

Dear Vincent,

We are now well into 2021, and I wanted to take a moment to say an official hello to all the AAT members.

I am thrilled to be working closely with the IPA team to give you all the latest resources, support, and ongoing training our profession needs.

I am super pleased to announce that we have our own Professional Assist Portal for AAT Members that recently launched to help you out with any technical accounting and bookkeeping queries you may have. More on this member offer next month.

I am also excited to share that we will be having a three-hour virtual Roadshow on 17 March 2021. We have three great speakers and three different topics to accommodate everyone. Stay tuned for more info but do not forget to [book](#) your ticket and save the date.

We are working hard on the Certified Accounting Technician program and plan to release more details on this at our March Roadshow.

We all know that JobKeeper 2.0 ends at the end of this quarter. The silver lining is that we won't have to make JobKeeper Declarations anymore, but reality will hit many businesses when they don't have that monthly wage subsidy hitting their bank account.

Now is the time to ask yourself how you can help your business clients achieve financial success without JobKeeper, and how you can continue charging your worth and consider raising your fees for the additional advisory reporting your clients will need to navigate their way into a positive cashflow future. We have a comprehensive guide in this month's newsletter to give you the tools and means to increase your prices.

In addition to all this, you will also find in our Newsletter:

- Superannuation guarantee rate rises to 10% in July.
- Single Touch Payroll phase 2 postponed to 1 January 2022.
- Single Touch Payroll for closely held payee's mandatory from July.
- Australian Consumer Law financial threshold set to change in July.
- Personal Property Securities Register.
- TPB Guidance on Security for Tax Practitioners
- And more!

Meanwhile, I look forward to meeting many of you in the Online Discussion Groups and of course at our March Roadshow.

Till then, please take care.

Lielette Calleja
Chief Accounting Technician

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

Superannuation Guarantee Rate Rise July 2021

The superannuation guarantee contribution statutory rate rise has been planned for many years.

In July 2021, the rate is set to rise to 10%.

The 2020 delayed budget did not defer the super increase as was discussed prior to the budget. As this rate rise was already postponed from 2018 to 2021, it is unlikely that there will be another deferral.

Plan Now for the July Increase

- Discuss the July increase to the super rate with your employer clients now.
- Let them know that this is the first year since 2014, the rate has risen and that unless the law changes, there will be an increase of 0.5% each year from now until July 2025 when the statutory rate will reach 12%.
- Offer to do payroll calculations showing the current wages and superannuation expense compared to the new rate from July 2021, highlighting the increase in expense per month or quarter.

[ATO – Super guarantee percentage](#)

Single Touch Payroll Phase 2 Postponed

Single Touch Payroll reporting phase 2 was planned for 1 July 2021 but has been extended to 1 January 2022 after industry pressure on the ATO to extend the deadline because of COVID-19 impacts on business, software providers and our industry.

Phase 2 requires additional information to be reported with each STP pay event.

Payroll software will include broader reporting parameters and categories, including detailed income type, lump sums, itemised allowances, child support and the ability to lodge tax file number declarations from within STP reporting.

There is nothing you need to change right now – we'll keep you updated when the implementation is closer.

Single Touch Payroll Closely Held Payees

Reporting closely held payees through Single Touch Payroll becomes mandatory from 1 July 2021 for all employers.

Closely held payees include family members, directors or shareholders of a company or beneficiaries of a trust.

The same data is reported for closely held payees as for all other payees: all year-to-date amounts subject to PAYGW; total gross wages; total withheld amounts; superannuation liability; and any other type of payment required to be reported through STP.

Three Ways to Report Closely Held Payees

1. Report actual payments on or before the date of payment.

2. Report actual payments quarterly when the activity statement is due. (Note that you must already have the quarterly reporting concession approved by the ATO – apply for this via ATO online services for BAS agents).
3. Report a reasonable estimate quarterly. Estimates should be based on amounts equal to or greater than 25% of the previous year's payments and tax withheld.

