

Bookies BULLETIN



AUSTRALIAN
BOOKKEEPERS
NETWORK

- THE PROACTIVE BOOKKEEPER
- TPB REFORM IS COMING
- JOBMAKER WAGE SUBSIDY NOW LAW!

....and much more!

2020
EDITION 6

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Edition 6 2020

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What a year!

FOR MANY OF US, 2020 WAS A YEAR UNLIKE ANY BEFORE

Zoom meetings, remote working (for those who weren't doing it already) and re-imagined thinking were all thrust upon us by the rapid onset of the global pandemic. So too was an entire new lexicon of buzzwords inspired by the virus itself.

Iso was recently named Australia's 2020 word of the year by The Australian National Dictionary Centre, beating coronavirus-related terms bubble and COVID normal.

In the business realm, pivot fast became the vogue term. After having pivoted from the pre-COVID normal to the COVID "new normal", businesses may eventually find themselves pivoting once again to a post-COVID normal. With all the change thrust upon business – both our own and those of our clients - it is important, amidst the hurdy-gurdy of pivoting, to remember the core philosophies of your business. While some clients may be wooed by a pivot here and there, it will be your core philosophies that they will remember most.

Earlier this year, New Zealand synth-pop group Yumi Zouma released a song titled Cool for a Second. It resonated with me when I first heard it as a kind of metaphor, or anthem if you will, for so much of what we have seen throughout 2020 - in business, and in life in general.

Remain agile. To use the football adage, keep your eyes up and play what is front of you. By all means, pivot if you have to. But remember the cornerstones of your business and what it was that got you to where you are. If you have plotted a different trajectory for 2021 and beyond, continue to check and balance that. Don't make the mistake of being cool for a second.

Well done to everyone on making it through 2020. It is a year that has taught us a great deal about ourselves, each other and the world in which we live.

Darren Hagarty

Director





What have you done for me in 2020?

ABN NEVER STOPS WORKING FOR ITS MEMBERS.

HERE IS WHAT WE'VE BEEN UP TO OF LATE!

In 2020, ABN celebrated its 19th birthday! For near on two decades, we have served the bookkeeping industry, providing members with the knowledge, tools and networks to build their bookkeeping businesses. In addition to our standard member offerings:

- [Bookkeepers Knowledge Base](#) – This year we added to our library of more than 90 technical help guides with four new editions namely JobMaker, agency arrangements, the expanded instant asset write-off, and director penalty notices.
- [Getting Technical](#) – Some highlights from this year's publication included several editions on COVID-19 related issues (such as the treatment of COVID grants, the cashflow boost, pandemic leave, and alternative turnover tests for JobKeeper), tax claims exceeding the car depreciation limit, the upcoming superannuation guarantee rise, and more.
- [Business Bulletin](#) – We trust you took advantage of the four editions delivered to you this year – making it simple for you to put a high quality technical publication into your client's hands and, in doing so, build and maintain client relations.
- [Helpline](#) – 2020 was easily our biggest year yet. Our qualified accountants and BAS Agents answered thousands of member questions this year, especially stemming from the COVID-19 tax changes, incentives, assistance, and grants.

...some of our other endeavours this year included:

continued

COVID-19 Support



2020 was indeed unprecedented. A year like no other. This was especially so for bookkeepers whose clients needed them more than ever. You had to grapple with a range of new support measures for your clients – including JobKeeper, Cashflow Boost, cash grants etc. – all the while dealing with the impacts of COVID on your own business.

Recognising this, ABN stepped up and provided a range of resources – including JobKeeper checklists, video resources, fact sheets – all conveniently housed on our [COVID-19 crisis page](#) on our website. This was supplemented by our Getting Technical publication, Bookkeeper Radio, and our email-based Helpline service which was overwhelmed with member questions.

Simply put, we were there for our members during this once-in-a-century pandemic.



Industry News and Views

We trust you enjoyed another year of ABN's [Bookkeeper Radio!](#)

Hosted at least twice per month by our very own DJs, Peter Thorp and Kelvin Deer! ABN's Bookkeeper Radio offers a unique and insightful look at your industry. For each broadcast, your hosts interview a prominent industry figure and then throw to listeners for questions and talkback. It's a fun, free and interactive way to keep up with industry news and views.

Throughout the year, we tackled a wide range of topics including JobKeeper, JobMaker, the cashflow boost, client on-boarding and engagement, digital marketing inventory management ...and much more (including a physiotherapy session)! Recordings of all back-episodes are available to download in the [Member Centre of our website](#). Bookkeeper Radio will be returning late January 2021. Join us then.



Industry Representation

Through our non-profit arm, [Australian Bookkeepers Association](#) (ABA), during 2020 we provided members with strong industry representation including attending and providing feedback at more than a dozen Tax Practitioner Board and ATO Consultative BAS Agent Forums. These arenas are where we take up your concerns/ issues/ ideas/interests with the relevant authorities.

Additionally, we compiled a number of written submissions, from the perspective of the bookkeeping profession, in response to requests from Treasury and the Tax Practitioners Board across a very wide range of issues.





Networking and Support

Despite the restrictions that came with COVID-19, throughout 2020, we hosted dozens of [Coffee Clubs](#) all across Australia. A big thanks to our dedicated team of Network Leaders for hosting these events, and for pivoting to digital Coffee Clubs once the pandemic took hold. Coffee Clubs are a community where bookkeepers can connect in what can be an otherwise isolating industry. Meet other like-minded people, share your knowledge, learn from others, and keep up to date with industry developments. You are only a Coffee Club meeting away from building your own professional network of friends and creating long-lasting relationships with your industry peers. To find out when the next Coffee Club is being held near you, subscribe to our [Notification List](#).

