,000 per year with a total maximum of \$30,000 for the purchase of a first home.
- ❖ Any super contributions you make must be within your annual contributions cap, they can be either concessional or non-concessional contributions.
- ❖ Contributions, along with deemed earnings can be withdrawn from 1 July 2018 at the earliest.
- ❖ Withdrawals will be taxed at marginal rates less a 30% tax offset.
- ❖ Administered by ATO – determine amount of contributions + earnings to be released and instruct fund accordingly.

If you do NOT buy a home within 24 months you have to recontribute the amount into superannuation or be liable to pay a 20% FHSSS tax.

Eligibility

- ❖ You will need to be 18 years or older
- ❖ Not used the FHSSS before
- ❖ Never owned real property in Australia
- ❖ You are NOT disqualified if your partner has owned a home
- ❖ You must purchase residential premises or vacant land where a residential premise was to be built
- ❖ You must live in the premises as soon as practicable, and for at least 6 months of the first 12 months.

Concessional Contributions

From 1 July 2017 all individuals have a concessional contribution cap of \$25,000.

ALL members under 75 can now claim a tax deduction for personal super contributions provided they meet the work test, however notice of intent to claim forms will be required to be completed.



GTP Birthdays

- ❖ 18th October - Kayla Hawker
- ❖ 22nd October - David Hadley
- ❖ 16th November - Natasha Gardner



Important Dates

September

- ❖ 21st - Lodge & Pay monthly Activity Statements
- ❖ 30th - Lodge PAYG withholding summary statement annual report

October

- ❖ 21st - Lodge & pay September monthly IAS

November

- ❖ 21st - Lodge & pay October 2017 monthly IAS



Mastering the art of delegation

Daniel Blay

As hard as many try, small-business owners can't do it all themselves. And though trusting another person with your baby is tough, refusing to delegate at least some responsibilities can be disastrous. You need to make time to run and grow your business, not get buried under an overwhelming to-do list. These six tips will help you delegate more easily and effectively.

1. Decide if the task can be handed off

If you're having a really hard time trusting someone else to do something, maybe you shouldn't. Mission-critical responsibilities should remain on your plate, but the tasks that aren't super-important, or that you just can't do effectively, are the ones you should delegate—freeing you up to tackle the big stuff.

2. Give explicit instructions

The main benefit of delegation is to free up your time and mental bandwidth. If you don't hand off tasks with clear instructions and expectations upfront, you'll be caught in a position of ongoing oversight and necessary micromanagement. This will frustrate you and your team member, and make the process even less efficient than doing things yourself.

3. Establish clear, quantifiable goals

In order for employees to manage themselves after you've delegated to them, they need to know exactly how their efforts will be judged. The more you can make this about something absolute and objective, the more easily you can trust that you're on the same page and have not had a miscommunication that will result in an unpleasant surprise later.

4. Lock in a budget

I mean "budget" in the broadest possible sense: money, time, manpower, etc. These are the basic parameters of the project as a whole. Be as specific as possible: How long should it take to get done? Who, if anyone, will help, and what sort of money and equipment can you commit to what they're doing? You can think of all these things as essentially being sliders, so if your goals are static, pulling back on manpower lengthens time, etc.

5. Set up a schedule for communication

This doesn't mean you can't get involved on an ad hoc basis, but having regular check-ins helps ensure the project doesn't ever go too far down the wrong track. This should also pay off in peace of mind, since the regular updates mean you won't have to worry about how things are going.

6. Get out of the way.

If you've followed the previous five tips, you're well on your way to successfully delegating responsibilities. Now the final tip, and perhaps toughest to follow, is to get out of the way. Remember: All the effort you put into delegating work intelligently is so you can spend your time on the stuff you really need to do to grow your business.

Australia's Biggest Morning Tea

Green Taylor Partners once again supported the Cancer Council of Australia by holding a Biggest Morning Tea on the 31 May 2017.

An amazing array of delicacies was once again provided by the culinary artists of the GTP team. Accordingly \$171.50 was raised for the Cancer Council.

Thanks to our excellent cooking team and those who devoured it in record time.

Also special thanks to Jodie who organised the event that was very well received.





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One screening in the big theatre!



-VICTORIA & ABDUL-

2017 CLIENT MOVIE NIGHT

Wednesday 4th October 2017

Drinks, nibbles and a movie on us! A FREE evening to thank you for your support!

6:00PM

Meet at Horsham Town Hall Foyer (enter via Pynsent Street).

71 Pynsent Street, Horsham for pre movie drinks and nibbles.

6.15pm, 6.30pm & 6.45pm

Enjoy a 15 minute guided tour of the Art Gallery exhibition of the Town Hall.

The tours will be conducted in 3 groups over the course of the evening.

7.00 - 7.15pm

Finish at the Town Hall to make your way to the Horsham Cinema, Pynsent Street (*next door to Green Taylor Partners office*)

7:30PM (Movie)

'Victoria & Abdul' Film commences (Running time 106 mins)

Based on a true story Abdul Karim arrives from India to participate in Queen Victoria's golden jubilee.

The young clerk is surprised to find favour with the queen herself. As Victoria questions the constrictions of her long-held position, the two forge an unlikely and devoted alliance that her household and inner circle try to destroy. As their friendship deepens, the queen begins to see a changing world through new eyes, joyfully reclaiming her humanity.



Movie Night RSVP

RSVP if you wish to attend by COB Wednesday 27th September 2017

Online at <https://greentaylor.com.au/movie-night>

Yes, I _____ would love to attend

Yes, I _____ would love to attend

Phone: 03 5382 4761

Email: email@greentaylor.com.au

Fax: 03 5382 1953

Postal: PO Box 637, Horsham, 3402, Victoria, Australia