The third option allows closely held payees to be included in STP reporting even if actual amounts have not been calculated or paid. Many tax agents calculate salaries, wages, and director fees for closely held payees after the end of the financial year. The quarterly estimate means payees can be included in STP reporting with estimated figures.

It is important not to underestimate the quarterly amounts. The employer may be liable for super guarantee charge, penalties and interest and may have the PAYGW tax deduction disallowed if it is later determined that the business paid a greater amount during that quarter. The ATO will not impose penalties for a failure to withhold if the estimates have been reported, although there may still be a super guarantee charge if the SGC obligation has not been met.

Corrections to payments should be made either by including them in the following STP pay even with updated year-to-date amounts or by lodging an updated event with actual amounts paid and withheld.

STP Finalisation for Closely held Employees

Small employers (19 or fewer employees) with only closely held payees have up until the individual's tax return due date to make the finalisation declaration. The employer will need to check with the individual about the due date of their tax return.

For all other payees, the regular date of 14 July applies for finalisation.

[ATO – Closely held payees](#)

Australian Consumer Law to Change 1 July 2021

The Australian Consumer Law (ACL) was reviewed in 2017, and several proposals have been enacted since 2018. The next change to the law, is one that may affect many of your clients: the financial threshold in the definition of a consumer within the ACL and the **ASIC Act** will change from \$40,000 to \$100,000.

From 1 July 2021, the new threshold applies, meaning that businesses which sell goods or services with a value up to \$100,000 must comply with the consumer guarantee provided for in the ACL.

A person or entity is considered a 'consumer' if they purchase goods up to the threshold. Certain guarantees under the ACL protect consumers. The new threshold means that the law will apply to a wider range of goods and services with a value up to \$100,000.

Under the ACL, automatic consumer guarantees apply to many goods and services regardless of warranties provided (or sold as an extra) by the vendor.

If you have clients who issue contracts and warranties for goods or services up to the value of \$100,000, let them know the changes that apply from July 2021.

[Australian Competition & Consumer Commission – Consumer Guarantees](#)
[Australian Competition & Consumer Commission – Warranties](#)

The Personal Property and Securities Register (PPSR) is a national online register of secured interests in property. It is a catalogue of titles and rights to property, equipment and other assets.

The PPSR allows businesses and creditors to formally register security interests and rights. Related parties can search the register to determine if there are registered interests against any property or other assets.

This means that if a business has a registered interest in any property, it will have certain legally recognised rights over that property, should the entity go into liquidation or a dispute about ownership arises.

The PPSR's two main objectives are to protect individuals and businesses when they purchase property and to protect parties in the event of liquidation or other reasons for not paying.

If a customer goes into liquidation or forfeits on an agreed payment, having the property already registered with the PPSR means a much greater chance of recovering either payment or the property itself.

If the business or any related parties go into liquidation, this means the party with registered security over the property will be more likely to recover the property or payment, or at least a percentage of the value.

While the PPSR has existed since 2012, many small business owners have not taken advantage of the protection it offers, thinking it is for large business only. It is in fact for any Australian business of any size. (It is also available for individuals).

With the increased potential of businesses going into liquidation post-COVID-19, now is the time to encourage your clients to register property.

What Can be Registered?

A wide variety of property can be registered. Collateral types are either commercial or consumer property. Property is registered with both a collateral type and a collateral class.

Types of Collateral Class

- Tangible – such as vehicles, boats, aircraft or equipment.
- General – most, or all of the current or future property of an organisation, such as inventory.
- Intangible – such as an account for payment of goods or services already supplied or intellectual property.
- Financial – such as an investment instrument, currency or chattel agreement.

Length of Registration

The length of the registration period can vary depending on the type of property being registered. Registration can be a defined period, or it can be indefinite (no end date). Some registrations can only be for a maximum of seven years.

Fees

The fee for searching registrations over property is \$2.00.

Fees to register security over property vary, according to the security interest's length, and range from \$6.00 to \$115.00.

Accounting Technician Next Steps

The website is complex; however, it is worth the time to navigate it if you or your clients have property worth being secured with this register.