ABN also jumped on board and created our very own [Online Coffee Club](#)! Our Online Coffee Club works with the Coffee Club Network Leaders to deliver our Members a virtual experience and another way to get involved if getting to a face to face Coffee Club is not possible.



Learning Opportunities

A key tenet in the Charter of your [Australian Bookkeepers Association](#) is to provide training and learning opportunities for its members. To this end, in 2020 we hosted a number of webinars including 30 June payroll issues and ETP Payments.



Digital Conference

Thanks for the positive feedback on our Digital Conference that commenced on the 26th October. Unfortunately, we had to postpone our planned in-person conference in Cairns (this will now go ahead in June 2021)...so we thought we'd go digital...rather than let a once-in-a-century pandemic put us off our game!

Our digital conference comprised five unforgettable days of content, featuring the best speakers in the business. Each speaker was carefully hand-picked to deliver insights into business, finance, and the bookkeeping industry – ensuring an event like no other. Kate Ceberano also imparted some inspirational insights...and broke out in song! Best of all, you had access to watch all the content for six weeks!

We hope you can join us (in-person!!!) in Cairns next June.

The **Digital**
Bookkeeper
event



By
Peter Thorp

THE PROACTIVE BOOKKEEPER HELP YOUR CLIENTS AVOID THE POST-COVID ICEBERGS

What was that!!!! Apparently that was a global pandemic. Remember the Hollywood 'Day After The Disaster' movie; well the apocalypse has just passed and its enormity is becoming apparent. The all clear siren sounded and people came out of their bunkers and are scratching their heads wondering how they are going to rebuild. For some of our clients, that may be their parallel post-Covid. For others, realisation of exactly what carnage Covid has inflicted on their business is yet to sink in. So how do we help our clients avoid the post-Covid icebergs?

Understand The Problem We Are Trying To Solve: In order to help clients I think it makes sense to first understand how their business was affected by Covid. I find it helps to categorise clients to get a grip of the challenge at hand:

1. Covid actually gave some businesses a leg-up; they happened to be (or engineered themselves to be) in the right business at the right time and prospered through Covid;
2. Some got through Covid in average or good shape due to government and other support measures that were in place during the pandemic; and
3. Some were adversely affected (some quite profoundly so) and generally it was not their fault, they just happened to be in the wrong business or the wrong part of Australia at the wrong time.

As bookkeepers, we can readily categorise most of our clients into one of the above categories. So which of them need our help? Clearly the 3's, but I put to you the category 2 and 1 businesses may need your help just as much. Let me tell you why.

Category 2 businesses may have received Covid support from government and suppliers (Boost, JobKeeper, payroll and land tax relief, rental relief etc). Some may have been sufficiently

nimble to rapidly reduce costs to reduce cash burn. They may be sitting on cash and their balance sheets may look fine. "I have money in the bank so I must be OK right?" These are your worry clients as their true financial position going forward may have been masked by non-recurrent stimulus and they may have become deluded about their true state of affairs.

Category 1 businesses may appear to be thriving as they are doing well and may have received little or no Covid support. So why worry about this category? If their turnover has been at elevated levels through Covid, will that continue? If it does then fine, but if it doesn't, what is the impact on these businesses going forward?

Each of these categories has icebergs, some more obvious than others. Do we have a role to play, and if so, what is our role as a pro-active bookkeeper?

Let's start with understanding our skill set. What are we good at? Numbers. We understand numbers, we produce them, and we are the closest advisors our clients have with a handle on their real time financial data. As custodians of our client's real time data, we are in a position to play a role in assessing:

1. Where are our clients are at;
2. Where they would have been but for Covid support measures; and
3. Where they need to be to survive and prosper.

What The Proactive Bookkeeper Would Do?

It comes back to two basic questions:

- What would our clients expect of us given the nature of our appointment? and

continued

- What would we expect of ourselves given our skill set and the financial information we have at our fingertips?

The first and most logical step is to engage the client. You need to understand where their head is at; try a simple question like “are you comfortable in where your business is heading post-Covid?” They may already be ahead of the game, have a strong grasp of their financial position, and have a plan for post Covid survival and “thrival” of which you are unaware. Rest assured your client will not resent you taking an interest in their business; quite the contrary.

For many clients however, financial certainty will not be within their grasp, so how can you help these clients? Get them to focus on the three important questions from above:

1. Do you know financially where you are at right now?
2. Do you know how you would have fared through Covid if it were not for support measures?
3. Do you know where you need to be in order to survive and prosper?

You may feel this role belongs to the accountant and if the accountant and client “has this sort of exercise in hand”, then asking the question is a good thing, as it shows concern and lets them know you are there to assist in any manner required. It also gives you the peace of mind that everything is in hand with that client. Unfortunately, for a large percentage of small businesses, the client’s accountant will not have everything in hand. Your clients may have real doubts/concerns about their true state of affairs, which gives you the opportunity to focus your client on these three questions. How?

Do you know financially where you are at right now? Run a Balance Sheet at a current point in time: It tells your client what they own and what they owe. Run a Profit and Loss Statement (P&L) for a period of time up until the date of the Balance Sheet. I would suggest it covers the period of maximum Covid impact. For many this will be from about 1 March 2020. The P&L tells your client whether or not they were making a profit during that timeframe. This is the most basic of financial reporting, yet surprisingly many clients do not regularly access and interpret them.

