



Dear Member,

AAT News

Welcome to the July 2020 edition of the AAT Australia's eNews & Views. In this edition you'll find out all about:

- Minimum wage staggered increases
- Fair Work Information Statement updated
- Australian Banking Association COVID-19 Support Phase Two
- More survival support for Victorian businesses
- Changes to Parental Leave Pay
- Victorian Wage Theft Bill
- ATO COVID-19 and JobKeeper compliance updates
- And more!

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

Minimum Wage Increases Staggered and Modern Award Changes

The national minimum wage has increased by 1.75% to \$19.84 per hour (\$753.80 per week) from 1 July 2020.

Increases to awards are being implemented in a staggered approach by grouping awards into three categories.

[Group one awards](#) increase from 1 July 2020.

[Group two awards](#) increase from 1 November 2020.

[Group three awards](#) increase from 1 February 2021.

The minimum wage increase applies to employees on JobKeeper if their pay rate is governed by an award rate or the national minimum wage.

There have been some changes made to allowances, penalty rates and loadings in several awards: Social and Community Services Award, Aged Care Award, Building and Construction Award, Joinery Award, Mobile Crane Award and the Miscellaneous Award. Visit the [Fair Work Ombudsman webpage](#) for details.

Fair Work Information Statement Updated

The Fair Work Information Statement (FWIS) must be given to new employees upon commencement of employment. It includes the National Employment standards as well as conditions of employment and employee rights.

The FWIS has been updated in accordance with the 2020 minimum wage update.

Visit the [Fair Work Ombudsman webpage](#) for details of the updated document

Australian Banking Association COVID-19 Support Phase Two

The Australian Banking Association (ABA) has announced [COVID-19 Support Phase Two](#) for bank loan customers. Australia's major banks are offering further loan deferrals of four months to those who genuinely need it.

Customers who have had deferral arrangements in place but are now able to repay loans should plan to do so when the existing deferral period concludes.

Customers who are unable to restart payments as planned can work with their bank to arrange a new loan structure or another deferral of up to four months.

Credit rating is not affected if customers were up to date with payments before arranging a loan deferral, and assuming that the new repayment arrangements are met.

More Survival Support for Victorian Businesses

As Melbourne and parts of Victoria return to stage 3 stay at home restrictions, businesses are having to face further setbacks. The Victorian government has announced more [financial support measures](#) to help keep business and workers afloat.

The \$534 million Business Support Package includes cash grants and mental health support for business owners.

80,000 businesses that are in stage 3 restriction areas are eligible for a further \$5,000 grant.

The package also provides \$10 million for a business mentoring program, as well as targeted help for tourism and hospitality.

Visit the [Business Victoria](#) website for details and applications.

Australian Competition & Consumer Commission COVID-19 Information for Business

The ACCC has an excellent [webpage](#) with information on the rights and obligations of business in response to events caused by COVID-19.

Many businesses need guidance on managing cancellations, delays, suspensions and disputes.

The main points businesses need to take care of:

- Not to mislead customers.

- Not to act unconscionably.
- Not to rely on unfair terms in contracts.

The webpage has detailed information on the cancellation of functions and events; supply and pricing issues; information for franchises; and country of origin labelling.

Changes to Parental Leave Pay

From 1 July 2020, Parental Leave Pay (PLP) is changing so that eligible employees can split their paid parental leave period into two periods within two years of the birth of the child. Previously, the leave had to be taken as one continuous period of 18 weeks.

The leave can now be split into two periods:

- One set period of up to 12 weeks to be used within 12 months of the birth or adoption.
- One flexible period of up to 6 weeks to be used within 24 months of the birth or adoption.

The two periods can be taken together to provide 18 weeks as before, however the new plan allows for more flexibility with how the leave is taken.

Payment of the parental leave remains the same; PLP is paid to the employer who then pays the employee. PLP is the national minimum wage amount of \$753.80 per week before tax.

Visit the [Fair Work Ombudsman webpage](#) or the [Services Australia webpage](#) for all details.