- Talk to your clients about the register and the protections it can offer. Discuss their level of risk with property, equipment and other assets, including loans to other businesses.
- Set up a PPSR account to make and manage registrations.
- Create a secured party group (SPG). The SPG contains relevant information about the secured party (person or organisation) who has an interest in the property. One account holder can manage multiple SPGs.
- Decide whether you want to create an account in your name to manage registrations of multiple clients (SPGs) or whether your client will register in their name and manage their registrations.
- You need both an account and SPG before registering any property.
- You will then have a portal through which you manage registrations.
- Select collateral type (commercial or consumer).
- Select collateral class (tangible, general, intangible or financial property).
- Check the website for information about [the timing of the registration](#). For example, registration must be made more than six months before the start of any insolvency process to be secured.
- You will need information on the type of collateral, grantor, SPG, and payment method for PPSR fees.
- Set up a spreadsheet of registered property showing end date of registration for each property type and flag for follow up at registration end date.

There are specific processes to follow if a business wants to [enforce the security interest](#) to claim collateral to cover all or part of the debit or property secured.

Consider offering this service to your clients as another way of assisting them in managing their business assets and protecting their interests. It is a form of insurance – one the business may never need – but may also prevent them from losing a great deal.

[Australian Financial Security Authority – Personal Property Securities Register](#)

TPB Guidance on Security for Tax Practitioners

The Tax Practitioners Board suggests it is time to take stock of your physical premises security to protect taxpayer data – and this applies to any data you store at your home office.

Simple measures to implement:

- Check who has keys and building passes.
- Password protect all devices on which you access client information.
- Make sure all devices have the current operating systems and security controls.
- Never share passwords.
- Destroy physical documents securely using a shredder to remove all identifying data.
- Keep physical records locked and secure.
- Consider security systems like alarms or surveillance.

[TPB – Stolen taxpayer data can cost you and your clients](#)

Is it Time to Raise Your Fees?

Last year there was much discussion about fees for bookkeeping, BAS and accounting services. Many people gave away time for free or at reduced rates to help clients. Many others planned on price increases but postponed doing so, due to the pandemic. Most in the accounting industry spent a lot more time than ever before in professional development. Workloads increased, but earnings did not necessarily grow in line with that load.

All of us in the accounting and bookkeeping industry have done our best to look after clients in distress during an incredibly challenging year. However, it's not sustainable to continue to discount your services or indefinitely 'look after' all the clients who are struggling.

This year we will see many businesses assess their viability and make more tough decisions. The reality is that they will have to plan for professional services fees to return to normal.

How Long Since You've Raised Your Fees?

If it's more than a few years since you have changed your billing rates, consider bringing in a fee increase soon.

It does not serve anyone – not yourself, the industry or your clients to keep fees artificially low because you want to help everyone. A viable business should have the means to pay for essential professional services.

Bookkeepers, BAS agents and Accounting Technicians provide professional services as a business-to-business arrangement. Putting up your rates is simply a business decision you need to make from time to time.

Business owners will make decisions based on many factors and price, is only one of those factors. If you have gone above and beyond looking after your clients in the last year, more than likely they will understand your decision to increase fees this year, and they will appreciate the value you provided in how well you helped them.

What are You Worth?

Your fees do not have to be the same as colleagues. You need to decide what is appropriate, considering many factors: the industry, your region, the services you offer, the value you provide, your experience and qualifications and your chosen market.

Your unique package of all these factors will undoubtedly be different from others in the industry, and that is a good thing! Make the most of your blend of life and work experience.

If you haven't upskilled, learned new software, kept abreast of all the law changes, and increased your knowledge of best practices, then perhaps it's okay to leave your fees as they are for a while yet. But if this is you, it's time to get on board with professional development and learning about best practices from your colleagues and charge accordingly.

If you're not sure about increasing your fees, whether now or in the future, analyse what you offer to clients and be sure about the value you provide. Once you have reminded (or convinced) yourself of your worth, it's easy to communicate this clearly, calmly, and professionally to clients.