Do you know where you would have been through Covid but for support? Assess the performance of your client’s business, had they not been the beneficiary of government support and other relief measures. Here is how:

1. Run a P&L from the onset of Covid impact. For many this will be from 1 March to at least the end of October (be prepared to select an altered period as each client will likely have been impacted for differing periods of time and be in receipt of different relief measures).
2. Produce a new tailored report building on the P&L in step 1 to “normalise” the result for Covid Impact. You can do this by a simple export into Excel and make your adjustments

from there, or you may be able to use accounting (or add-on) software that will allow you to build your own tailored report. A good format would be to show the actual P&L side by side with the normalised P&L, as this will highlight the difference between what the result was and what it could have been but for support measures. Methodically work through the client’s P&L and remove income items that comprise financial support (e.g. Boost, JobKeeper, payroll/land tax relief etc). Review items of expenditure for those that are artificially low and will return to a “normal” level such as subsidised rent, labour temporarily stood down or temporary wage reductions.

3. Analyse the report in 2 as it should give you an indication as to how your client will have performed but for relief measures and abnormal expenditure levels. If the adjusted P&L shows a loss or maybe a marginal profit then this should be a prompt for your client to take action. It means that unless the business improves its performance, it will be operating at poor or deteriorating levels and there could be an iceberg approaching. For these businesses the logical question to ponder is where do I need to be to survive and prosper?

Do you know where you need to be in order to survive and prosper? Budgeting and planning is the answer here. Projections of future will allow you to report two very important outcomes that can serve as critical KPIs for your clients as they emerge from the period of Covid disruption:

- A break-even analysis: Your client needs to understand what activity level needs to be met in order to cover costs. The break-even analysis should be expanded to cover any Balance Sheet commitments that may not be an expense, but which must be funded such as debt reduction. It is important to break down the targeted activity to a granular level that the client can comprehend and focus on (e.g. sales per day, units sold per day or jobs completed per day etc);
- Budgeted P&L Statements: Your client needs to understand what activity level needs to be met that incorporates a fair return to themselves as owners commensurate with their financial investment in the business that is as well as the business risk they are taking. Again set activity levels at a granular level to assist the client drive achievement of the KPI levels set.

Where To From Here?

Have the conversation with yourself: What would both my client and I expect of me given the nature of my appointment, and what I am truly capable of? Start a conversation with your client; Do they know where they are truly at financially? Do they want your help?



TPB Reform is Coming



On 5 March 2019, the Government announced an independent review into the effectiveness of the Tax Practitioners Board and the Tax Agent Services Act (2009) to ensure that tax agent services and BAS agent services are provided to the public in accordance with appropriate professional and ethical standards. As part of this review, the Government sought feedback from stakeholders, receiving more than 90 written submissions including from your Australian Bookkeepers Association.

The Government received this independent review in late 2019, and has now issued its response to the 28 recommendations in the report. How may some of these recommendations impact practitioners?

Qualifications

The review recommends that consultation be undertaken with the input of key stakeholders as to whether the primary qualification for becoming a BAS agent is appropriate. This is something that we took up in our submission, noting that it's reasonably widely acknowledged among recognised professional associations that the key BAS agent qualification of the Certificate IV Financial Services (Bookkeeping) or (Accounting) is by itself inadequate in terms of equipping bookkeepers to practice as BAS Agents. This is particularly the case given the breadth of services that can be provided by BAS agents, and the complexity of certain services, for example, GST and payroll. We contended that a better minimum standard would be to raise the educational benchmark to diploma level.

For its part, the government supports the review's recommendation. It will request that the TPB undertake industry-wide consultation on the adequacy of the primary qualification. Importantly, the review also recommends considering what grandfathering arrangements would be appropriate (if required). "Grandfathering" provisions are qualifying clauses within legislation which exempt those people already involved in the activity (in this case, existing BAS agents) with which the legislation deals.

Annual registration renewal

The government supports the review's recommendation to move to an annual registration cycle for practitioners. The current cycle is three-years, whereby existing practitioners must renew at the end of this period. The review states that this move should be subject to the TPB making system and IT

enhancements to reduce the regulatory burden that this change would place on practitioners. The annual registration would replace the annual declaration.

If implemented, as the review itself acknowledges, this would impose a further regulatory burden on already busy practitioners. Completing the annual declaration under the current system is less of an imposition than moving to annual registration. Whether or not the TPB's IT systems are enhanced or not, the renewal process can be somewhat time-consuming.

Quite sensibly the review recommended that if an annual cycle was to be adopted, the current renewal fee should be pro-rated. However, the government says registration and renewal fees going forward will be determined as part of the TPB Charging Arrangements Review currently underway.

Relevant experience

There will be a review into whether the amount of relevant experience currently required to be a BAS agent is appropriate. This of course is not only relevant for those seeking to become a BAS agent, but also existing BAS agents who – when the times comes to renew their registration – must prove to the TPB that this requirement is met. Currently, it is set at 1,400 hours over the past four years, or 1,000 for members of a recognised professional association. To recap, you do not have to complete a Statement of Relevant Experience (SRE) to demonstrate your relevant experience when renewing your registration. However, in the online renewal form you must confirm you meet the required relevant experience to renew your registration.

This review into the hours required would seem to be justified. Under current rules, members of recognised professional associations can meet the 1,000 hour requirement by undertaking

TPB reform is coming cont



just five hours of BAS agent-like work per week, or one hour per day. This is inadequate.

Pleasingly, the government has committed to more flexibility in this area. It supports giving greater flexibility to the TPB if the hours required are not met due to exceptional circumstances, such as such as maternity leave etc.

Fit and proper associates and employees?

Support is also given by the government to the review's recommendation when deciding whether to register or renew a BAS agent the TPB should be entitled to consider whether the agent has engaged any associates and/or employees to undertake BAS services who are affected by any fit and proper person events. If implemented, this new power must be exercised sensibly. In a business which has ten employees, it would be hoped that if a single employee was affected by an event, registration would not be denied on that basis.

TPB independence

In a welcome development, the TPB is set to become more independent from the ATO.