Victoria New Law to Target Wage Theft

In June, Victoria passed the Wage Theft Bill 2020 making it the first state or territory to make the underpayment of wages and entitlements a criminal offence. The effective start date is currently proposed to be July 2021.

The law has a broad application, applying not just to the underpayment of wages, but also to underpaying or withholding superannuation or entitlements, falsifying records or failing to keep correct records in order to dishonestly obtain financial advantage. It also applies to intentionally misrepresenting an employment relationship as a contractor in order to avoid paying correct entitlements.

The new law is aimed at deliberate or reckless conduct on the part of directors or officers of an employing entity and is not aimed at penalising inadvertent or innocent mistakes. Unintentional errors may still be penalised under the Fair Work Act existing laws; however, they will not be treated as criminal offences if there were no dishonest intentions.

The legislation allows for the establishment of the Wage Inspectorate of Victoria as the statutory authority that will investigate and prosecute wage theft offences.

If an underpayment of wages or entitlements is deemed to be a wage theft offence, the penalties are severe: fines of up to \$198,264 for individuals and up to \$991,320 for companies. The possibility of up to ten years' imprisonment also exists under the law.

The bill applies to anyone employing workers in Victoria, even if the employer is based in another state or overseas.

It is yet to be determined how the bill will interact with existing federal laws, particularly if a national law that criminalises underpayments comes into effect.

For more detail see the [Wage Theft Act 2020](#) legislation

ATO JobKeeper and COVID-19 Compliance Guidelines Updated

The ATO has published further information on its approach to compliance in relation to the government stimulus measures for COVID-19.

They reiterate that they will help business owners and tax practitioners who have made unintentional mistakes to fix them without penalty.

The compliance approach is definitely aimed at business owners who are trying to take advantage of the system for illegal financial benefit.

Deliberate exploitation of the system may be pursued by the [Serious Financial Crime Taskforce](#).

The ATO has also updated [Practical Compliance Guideline PCG 2020/4](#) with further information about schemes to unlawfully obtain access to the JobKeeper payment. See AAT's [May e-News & Views](#) edition for more details on JobKeeper compliance.

ATO Current Focus

In addition to the existing schemes the ATO is investigating there are several new issues that are being examined:

- Employees who have been deliberately excluded from receiving JobKeeper when they should have been included by employers in the 'one in all in' policy.
- Unusual activity such as revising activity statements to falsify GST turnover.
- Employees receiving JobKeeper from more than one employer. Note that the form asks employees to declare that they are claiming JobKeeper from one employer only, so the employee would be pursued by the ATO for repayment of extra amounts and any penalties (if applied)—not the employer.
- Multiple eligible business participants for the one entity.

Known or suspected illegal behaviour can be reported to the ATO via the [anonymous ATO tip-off form](#), the ATO app or phone 1800 060 062. Visit the [ATO webpage for making a tip-off](#) for full details of what and how to report.

High Income Threshold Increase

The Fair Work Commission has increased the [high-income threshold for 2021](#) to \$153,600 (up from \$148,700 in 2020).

Earnings that contribute towards the high-income threshold include wages, fringe benefits and salary sacrifice arrangements, but not superannuation. Some other types of payments may be excluded from the calculation such as bonus or commission.

Employees who earn more than the threshold and are not covered by an award or agreement cannot file an unfair dismissal claim against the employer.

Employees who earn more than the threshold and are covered by an award or agreement may enter into an arrangement to guarantee annual earnings in exchange for waiving the provisions of the award. These award covered employees may still file for an unfair dismissal claim.

Maximum damages in such a claim is set to 50% of the high-income threshold

Director Identification Number Law Passed

Introduced in late 2019, a bill has now been passed to amend various acts which will provide for a [Director Identification Number](#) system. Although passed, we do not yet know the exact commencement date of the new law, but it will be within two years of the date of royal assent.

The bill will require every company director to have a unique identifying number that will stay with the individual permanently. Directors will have to apply for the number and satisfy identity tests.

The bill is aimed at reducing illegal phoenix activity by company directors. It will also allow better transparency and tracking of director activity across multiple entities and prevent the use of invented names or variations of names. It should also make it harder for directors to sign up innocent parties to become a director without their knowledge.