How Much Notice Should You Give for Fee Increases?

You do not have to give any amount of notice for a fee increase unless you have an agreement with a client that specifically states a notice period of an increase.

However, you would not increase fees for work already done without a discussion first. If a client expects you to bill at a certain rate, you need to honour that and make clear when the new fees apply from, for future work.

You may choose to give some notice, for example, a month, or perhaps you prefer to start the new fees next quarter. It is entirely up to you; there is no standard. Some practitioners simply state in their agreements that annual price rises will apply, and they do not give any further notice than what is provided in the original letter of engagement.

Impact of Discounting or Increasing Prices

Did you know that if your present margin is 30%, and you discount your prices by 10%, then your sales would have to increase by 50% to keep the same bottom-line margin? Okay, this metric may be more appropriate for selling goods than services, because you are unlikely to offer the same discount to every client, however, it's worth thinking about!

On the other hand, if your present margin is 30% and you increase prices by 10%, you would have to lose 25% of revenue before it affected your profit.

If you lose a client because of your fee increase, you are still ahead, and it makes way for more clients who will value the professional services you offer.

As soon as you change your fees – up or down – you attract a different clientele. Whom do you want to attract? There is no right or wrong here – remember, it's up to you to choose fees that are right for you and all you offer to your clients.

Check out the [AAT Price Increase Template](#).

In the News

Clerks award flexibility provisions extended.

The Fair Work Commission has extended the flexibility schedule within the Clerks – Private Sector Award 2020. Changes include an extended spread of ordinary hours, definition of remote work, election to work non-consecutive ordinary hours and flexible start and finish times. For more details, check the updated [Clerks – Private Sector Award 2020](#).

JobMaker Hiring Credit.

JobMaker Hiring Credit has started, and eligible businesses can claim payments for new positions they create until 6 October 2021. See our [previous newsletters](#) on the topic or visit [ATO JobMaker Hiring Credit](#) for more detail.

Fuel Tax Credit rates updated.

The FTC rate has been updated according to the consumer price index. Check the [ATO Fuel Tax Credits](#) page for rates current from 1 February and the [ATO FTC calculator link](#).

ATO Online services for business.

If you have clients who use the ATO business portal, let them know they can upgrade to the [ATO online services for business](#) as an easier way to interact with the ATO and lodge activity statements and other reports. The system is in public beta testing. Login is via myGovID, and the ATO would like to hear feedback from early users of the system.

COVID-19 and fringe benefits tax.

Employers may have paid for additional equipment or other benefits to allow employees to work from home during 2020. Fringe benefits tax may apply to some benefits, although the minor benefits exemption (irregular benefits less than \$300) still applies. Check the [ATO COVID-19](#)

[and fringe benefits tax page](#) for more details, including working from home, cars, travel and cancelled events. Note that items provided to protect employees from COVID-19 are exempt.

Fair Work Ombudsman and JobMaker Hiring Credit.

Further to our articles in [previous newsletters](#), the Fair Work Ombudsman has released detailed information on the [JobMaker Hiring Credit](#). Although the scheme is administered by the ATO, there are Fair Work implications for employers. All Fair Work Act provisions apply to employees engaged under the JobMaker Hiring Credit, including entitlements, the National Employment Standards and relevant modern award provisions.

Auditor-General review of ATO JobKeeper administration.

The Australian National Audit Office will examine whether the ATO effectively administered the rules for JobKeeper, whether it protected the integrity of JobKeeper payments, and whether it effectively monitored and reported on the performance of the scheme. The review is expected to be released in October this year.

AAT Australia Member Events

February Tech Talk: Tackling the Pain Points of Payroll with Automation and Microkeeper

Automation and software are great, but only when driven by competent, knowledgeable people. As trusted tech advisors, accounting technicians will be in the driver's seat of a new era of business in Australia. Jon Arrigo from Microkeeper joins us to discuss how software can help tackle employee management and payroll, in an efficient and streamlined way.