As our submission pointed out, to operate optimally, the TPB needs to have the support and respect of the various stakeholders, including major stakeholders such as practitioners. Central to this, is that the TPB is independent, and perceived to be independent. Care needs to be taken to ensure the TPB is (and is seen to be) truly acting independently of the ATO. Some examples of recent close dealings between the ATO and the TPB include:

- The ATO and TPB work very closely together on joint projects, such as the recent current crackdown on tax practitioners' outstanding personal tax obligations
- Joint educational presentations
- Safe harbour referrals
- ATO staff being seconded/lent to the TPB.
- Referrals by the ATO to the TPB for potential TASA breaches.

The TPB has also been reliant on the ATO for funding. The board is not allocated separate funding in the government's budget, rather it draws on the ATO's allocation.

To address issues of independence, the government has committed to the following:

- A published plan outlining the working arrangements between the ATO and the TPB, thus providing transparency to the community
- Taking steps to improve the financial independence of the TPB
- A formal MOU will clarify the role, responsibilities and accountability of ATO secondees that have been allocated to the TPB.
- The government's full response to the TPB review, is available on the [Treasury website](#).

TPB's Response

For its part, the TPB has issued a response to the report of the independent review of the TPB.

The TPB advises that there will be further consultation on a range of possible reforms, including the following:

- a contemporary review of the education and relevant experience requirements for tax practitioners;
- reviewing the "fit and proper" requirements to "reduce compliance risks and enhance red tape reduction";
- reviewing the TPB's sanction powers to determine the appropriateness of providing new sanctions powers to the TPB;
- consideration of the current limitation on formal information gathering and the 6-month timeframe to conduct an investigation;
- reviewing the scope of information to be included on the TPB Register; and
- possible changes to the company and partnership tax practitioner registration requirements relating to accountability and governance.



JOBMAKER WAGE SUBSIDY NOW LAW

Clients now have more incentive to employ workers under 35! The JobMaker Hiring credit legislation has now been passed into law!

Background

The JobMaker Hiring credit legislation has now received Royal Assent! This credit was part of the 2020-21 Budget, which will operate until 6 October 2021. It is designed to improve the prospects of young individuals getting employment following the devastating impact of COVID-19 on the labour market.

The legislation allows the Treasurer to make rules by way of legislative instrument relating to the Hiring Credit scheme including:

- which employers qualify for the payment
- the employees to which payments relate
- the amount payable and timing of payments
- the obligations for recipients of the payment.

Although the legislative instruments have not yet been released, exposure draft material was released on 6 November which details the Treasurer's intended rules around the scheme (not yet finalised) as follows:

Commencement

The scheme will be backdated to commence on 7 October 2020 and provide eligible employers with the following payments for up to 12 months for new jobs created for which they hire the following young workers:

- \$200 a week for hiring a worker aged 16 to 29 on at least 20 hours a week and
- \$100 a week for those aged 30 to 35.

Although the scheme is slated to run for just 12 months, that period is the hiring period – not the payment period. Eligible employers who hire an eligible employee on the last day of the scheme (6 October 2021), may be eligible for hiring credits for the subsequent 12 months until 6 October 2022.

Employer Eligibility

The criteria are broad (e.g. having an ABN, being registered for PAYG withholding, being up-to-date with lodgement obligations, reporting through STP), however some employers are specifically excluded:

- employers who are claiming JobKeeper
- entities in liquidation or who have entered bankruptcy
- commonwealth, state, and local government agencies (and entities wholly owned by these agencies)
- employers subject to the major bank levy
- sovereign entities (except those who are resident Australian entities owned by a sovereign entity).

JobMaker Periods

Entitlement to a JobMaker Hiring Credit payment is assessed in relation to 3-month periods known as "JobMaker periods". These periods are relevant for the purposes of the additionality criteria (see below). Each of the following is a JobMaker period (inclusive):

Period 1 - 7 October 2020 to 6 January 2021

Period 2 - 7 January 2021 to 6 April 2021

Period 3 - 7 April 2021 to 6 July 2021

Period 4 - 7 July 2021 to 6 October 2021

Period 5 - 7 October 2021 to 6 January 2022

Period 6 - 7 January 2022 to 6 April 2022

Period 7 - 7 April 2022 to 6 July 2022

Period 8 - 7 July 2022 to 6 October 2022

Additionality Criteria

Key to the scheme is that employers must have hired additional eligible employees.

The additionality criteria for the first four JobMaker periods requires that there is an increase in:

- the business' total employee headcount (minimum of one additional employee) from the reference date of 30 September 2020; and
- the payroll of the business for the reporting period, as compared to the three-months to 30 September 2020.

Treasury example – increase in headcount:

Lisa employs two new staff, Emma aged 28 and Jessica aged 32, who both start on 7 January 2021 and meet the employee eligibility requirements.

Angus resigns from his job at Lisa's business, effective as at 7 January 2021. When claiming for the March quarter reporting period (7 January 2021 to 6 April 2021), Lisa again compares her current situation to her baseline:

- On 30 September 2020, her baseline headcount was 2 and her quarterly payroll was \$30,000.
- On 6 April 2021, her headcount was 4 and her payroll for the reporting period was \$52,000.

For the March quarter reporting period, as her headcount is 2 above her baseline, Lisa can claim for the 2 additional positions. Lisa notifies the ATO through STP of the commencement of Emma and Jessica on 7 January 2021, and that Angus was no longer employed as at 7 January 2021.



Different additionality criteria operate for the final four JobMaker periods. As they are well into the future, they are beyond the scope of this piece.