We will publish more details on this bill once the enactment date, transition period and administrative details are known

TPB Exercising Supervision and Control When Working Remotely

The Tax Practitioners Board has released guidance on [supervising staff when working remotely](#). For bookkeeping businesses that have staff and are used to being able to check and discuss work in person as needed, you may need to update your practices to ensure you are maintaining adequate supervision and control over staff who now work remotely and who provide services on your behalf as a BAS agent.

Supervisory Arrangements Reminders

- Make sure staff have sufficient level of expertise and training in the areas of work they are responsible for.
- Adjust your level of supervision and oversight according to the services being provided and the level of skill and experience of the staff providing the services.
- Provide 'substantial supervision' which may include checking documents, data files, relevant materials and working papers of staff as well as discussing matters relevant to the services being provided.
- Make sure staff understand when they should be referring matters to you as a supervising registered agent.
- Establish regular quality control procedures to review work performed by staff to ensure accuracy and comprehensiveness.
- Conduct impromptu spot checks of work.

Remember that the supervising BAS agent is expected to exercise a certain amount of control over the work of staff and bookkeepers under supervision. This includes oversight, direction, regulation and checking, and may also include restraint from performing certain types of work, in order to ensure that the services are being provided to a competent standard.

Visit the [TPB Supervisory arrangements and supervision and control webpage](#) for full details.

ATO Cash Flow Coaching Kit

Have you seen the [ATO cash flow coaching kit](#)? This was released some time ago for testing and feedback and the final version has now been released.

This kit can be useful for small business owners to help them understand cash flow planning, budgeting and tracking performance.

It may also be useful for bookkeepers and BAS agents to use as conversation starters and prompts in order to better understand your clients' businesses in order to advise and assist them in managing their business finances.

Check the website for more detail and to order a kit to be mailed out to you.

In the News

- **Cyber attacks are active during EOFY.** ALWAYS use multi factor authentication where possible, strong and secure passwords and secure backups. For best security use a password protection application. Keep all apps and operating systems updated to the latest version to ensure the best security. Review user access to your business and client information.
- **Ride-sourcing travel exempt from FBT.** The law has recently been amended to extend the [FBT taxi exemption](#) to travel using ride sharing platforms. The exemption now applies from 1 April 2019.
- The **Australian Small Business and Family Enterprise Ombudsman** has expanded the services available in their [My Business Health](#) portal. Visit the website for tools and resources to help with resuming business operations.
- **ATO GST at Settlement transitional arrangements end 30 June 2020.** Contracts entered into before 1 July 2018 for new residential premises or potential residential land may now be subject to the withholding obligations under GST at settlement. Check any contracts from before this date that are waiting for settlement. Visit the [ATO GST at settlement webpage](#) for full details.

AAT Australian Events

- [Online Discussion Group](#)
- [EOFY Preparation Training All 5 Sessions](#)

What is Going on in the Industry?

ATO Tax Professionals Conversations Webcasts

Thursday 17 September 2:00pm AEST

No need to register – select the [webcast page link](#) at the start time to join.

ATO Open Forums

Upcoming ATO Open Forums, which to date have been run face to face, have been postponed indefinitely.

Check the [ATO Open forums](#) webpage for future dates.

The Bookie & The Beano Podcast

Join Intuit QuickBooks resident bookie, Diane Lucas, and favourite beano, Kane Munro, for the latest episode of their podcast, which deals with many aspects of the relationship between accountants and bookkeepers and current topics of interest. Check out the latest episodes [here](#), Episode 47: MyGovID the good, the bad and the issues.

ATO Tax inVoice Podcast

Keep updated about the latest tax and super information. The latest instalments are [Episode 22: Work-related expenses part 1, working from home](#) and [Episode 23: Work-related expenses part 2, gifts and donations](#)

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.

- Thursday 30 July 11:00am AEST – Tax time tips
- Thursday 30 July 2:00pm AEST – Maintaining your registration

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

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

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](#)

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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