Thursday 25 February 2021



12:30pm - 1:30pm AEDT



Jon Arrigo - Microkeeper



Free for AAT Members



Online (Recorded)



Total CPD Hours: 1

BOOK NOW

AAT March Online Roadshow – Save the Date!

We are pleased to announce the date for the March Roadshow. Chief Accounting Technician Liette Calleja will host the three-hour event talking about current industry issues and some practical tips for accounting technicians. Book now – final agenda will be announced soon.



Wednesday 17 March



11:00am - 2:00pm AEDT



Liette Calleja



Member: **\$150**
Non-Member: **\$200**



Online



Total CPD Hours: 3

BOOK NOW

March Tech Talk: Making the Most of Microsoft OneDrive for Secure File Sharing

We will take a look at the great features of Microsoft's OneDrive and the benefits that accounting technicians can gain from its effective use: syncing of files between devices, options for sharing of folders and files with others, version history, optimising your computer's storage, and more. Join Lynette Coulston from iTandCoffee for this practical Tech Talk.



Thursday 25 March



Free for AAT Members



12:30pm - 1:30pm AEDT



Online



Lynette Coulston - iTandCoffee



Total CPD Hours: 1

[BOOK NOW](#)

Online Discussion Groups

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

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



Wednesday 3 March



Free for AAT Members



5:00pm - 6:00pm AEDT



Online



Eric Ohlson



Total CPD Hours: 1

[BOOK NOW](#)



Thursday 18 March



Free for AAT Members



5:00pm - 6:00pm AEDT



Online



Jo Voight



Total CPD Hours: 1

[BOOK NOW](#)

In Case you Missed it: January Tech Talk: The Importance of Client Communication for Bookkeepers with BOMA

COVID-19 has massively impacted clients' expectations of their advisors. Discover what these changes mean for you and how you can respond and ensure you build and maintain excellent relationships with your clients. We'll also look at the BOMA marketing platform which specialises in digital marketing for accountants and bookkeepers. This Tech Talk gives good food for thought and some simple steps you can take right now to strengthen communication with existing and prospective clients.

WATCH NOW

AAT Australia Bookkeepers Support Group

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

What is Going on in the Industry?

Mybusiness Talks with Beyond Blue

Beyond Blue CEO talks about mental health in the workplace with tips to help you cope.

[Listen here](#)

Accountants Daily Insider – Deb Anderson

Debra Anderson from the Tax Practitioners Board takes a closer look at 2020 and what's in store for accounting practitioners for 2021. A good conversation with factors to consider for all tax practitioners, especially those clients who have asked difficult questions during COVID-19.

[Listen here](#)

Accountants Daily Insider – Liette Calleja

Another great conversation with Liette Calleja talking about professional relationships and the importance of bookkeepers and accountants working together, as well as her Chief Accounting Technician role with AAT and issues for practitioners to be aware of this year.

[Listen here](#)

MYOB Small Business Boot Camp

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

Check it out [here](#)

Xero Australia Roadshow 2021

Book now for the [Xero digital roadshow](#), 23, 24 and 26 February 11:00am AEDT. There are sessions that cater separately for accountants and BAS agents.

ATO Tax Professionals Conversations Webcasts

Thursday 22 April 2021, 2.00pm AEDT

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

ATO Open Forums

Upcoming ATO Open Forums are now being offered online.

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

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

ATO Tax inVoice Podcast

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

ATO TV

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

TPB Webinars

Upcoming Tax Practitioners Board free webinars for registered agents.

- Wednesday 17 March 10:00am AEDT – The TASA review – What it means for you.
- Wednesday 17 March 1:00pm AEDT – Know your obligations (for newly registered tax practitioners).
- Wednesday 17 March 3:00pm AEDT – Keep up to date with your ongoing obligations.

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

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

Feedback

- Saturday 6 March 10:00pm AEDT to Sunday 7 March 10:00am AEDT
- Friday 12 March 11:30pm AEDT to Monday 15 March 7:00am AEDT

[ATO - Upcoming Scheduled Maintenance](#)

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](#)