Eligible Employees

These are employees who commenced employment between 7 October 2020 and 6 October 2021; were aged between 16 and 35 years at the time they commenced employment; have worked an average of 20-hours a week for each whole week the individual was employed by the qualifying entity during the JobMaker period. Additionally, the worker must have met the pre-employment condition which requires that for at least 28 of the 84 days (i.e. for 4 out of 12 weeks) immediately before the commencement of employment of the individual, the individual was receiving one of the following payments:

- parenting payment
- youth allowance (except if the individual was receiving this payment on the basis that they were undertaking full time study or was a new apprentice) or
- JobSeeker payment.

We note that the new worker must be in a genuine employment relationship. For example, 'non-arms length' employees will not be considered eligible employees. This includes family members of a family business, directors of a company and shareholders of a company.

Participation and Notification Requirements

To be entitled to the JobMaker Hiring Credit payment in relation to a JobMaker period, employers must have notified the Commissioner in the approved form of its election to participate in the scheme by the end of the period that the entity first elects to participate. For example, for an entity that elects to participate for the JobMaker period of 7 January 2021 to 6 April 2021, the notice must be provided to the Commissioner by 6 April 2021.

The reporting requirements will include the details of employees that have commenced or ceased employment during a JobMaker period and the entity's payroll amount. The Commissioner will also specify that the information must be provided through STP.

Treasury Case Study

Lisa operates a bakery and baked goods catering business with two employees. She hires Angus on 7 October 2020. As at 30 September 2020, Lisa had two other employees and her quarterly payroll for July, August and September 2020 was \$30,000. Lisa's business is not receiving the JobKeeper Payment.

Lisa's employee baseline on 30 September 2020 is two employees and she had a quarterly payroll of \$30,000 in the September quarter 2020. To claim the JobMaker Hiring Credit, her employee headcount and payroll for the reporting period must exceed the baseline level. Employee headcount is the value observed on the final day of the reporting period, while payroll is the total for the reporting period.

Angus is 25 and was receiving JobSeeker Payments from 1 July 2020 to 31 October 2020. While Angus has no guaranteed hours, Lisa expects he will work 7 hours a day, three days a week (that is, more than 20 hours a week on average).

Following the end of the first reporting period for the JobMaker Hiring Credit, Lisa compares her situation to her baseline:

- On 30 September 2020 her baseline headcount was 2 and her quarterly payroll was \$30,000.
- On 6 January 2021 (the final day of the first reporting period), her headcount was 3 and her payroll is calculated to be \$39,000.

Lisa is therefore able to claim the JobMaker Hiring Credit in the December quarter reporting period of 7 October 2020 – 6 January 2021. Lisa's payment entitlement is calculated on a per day basis. She is entitled to \$200 per week for the entire December quarter reporting period for Angus.



#31829:



NUTS & bolts



Christmas Bookkeeping

Over the last few weeks, your clients will have been hosting Christmas parties, catching up with customers and suppliers for a bit of Christmas Cheer, spending on Christmas presents for staff, customers and suppliers, and perhaps paying Christmas bonuses. This raises a number of bookkeeping issues as there are GST and FBT issues to be mindful of as well as tax deductibility issues attached to your client's Christmas spending habits.

To assist, check out our comprehensive Bookkeeper Radio session - "[It's Beginning to look a lot like Christmas](#)" with our resident tax expert, Darren Hagarty, it has everything you need!

No more activity statement notification emails to registered agents

The ATO has issued a statement notifying practitioners that it will no longer be sending activity statement notices by email. Your clients' monthly and quarterly activity statements will be available online by the 16th of each month before they are due. The ATO says you can use on-demand reports to check when activity statements are due, which will help you and your clients take action or vary instalment activity statement amounts on time, if needed. Guidance on setting up on-demand reports can be found on this [ATO page](#).

ABN Christmas Message

With the Festive Season upon us, we advise that the ABN office will be closed during the following period:

Closed: Wednesday 23 December 2020 at 5:00pm AEST

Re-open: Monday 4 January 2021 at 8:30am AEST

While you will still during this period be able to use all of our web-based resources, we will not be contactable and nor will your ABN Helpline questions be answered during the Christmas shutdown.

We take this opportunity to wish you a Merry Christmas, and a safe and happy 2021. Thank you for your ongoing support during the year.

key DATES

21 December

November monthly Activity Statements – due for lodgement and payment

21 January

December monthly Activity Statements – due for lodgement and payment

28 January

Superannuation Guarantee contributions (Oct-Dec) – due for payment

31 January

TFN Report (Oct-Dec) for closely held trusts for TFNs quoted to a trustee by beneficiaries – due for lodgement



continued

NUTS & bolts ●●●●●●●●●●



ATO Christmas Closure

Speaking of Christmas closures, the ATO's annual office closure starts on midday Thursday 24 December and will reopen at 8.00am on Monday 4 January 2021. Most ATO systems, including Online services for agents will be unavailable over the shutdown period. Lodge as early as possible to give the ATO time to process your clients' Returns, Activity Statements or other forms before the annual office closure. Importantly, Single Touch Payroll pay events can still be lodged, however it's likely that submitted reports will be displayed in myGov until January.

Self-improvement

The Christmas-New Year break is one of the few times of the year where people have sufficient spare time to knock over a complete (non-work related) book in a single sitting! One of the best self-improvement books we've come across is Doctor Pippa Grange's book, Fear Less. If we were truly free from fear, what could we achieve? Order it [here](#).

New-Year Resolutions

As 2020 beckons and our minds turn to New Year's Resolutions, here are a few ideas to assist you to shape your own:

Friends and family In a world that has become increasingly virtual, don't lose sight of the importance of connecting with friends and family in person.

Self ... Forget about being someone else – just be yourself. When you have the courage to just be who you are, without apology or pretence, so much of the suffering, stress and worry in life simply disappears.

Career/Business Treat every workday like a school day, and always be on the lookout to learn something new, however small. It all adds up. Knowledge is power.

Life ... Life is so fast paced – make sure you take some time to smell the roses.

Fun ... Eat a food you haven't had since you were a child. You might re-discover something great.

JobKeeper, the final instalment

The final iteration of JobKeeper commences on 4 January 2021.

This extension period will run from 4 January 2021 to 28 March 2021. Clients will need to show that their actual GST turnover has declined in the October to December 2020 quarter relative to a comparable period (generally the corresponding quarter in 2019). See the [actual decline in turnover test](#). The ATO will make the new decline in turnover form available on its systems from 4 January.

The rates of the JobKeeper payment in this extension period are:

- Tier 1: \$1,000 per fortnight (before tax)
- Tier 2: \$650 per fortnight (before tax).

Remember; in order to claim for this extension period of JobKeeper, clients:

- don't need to re-enrol for the JobKeeper extension if you are already enrolled for JobKeeper for fortnights before 4 January 2021.
- don't need to reassess employee eligibility or ask employees to agree to be nominated by you as their eligible employer if you are already claiming for them before 4 January.
- don't need to meet any further requirements if you are claiming for an eligible business participant, other than those that applied from the start of JobKeeper relating to:
 - holding an ABN, and
 - declaring assessable income and supplies.

This extension period will remain open to new participants, provided they meet the eligibility requirements for the relevant period.

New employers enrolling for the first time, and existing employers, will be required to submit the decline in turnover form by 31 January.

Employers will also be given until 31 January 2021 to meet the wage condition for fortnights starting on 4 January and 18 January 2021.

Also note for JobKeeper Extension 1:

- completion of the December business monthly declaration, for employers to be reimbursed for payments between 23 November 2020 to 3 January 2021, has also been extended from the usual 14th of each month to 28 January 2021.
- to account for the New Year weekend, the ATO will also allow employers to meet the wage condition for payments between 21 December and 3 January 2021 by 4 January 2021.



DEBT RESTRUCTURING

The New "Aldi" Version

By
Phil Hamenko (Compliance Manager)



Phil joined de Jonge Read in 2012 and is based in their Brisbane office. He held the positions of Strategist and Senior Strategist before moving into his current role of Compliance Manager 3 years ago. In this position, Phil reviews all the strategy reports prepared Australia-wide before they are presented to clients. Prior to joining de Jonge Read Phil worked for the NAB for 29 years, and in his last role was Senior Executive - Business Banking Gold Coast South.

The Corporations Amendment (Corporate Insolvency Reforms) Bill 2020 has recently been passed by the House of Representatives. This is a major change to the insolvency framework, and will be introduced, in part, in response to the fallout from the Covid-19 pandemic.

It is important that businesses facing financial difficulties seek professional advice now though, rather than wait for the passage of the new legislation. The new bill will not be a cure for all and will not be the best option for every business, so getting the right advice now is crucial. The new law is aimed at companies, and in no way will directors personal liabilities, such as under personal guarantees to trade creditors be addressed.

The new initiatives will only be available to businesses that have:

- Less than \$1m in total debt, including secured debt.
- Paid all current employee entitlements.
- Lodged all their statutory returns.
- Have not used the new system in the last 7 years.

The current system is very much of a "one-size fits all" approach, with very small businesses having the same options as major corporates. This means that many small businesses are discouraged from engaging with the insolvency industry and may have no choice other than to enter into liquidation. The new bill will introduce a number of new options and is quite similar to the US Chapter 11 Bankruptcy in a lot of ways. Basically, the new legislation will provide for:

- A debt restructuring process.
- A simplified liquidation process.

The debt restructuring process has been referred to as an "Aldi" Deed of Company Arrangement (DOCA). The costs associated with a DOCA have probably put this out of the reach of small businesses in financial difficulty. While Virgin Airlines can afford the professional fees for a DOCA most small businesses cannot.

This new process will give companies the opportunity to put forward an offer to creditors to restructure their debts. Subject to creditor approval, this may enable them to continue trading rather than liquidating. Importantly, related party creditors cannot vote on the proposal and the willingness of creditors, including statutory bodies such as the ATO, to accept debt restructuring proposals is uncertain.

The simplified liquidation model should reduce the costs associated with winding up a company. The main elements are a move to virtual meetings and fewer investigations by liquidators. This may be a more efficient way to bring finality to the affairs of a company if it is unviable, or if a debt restructuring proposal is rejected by creditors.

The new law is considered a positive step, but will not work for all businesses. Getting professional, independent advice is the key so directors can understand what is the best option in their individual circumstances.





FIVE MINUTES WITH THE ABN & ABA TEAM



Peter

ABN & ABA Director (Chairman)

What date does the Christmas Tree go up in your house?

No room for Christmas Trees at my place every available space is now being used for Coffee trees

Is there a special dish that's always served on Christmas Day?

Always" - Nice red wine..."Mostly" a roast and some seafood.

Do you have any Christmas Traditions you can share with our readers?

Rearranging my sock drawer and wondering who's gonna make the gravy

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Rudolph the Red Nosed Reindeer – because I am hairy and sometimes end up with a red nose after drinking nice red wine.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Twas the night before....(remastered)



A Message from the Chairman

Twas the day after Covid when all thru the land
Something was missing, something that was grand
No bookkeeper events this year, it was really quite obscene
Nothing like ABN Conference where we should all have been

Bookkeepers all nestled up snug in their beds
Visions of Cairns danced in their heads
Kelvin in his tiger suit, me in mine
It's time we settled down to a nice glass of red wine

Then on bookface there was such a chatter
Something was brewing but what was the matter.
Away to the planes and off like a flash
The 3rd-5th of June it will be a spectacular bash

I've run out of rhyme, I've run out of song
My poem is about to end but don't get me wrong
Christmas will come and the New Year will pass
But missing ABN's Conference will bite you on the foot



MERRY CHRISTMAS

and a Happy New Year!



Kerrie

ABA Director

What date does the Christmas Tree go up in your house?

Always the 1st of December, it was my Dad's birthday so that makes it a double celebration. Always lots of music and laughter.

Is there a special dish that's always served on Christmas Day?

Christmas morning we have a lovely fresh fruit salad and champagne to start the day. I also love making trifle from scratch including making the jelly from stewed berries. It takes 3 days but it is soooo worth it.

Do you have any Christmas Traditions you can share with our readers?

If someone dear to us is no longer here, we write their name on a gold bauble and as we decorate the tree on the 1st of December we remember the things we loved about them.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Probably Mrs Claus..... cause I just love everything about Christmas, and I am sure she is the one that reconciles the Christmas trust account. Mrs Claus enjoys a medicinal drink or two! Probably red wine or a whiskey at the end of a fun day with family and friends.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

We usually have a competition who can hit the high notes in Maria Careys Christmas carols, I always lose.

Cassandra

ABA Director

What date does the Christmas Tree go up in your house?

Tree goes up early December – we don't have a fixed date, but its usually no later than the second weekend.

Is there a special dish that's always served on Christmas Day?

Christmas pudd with brandy custard – you have to get the ratio right and balance the custard with the pudd..... may take a couple of test runs to get it right

Do you have any Christmas Traditions you can share with our readers?

As a family, we would all get up and gather around the tree in the morning – had to have the cup of coffee in hand (breakfast came later), and then presents got given and opened one by one. There are always gifts to and from the dog as well – its all about family!

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Probably Mrs Claus – does all the work in the background, while Santa gets the credit!

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Its all about the naughty or nice, crossing that list, checking it twice, of course, its Santa Claus is coming to toooooown!





Darren

ABN & ABA Director

What date does the Christmas Tree go up in your house?

December 1st

Is there a special dish that's always served on Christmas Day?

My father-in-law's mustard-glazed ham.

Do you have any Christmas Traditions you can share with our readers?

Every Christmas I set-up the Slip N Slide for the kids in the front yard. Just add soap suds and a garden hose, and it entertains them for hours.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Santa Claus – because he's the boss of Christmas.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

All I Want for Christmas Is You by Mariah Carey. There's just something about this song that resonates at this time of year.

Sonya

ABA Director

What date does the Christmas Tree go up in your house?

December 1st

Is there a special dish that's always served on Christmas Day?

Roast Turkey, sage and onion stuffing, gravy and red currant jelly!

Do you have any Christmas Traditions you can share with our readers?

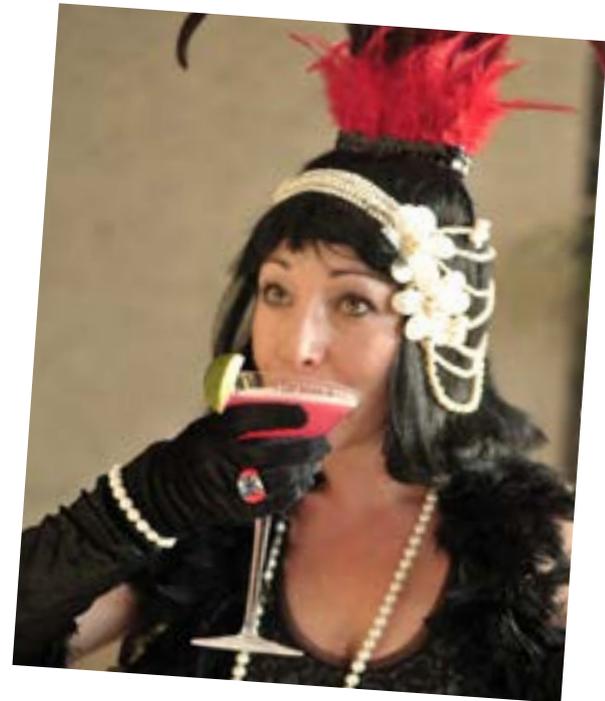
I only drink French Champagne to celebrate Christmas!

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Mrs Clause, as I love shopping for gifts!

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Jingle Bell Rock (my child's favourite). Otherwise, it's [Randolph the Brown Nose Reindeer](#) (husbands favourite) but not child Friendly...lol.



Diane

ABA Director

What date does the Christmas Tree go up in your house?

First week in December – though these days I don't do a tree – keeping it simple.

Is there a special dish that's always served on Christmas Day?

I like to mix it up – and serve things I've never made before – a sucker for punishment I guess. But, I love German Stollen and there will always be some around from early December

Do you have any Christmas Traditions you can share with our readers?

Eat, drink and be merry – and then have a nap...

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Billy Mack from Love Actually – 'I realised that Christmas is the time to be with people you love'

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Santa Baby



Kathy

Accounts & BAS Manager

What date does the Christmas Tree go up in your house?

I just enjoy everyone else's trees these days!

Is there a special dish that's always served on Christmas Day?

We just really enjoy making it easy in our Qld climate – ham, chicken, salads, and fruit salad made with all our gorgeous fruits – especially mangoes, & pawpaws!

Do you have any Christmas Traditions you can share with our readers?

We seem to have started a new tradition – open some of the pressies then head to the beach!

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

It would have to be Santa as my little grand-daughter absolutely adores him

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Do they know its Christmas by Band Aid



Steve

Relationships Manager

What date does the Christmas Tree go up in your house?

1st December up on the kitchen bench as I have a puppy who loves xmas trees

Is there a special dish that's always served on Christmas Day?

Prawns, ham and lots of champagne in no particular order

Do you have any Christmas Traditions you can share with our readers?

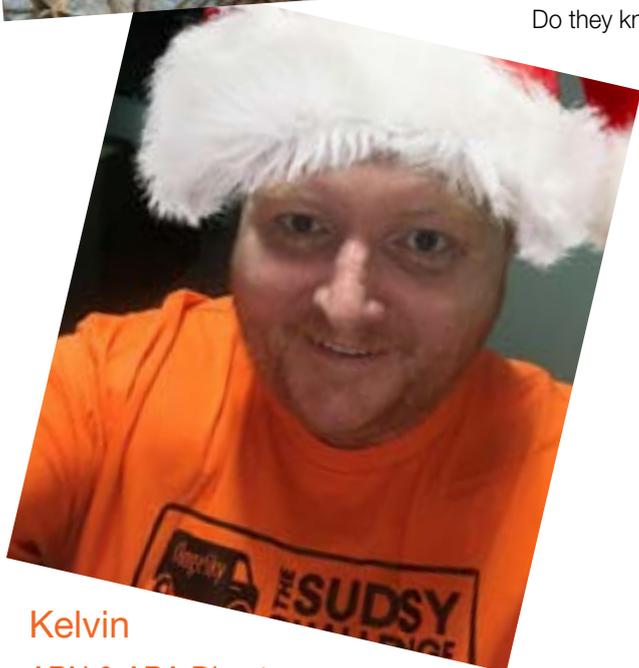
Xmas eve we always have wine and cheese from 3pm until close of business

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Clark Griswold, he literally loves the festive season and leaves nothing in the tank

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Bing Crosby, White Christmas



Kelvin

ABN & ABA Director

What date does the Christmas Tree go up in your house?

Usually the first week of December (out of the box and into the corner, bang on some lights and it's done)

Is there a special dish that's always served on Christmas Day?

It wouldn't be Christmas in our house unless the honey glazed slow cooked ham on the bone is on the table

Do you have any Christmas Traditions you can share with our readers?

Every year since the kids were born (eldest now 24) I have videoed Christmas present opening and then the Christmas lunch. The times have changed a little..... opening used to be about 4am when they were little, but now it's getting closer to 8.00am (finally a Christmas morning sleep in)

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Well, this one is a no brainer.... With a surname of Deer.... I'm thinking I can't go past Rudolph.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Well if my Christmas Character is going to be Rudolph, then I guess it's got to be "Rudolph the Red Nosed Reindeer".....had a very shiny nose, and if you ever saw it, you would even say it glows, etc, etc.....





Leanne

Member Services Manager

What date does the Christmas Tree go up in your house?

If my daughter had her way it would go up in January, but normally Dec 1.

Is there a special dish that's always served on Christmas Day?

No, we try and change it up each year.

Do you have any Christmas Traditions you can share with our readers?

Secret Santa is always a hit, as we can steal from each other.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

This year probably scrooge.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Feliz Navidad.

Nick

Marketing Coordinator

What date does the Christmas Tree go up in your house?

After December 4th, that's my brother's birthday and we've never been allowed to put the tree up until after that.

Is there a special dish that's always served on Christmas Day?

Prawn cocktails, my grandad used to make them and now we do every year in his memory.

Do you have any Christmas Traditions you can share with our readers?

Gathering around the tree Christmas morning to open stockings.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Depends who you ask haha, some would say the Grinch, but I've always liked the story of Jack Frost.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Personally I don't think Oh silent night gets the credit it deserves!



Josh

Tax Writer and Advisor

What date does the Christmas Tree go up in your house?

No set date.

Is there a special dish that's always served on Christmas Day?

Potato bake.

Do you have any Christmas Traditions you can share with our readers?

I always seem to get really thirsty every year.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

I am happy to be the main character: the big fella with the beard.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Singing is not really in my wheelhouse, but I do like Silent Night.



Andrew

Marketing Manager

What date does the Christmas Tree go up in your house?

Anytime from the 1st of December.

Is there a special dish that's always served on Christmas Day?

Prawns and Pavlova. About two years ago I was promoted for Chief Custard Maker in our family, it's my Nana's recipe and is always a hit (even if I do say so myself).

Do you have any Christmas Traditions you can share with our readers?

We go camping over Christmas every year, so for us it is normally spent at the beach and around family. There is also a few Christmas movies playing in our house around this time of year.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

Rudolph the Red-nosed Reindeer because his nose glows, none of the other Reindeers do that.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

So this is Christmas by John Lennon.



Brianna

Member & Student Services

What date does the Christmas Tree go up in your house?

Usually the 1st of December, however this year we thought we'd put it up 2 weeks early because it's been a tough year and we wanted to have the Christmas sparkle in the house longer.

Is there a special dish that's always served on Christmas Day?

We always have to have prawns on Christmas Day, what's an Aussie Queensland Christmas without cold prawns drizzled with lemon and dipped in a seafood sauce!

Do you have any Christmas Traditions you can share with our readers?

Christmas Eve I always give my daughter an early present that are usually Christmas Pyjamas, and I usually have matching, we then get together with the rest of the family and have a Christmas Eve Games night, with lots of Christmas Carols playing in the background and Egg Nog to drink.

Bipity Bopity Boo, your Fairy Godmother has transformed you into a Christmas Characters, who is it and why?

A Nutcracker. We love our Nutcrackers in our house, the significance to us is they are symbols of good luck and are said to frighten away malevolent spirits. They serve as protectors of the house. In my house I'm the protector of my daughter.

Ok, we've decked the halls and Rudolf is on his way! What Christmas song are you singing on this silent night?

Feliz Navidad.

